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EXCHANGE RELATIONSHIPS IN CONSUMER MARKETS?

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September 1997

ABSTRACT: Since the mid-1960s, the marketing management school has dominated research in marketing. For them, exchanges are *exchange transactions*. In the late 70's and early 80's, the IMP group and the Nordic School of Services were the first to challenge this paradigm. A common denominator of these two schools of thought is that they analyzed *exchange relationships*. They claim that the identified "anomalies" cannot be assimilated into the current marketing paradigm. These authors suggest different solutions: Some, recommend a "paradigmatic shift in marketing", from transaction marketing towards relationship marketing. Others propose building categories in which both types of exchanges co-exist, but where each type of exchange is restricted to a particular product/services category, to specific types of markets or to certain characteristics assumed to be intrinsically related to either of them.

This paper argues that exchange transactions and exchange relationships remain different types of exchanges based on different exchange paradigms. The paper will first list the Interaction and Network Approach's assumptions, next, it will analyze and reformulate these assumptions and finally suggest that I&NA can be applied to consumer markets, showing that both transaction and relationship exchanges may coexist in all markets regardless of the product-service sold or customer served.

Marketing - Exchange Paradigms – Consumer Markets – Relationship Marketing

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## EXCHANGE RELATIONSHIPS IN CONSUMER MARKETS?

*Some of the actors will interact all of the time.*

*All of the actors will interact some of the time.*

*But, not all actors will interact all of the time.*

### INTRODUCTION

Marketing is about understanding, creating, and managing exchange situations between economic parties: manufacturers, service providers, various channel members, and end consumers. Exchange situations can be of a transaction, relationship or hybrid type (Pels, 1997).

Since the mid-1960s, the marketing management school has dominated research in marketing. Kotler's (1996) classic textbook on marketing management can be used as an example of this school of thought. For them, exchanges are basically *exchange transactions* and the marketing mix approach is the predominant model.

In the late 70's and early 80's, the IMP group (e.g., Hakansson, 1982, Turnbull and Valla, 1986) and the Nordic School of Services<sup>1</sup> (e.g., Grönroos and Gummesson, 1985) were the first to challenge this paradigm. A common denominator of these two schools of thought is that they analyzed *exchange relationships*. They differ, though, on the subject they study: the IMP is centered on understanding how to manage partnerships and networks in industrial businesses, while the Nordic School of Services tries to understand how to manage and market services .

During the 90's most of the authors of both these schools reached the conclusion that the 4 P's model<sup>2</sup> was inadequate, that some kind of "post - marketing mix" was needed. They claim that the identified "anomalies" (Kuhn, 1970) cannot be assimilated into the current marketing paradigm. These authors suggest different solutions:

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1. as well as the work conducted by Berry, Lynn, Shostack and Upah in 1983.
  2. including topics such as: Customer Services, Customer Satisfaction, Customer Retention Programs, etc.

- Some, such as Gummesson (1995), recommend a "paradigmatic shift in marketing", from transaction marketing towards relationship marketing. He suggests, in other words, to move the domain of marketing from exchange transactions to exchange relationships.
- Others propose building categories (Grönroos, 1991, Glynn and Lehtinen, 1995, and most of the early IMP literature) in which both types of exchanges co-exist, but where each type of exchange is restricted to: a particular product/services category (*consumer goods vs. industrial goods vs. services*), specific types of markets (*individual consumers vs. business or organizational customers*) or to certain characteristics assumed to be intrinsically related to each type of exchange (*level of atomization of the demand, frequency of exchange, etc.*). These articles usually end up suggesting a clear classification of: products, markets, exchange paradigms and marketing paradigms or theories. At one extreme, there is the end-user-consumer-goods market with the marketing mix approach based on a discrete-transaction exchange. At the other end, there is the distribution channel, service, and business to business market with the relationship/interaction-network approach based on a relationship exchange.

Both the shift and categorization approaches are correct to the extent that the *marketing mix model* is too limited to deal with all type of exchanges. Moreover, the latter can lead to market myopia. Nevertheless, this paper suggests that, both the shift and the categorization positions, though easy to understand and apply, do not allow firms to grasp and manage the complex reality they face today.

*The paradigm shift* approach mentioned above is based on Kuhn's (1970) second proposition. According to Kuhn a new paradigm emerges when it offers a better explanation of the phenomena under investigation. Indeed, Gummesson's definition of relationship marketing includes exchange transactions. This paper argues that exchange transactions and exchange relationships remain different types of exchanges based on different exchange paradigms (Pels, 1997). It is in this sense that the paper disagrees with the idea of a paradigm shift. Furthermore, this paper argues that in a complex context, such as the one faced at the end of this millennium, any solution based on an overall-unique model runs the risk of myopia.

The *categorization approaches* (figure 1) are valuable in so far that they recognize structural differences between exchange transaction and exchange relationship. However, the classification scheme must meet certain criteria to be truly robust (Hunt, 1976 and Brown and Fern, 1984). This paper questions the foundations of these classifications.

**Figure 1: Classification of paradigms**

	Cons. Goods	Ind. Goods	Services
individuals	MARKETING MIX (cons.mktg.) (ind. mktg.)		NORDIC SCHOOL OF SERVICES (**)
organizations	CHANNEL MGNT.	I&NA (*)	

(\*) IMP group, (\*\*) as well as Berry et al.

- Liljander and Strandvik's (1995) bring together the work of the Nordic School of Services and the IMP group. Their work, together with that of others (e.g.: Brown, and Fern 1984), proves that the exchange paradigms are not strictly related to the *type of product / service sold*.
- The question yet to be addressed is whether exchange paradigms (and thus, marketing paradigms) are related to a *specific type of market*.

In particular, I will discuss the validity of classifying, transaction and relationship exchanges (and marketing theories) according to whether the selling firm is operating in consumer or industrial markets. I chose the work of the IMP group because both exchange relationships and business markets<sup>3</sup> are central to the work of these scholars. Moreover, the IMP conditions the application of exchange relationships to certain assumptions on the market place.

In the same manner as Liljander and Strandvik (1995) apply the IMP findings, on relationships, to consumer services, this paper aims at understanding if the work of the IMP can be applied to end-user consumer markets (figure 2). The paper will first list I&NA's<sup>4</sup> assumptions, next, it will analyze and reformulate these assumptions and finally suggest that I&NA can be applied to consumer markets, showing that both transaction and relationship exchanges may coexist in all markets regardless of the product-service sold or customer served.

**Figure 2: re-classification of paradigms**

	Cons. Goods	Ind. Goods	Services
individuals	MARKETING MIX (cons.mktg.) ← (ind. mktg.)		NORDIC SCHOOL OF SERVICES
organizations	CHANNEL MGNT.	I&NA (*)	(**) OF SERVICES

\*) IMP group, (\*\*) as well as Berry et al.

3. though end consumers are not explicitly ruled out (and in some cases they are expressly included) it is clearly centred on B to B marketing.

4. interaction and network approach (hereinafter: I&NA) to be associated to the concept of exchange relationships.

The paper agrees with the suggestion by Liljander and Strandvik (1995) that the nature of relationships (and exchange paradigms in general) is determined by the commitment of both actors and by the bonds that exist between them. It follows that managers need to understand the level of interaction that customers desire in each exchange situation in order to define the applicable marketing model.

## **THE ASSUMPTIONS OF THE INTERACTION AND NETWORK APPROACH**

The IMP literature can be organized into two groups. The first includes, works about the IMP assumptions. These concern when I&NA can be applied, that is, under what conditions exchanges are more likely to be of a relationship nature. The second group includes, works centered on the implications of those assumptions, that is: the mechanisms, issues, problems and peculiarities through which such relationships arise and are managed. this paper will concentrate on the first theme: the assumptions considered in I&NA.

In the late 70's and early 80's one of I&NA's<sup>5</sup>, strongest argument against the marketing management approach was that it had developed for (and from) consumer goods and that consequently the model implied strong assumptions about the marketplace. Some of these premises are: that the demand is atomistic; that buyers and sellers are independent actors; and that the exchange situation is seen as a series of independent and discrete transactions, with sellers as the active actors in the exchange process. Under this view, buyers respond to stimuli produced by the marketing mix signals of firms that provide competitive alternatives. (Möller and Wilson, 1995, Hakansson, 1982).

The IMP authors felt that these characteristics didn't fit the business markets they were analyzing. For them, the marketplace is limited by the number of actors (Hakansson, 1982). Both actors are active parties and actors develop long-term relationships (Hakansson, 1982). These relationships

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<sup>5</sup> As well as the Nordic School of Services' and the service literature at large ( Berry, etc ...).

are embedded in broader networks (Hakansson and Snehota, 1995). In Hakansson and Shenota's (1990) words, "The propositions of the network model refer to situations and cases in which the environment of the organizations is of a concentrated and structured kind... As a result of an organization's interactions and exchange processes with any of these, relationships develop that link the resources and activities of one party with those of another. The relationships are generally continuous over time, rather than being composed of discrete transactions".

Before going any further it is important to understand why the IMP literature omitted analyzing whether I&NA could also be applied to consumer markets. Some justification for this omission may be found in the professional priorities of the earlier proponents of this approach. The first academic works (e.g. Hakansson, 1982, Turnbull and Valla, 1986, Ford, 1990) dealt with its theoretical development and with the empirical foundation for industrial and B to B cases. As a result, I&NA emerged as a new framework for the understanding of the business market phenomena.

However, there are also theoretical reasons for this focus towards industrial or business markets. It is on these that the paper will center its attention. As indicated, the main assumptions of the IMP's work were that I&NA:

- 1- can only be applied to companies, as opposed to individual buyers.
- 2- both actors need to be active parties, instead of an active seller and a passive buyer.
- 3- the number of actors has to be limited, and it doesn't apply to atomistic markets.

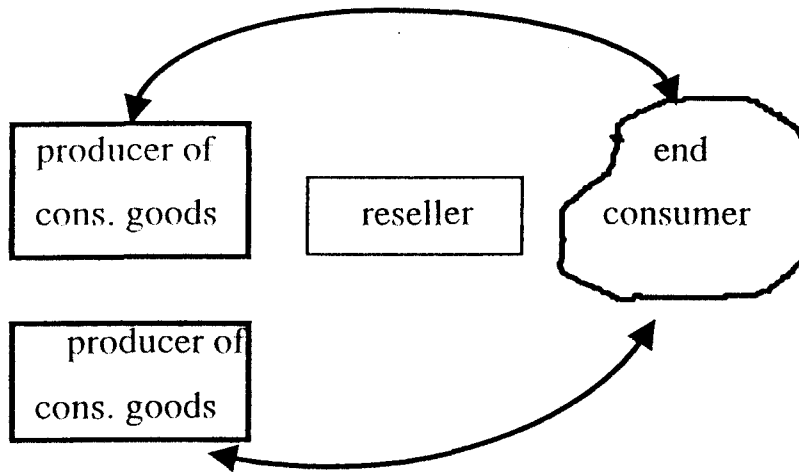
As each assumption is examined it will become clear that the reasons for reformulating them derive from different origins:

- *the distance between the exchanging actors*: the marketing management school deals with producers of consumer goods trying to understand end-user markets which normally buy from third parties (figure 3). I&NA, on the other hand, deals with direct customers and uses a dyadic approach (figure 4). The producers of consumer goods were simply too far away from the end user of these goods for the firms to understand and manage exchanges with

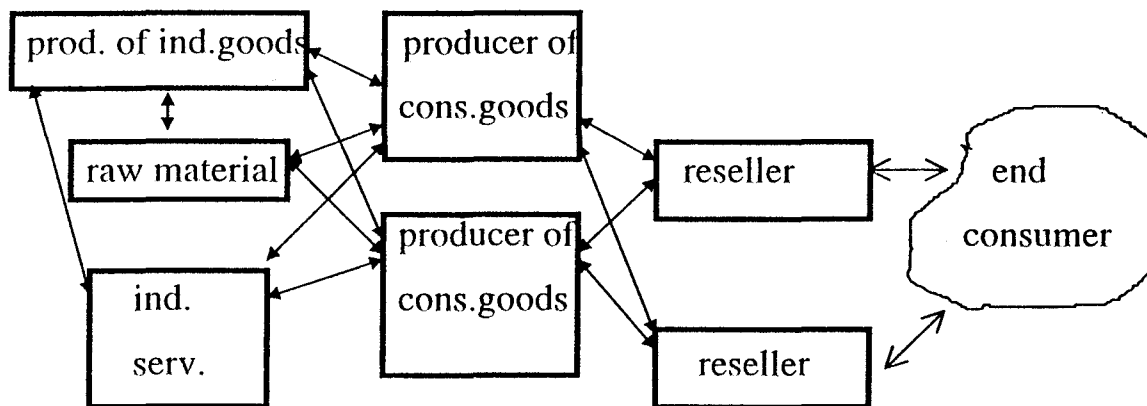


marketing tools other than the traditional segmentation, positioning and the mix approach. On the other hand, producers of industrial goods and services were too close to their customers and thus were unable to find the traditional tools useful.

**Figure 3: Marketing Mix Approach**



**Figure 4: Network Approach**



- *the evolution and changes occurring in the environment:* Norman and Ramirez (1987) suggest that changes occurring in the world of business (WOB) will impact and induce changes in the world of management (WOM). Some of the changes this article wants to

point out are: the new information technology (IT), internet, the developing role of resellers , the new service dimension of the offer propositions, the fragmentation of mass markets, and increasing global competition.

- *the actor's exchange paradigm*: as stated in the previous paragraph, the context always affects the actors' behavior. Consequently the value perception sought and offered evolve with the changing environment. However, the way the context is describes is theory dependent (Möller and Wilson, 1995). In other words, some actors seem to face exchanges with an adversarial-short-term-independent approach, while others have a more co-operative-long-term perspective. The dialectic dependence between context and the interpretation of the context, together with the actor's value perception influences the actor's choice of exchange paradigm (Pels, 1997). I&NA literature (e.g., Ford, 1990) describes active actors, yet its explanations of the actor's engagement in the interaction lay exclusively on external elements, such as, the structure of the market, the product's complex technology, etc.

## **A REVISION OF I&NA'S ASSUMPTIONS**

This section will review I&NA's main theoretical assumptions and make a case for applying I&NA in some exchanges in consumer markets.

### **Assumption about actors: individuals Vs organizations**

This assumption is about the actors studied by the authors of the interaction and network approach. As mentioned in the introduction, this approach was developed as an alternative model to the traditional approach of consumer marketing mix where actors are individuals.

Initially, the use of I&NA was limited to explaining markets where the products sold were industrial goods and the interacting parties were firms (Hakansson, 1982). While several publications (e.g. Ford, 1990) tended to abandon the "industrial goods" dependency and move to a wider area of application, the core idea remained that the focus actors had to be organizations. In Thorelli's (1986) words "The term network in this article refers to two or more organizations

involved in long-term relationships", and again as Möller and Wilson (1995) say "The term networks refers to exchange relationships between multiple firms that are interacting with each other". Yet, if we change the word *organization* or *firm* is for the generic term *actors* we introduce no major modification. Actors, as defined by Hakansson (1987) "can be individuals, a group of persons, a division within a company, a company, or a group of companies constituting a coalition". It is important to notice that Hakansson refers to individuals within an organization.

Dwyer, Schurr and Oh (1987) take a different position. They state "Arndt correctly emphasized the prominence of exchange relationships in industrial and institutional markets, but the notion of relationship management may also apply to consumer markets"; and later on "we attempt to offer a model that has sufficient generality to cover both inter-firm and consumer relationships". Grönroos (1996) also stresses the importance of developing "trustworthy relationships with customers, supplier, distributors, etc."

The questions to be addressed are: why should organizations be the exclusive actors of exchange relationships? Why consider the exchange situations where the actors are individuals only as exchange transactions?

To answer them, it is necessary to analyze three types of dyads:

- *The producer-consumer dyads (when the reseller exists)*. In this case, the distance between actors is maximum, normally the producer sees the consumers as belonging to a market segment (or microsegment) and tries to increase brand loyalty. Berry and Parasuraman (1991, 1993) amongst others<sup>6</sup> would include this type of exchange within the realm of relationship marketing. Yet, many authors of the Nordic School of Services and of the IMP would argue that, in terms of evaluating the nature of relationships, brand royalty and commitment to a relationship<sup>7</sup> are different concepts. This paper agrees with Webster (1994) in so far that "differentiation creates preferences and preferences leads to repeated transactions... however,

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6. McKenna, 1991, Sheth and Parvatiyar, 1995, Gruen and Ferguson, 1996, Shoemaker and Bowen, 1996, Hess, 1996, Moriaty, Gronstedt and Duncan, 1996, Cumby and Barnes, 1996.

we do not characterize a series of transactions as a relationship ... most consumer goods customers do not know the marketer. You can't have a relationship with some one you don't know". Nevertheless, some consumers' exchange paradigm might lead them to wish to establish a direct relationship with a supplier. It's in these cases that the producer should use all the new technologies (IT, internet, etc.) which enhance this type of exchanges.

- *The producer-reseller dyads*, occupy most of the I&NA and channel relationship literature. Webster (1994) has an interesting remark: "even in long-term buyer-seller relationships some were essentially adversaries, managed by the transaction-oriented rules of the competitive market". Also Jackson (1985) reports a case in which an industrial buyer wants to establish relationships and the potential counterpart doesn't. Anderson and Narus (1991), propose a framework in six stage to differentiate between customers with whom to build relationships from those with whom a firm should have a more distant interaction. These counter examples help understand that I&NA is not a function of the type of actor, but of the actors' perception, attitude (Webster, 1994) and exchange paradigm (Pels, 1997).
- *The reseller-consumer or producer-consumer (when reseller doesn't exist) dyad*. In these cases direct contact between actors is also possible. Webster (1994) gives many examples of consumer markets where the "relationship is characterized by a strong connection, that is ongoing and has multiple dimensions, ... implies a degree of interdependence and trust, ... entails mutual expectations and obligations, ... and are of sufficient duration to be referred to as *long-term* relationships". Dwyer, Schurr & Oh, (1987) conclude that "both business and consumer marketing benefit from attention to conditions that foster relational bonds leading to reliable repeat business". Cumby and Barnes (1996), warn that "the probability of a relationship evolving from a series of transactions depends on the customer's view of the interaction". Garbarino and Johnson (1996) give evidence that both, long term relationships and transaction exchanges may coexist in a consumer service setting. Liljander and Strandvik (1995) analyze how the aspects that characterize an industrial relationship apply to a relationship between a service provider and an end-user customer. They also present an interesting classification of different type of relationship dyads based on the level of

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7. It is important to remember that, most IMP interaction models have a common set of constructs: commitment, trust, co-operation, mutuality, investments, interdependence, power imbalance, performance satisfaction, comparison level of alternatives, adaptation, shared technology and bonds.

commitment of the two parties (service firm and end customer). Sheth and Parvatiyar (1995) state that "it is estimated that as often as 90 percent of the time, consumers go to the same supermarket or the same shopping mall to purchase products and services". A first conclusion of these quotes is that, when the distance between actors is shorter, relationships are likely to develop. A second point is that not all consumers want to get involved in relationships, finally, consumers may be interested in developing relationships with some actors and not with others.

The discussion of this assumption shows that in all three dyads relationships may or may not develop, quite independently of the type of actors involved.

### **The actors' attitude-behavior assumption: passive Vs active**

I&NA assumes that both actors need to be active parties (Hakansson, 1982) instead of an active seller and a passive buyer, as described in the traditional marketing literature. Möller and Wilson (1995), describe "consumer markets as dominantly passive mainly responding to the one-side marketing mix signals of selling firms ... where individual consumers, having multiple alternatives, have no need or desire to interact", and as Ford (1990) says "in *contrast* ... for companies ... the process is not one of action and reaction. It is one of *interaction*".

This article would like to question the statement that active actors are strictly related to business environments. There are two emerging elements that lead to believe that interaction may develop further in consumer markets.

- the first element is related to the end user's attitude and behavior. For example, Sheth and Parvatiyar's (1995) article on why consumers engage in relational market behavior concludes that relationships, in consumer markets, go beyond repeat purchase behavior. Garbarino and Johnson's (1996) study on relational subscribers vs. transactional non-subscribers of a repertory theatre company in US, have revealed that buyers seek both exchange transactions and exchange relationships. These works allows to conclude that some end users do want to take an active role.
- the second element concerns changes in technology which now allow firms to respond to the various requests from consumers. As Regis McKenna (1991) states, "in a world of mass

manufacturing, the counterpart was mass marketing. In a world of flexible manufacturing, the counterpart is flexible marketing” and he believes that there is a new marketing which has as its main objective to “create and sustain a relationship between the company and the customer”. At the same time, through IT, companies can create a feedback loop: a dialogue between sellers and buyers.

In the past, on the one hand, firms did not have the tools to manage numerous interactive actors, and on the other hand, consumers were passive because they had no way of expressing themselves. Now, consumers can choose whether to interact or not. Thus, it can be assumed that the desire to interact is not restricted to business actors. Hence, the point no longer is whether interaction may occur between firms and consumers, but rather, understanding the different levels of interactions that actors may desire.

### **The market structure assumption: fragmented Vs concentrated**

This assumption deals with the prejudice that relationships develop mainly in concentrated context. This paragraph will question the idea that exchange relationships and interaction are the result of a limited number of alternatives, and suggest that exchange relationships are no longer restricted to particular market structures. This leads to the following questions: should I&NA be applied to consumer markets? Which are its benefits? Which are the risks undertaken by stopping short of the last dyad?

With regards to the first point Hakansson (1982) says that “The extent of buyer or seller concentration determines the number of alternatives available to any firm. This has a clear bearing on the pressure to interact with a certain counterpart within the market”. It is undeniable that if an actor operates in a concentrated environment it will be conditioned by its counterparts. However, as shown in the discussion of the previous assumption, the desire or interest in developing a relationship is linked rather to the actors’ attitude or exchange paradigm than to the number of alternatives. Besides, if instead of studying the market structure from the producers point of view, the focus of analysis becomes all the single dyads along the network, it is possible that the analyst will find a higher number of actors willing to develop exchange relationships .

In order to answer the proposed questions we must look deeper into the concepts of network and networking.

- “**Network** thinking represents the most novel conceptualization about the nature of industrial markets and industries. ... The network perspective provides an alternative and competing view to the economic-based theories of markets and industry organization.... That is, the network approach is a shaping alternative theory of the context in which exchange relationships are initiated and consummated” (Möller and Wilson, 1995).
- “**Networking** means establishing one’s position in the net ... A focal firm’s position in a network can be examined by analyzing its relationships to other actors” (Möller and Wilson, 1995). It is through relationships, that actors (firms and/or consumers (Dwyer, Schurr and Oh, 1987)) carry out activities (transformation acts, transaction acts, activity cycles (Hakansson, 1987)) and seek to control resources (anything that actors explicitly value (Anderson and Narus, 1998)). This interdependency allows the firm to develop distinct capabilities that condition its overall performance (Hakansson and Snehota, 1989).

Therefore, when thinking in network terms one needs to relate to new ways of analyzing actors and their environments. We need, a different understanding of markets. There are multiple definitions of the term network. This paper does not seek to identify an overall comprehensive definition. Each different definition has focused on a peculiar aspect of networks. Managers and academics must understand which definition, model, theory or approach will help them to understand better the exchange situation they are analyzing. The aim of this paper is to add one more perspective, that is, consider stretching the network out to the last dyad.

The concepts of network horizon (Anderson and Narus, 1998), of network spaces Spencer and Vallá, 1989) and of ample boundary network (Krapfel and Pels, 1991), all denote how extended an actor’s view of the network should be. It is important to notice that all of the latter limit their analysis to industrial actors! Yet, an organization’s performance is conditioned by the totality of the network (Hakansson and Snehota, 1989). It is therefore critical to avoid network myopia. It follows that in order to have a complete view of the network in which the firm is operating, the last dyad should be included in the network analysis.

This brings up the subject of store royalty. Though a in-depth analysis of the role of store loyalty exceeds the scope of this work, it is important to state that the concept of store royalty points towards the network strength, of the channel member's position, with regards to the end consumer.

Moreover, it is important to consider the changes occurring in terms of the offer proposition. Because the limits between products and services become blurred and the role of adding value gets distributed amongst the various actors in a "value constellation" Norman and Ramirez (1994), including the reseller-consumer dyad into the network analysis becomes critical. In other words, all the single dyads along the whole network become part of the final offer.

It can be concluded that the network analysis is not about concentrated markets but a novel manner of understanding the context. Therefore the network approach must be extended to the last dyad whenever actors are willing to engage in a relational exchange. Reshuffling Thorelli's (1985) words networks are not tight or loose<sup>8</sup>, but rather the different parts of the network will be tighter or looser.

## CONCLUSIONS

As each assumption was examined it became clear that the reasons for invalidating them derived from different origins. In some occasions, the cause is the suggested change in focus from the producer-consumer to the various seller-buyer dyads that occur along the network. In others, environmental changes have occurred which require reconsideration of the earlier arguments. Finally, arguments are also drawn from other theories and schools of thought outside the IMP group.

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8. depending on the quantity (number), quality (intensity) and type (closeness to the core activity of the parties involved) of interaction between the position or member.



The article would like to suggest a review of the list of assumptions, stated in the introduction, for the application of the I&NA:

- it was said that I&NA could only be applied to companies, as opposed to individual buyers. It has been proven that actor can be both individuals and /or companies. It has been discussed that long term relationships with consumers may develop, but are the result of the interacting parties' choice.
- it was stated that both actors need to be active parties instead of an active seller and a passive buyer. It has been established that probably the passiveness of consumers was more related to the lack of possibility to interact than to a natural desire to be passive. It was also declared that not all actors always desire to interact with all their counterparts.
- it was declared that the number of actors had to be limited and didn't apply to atomistic markets. It has been explained that it is fundamental for the firm to seek to include consumers in their network analysis in order to avoid network myopia. However, the sections of the network might be tighter, looser and even overlapping.

The paper shows that from a theoretical point of view the interaction and network approach can be applied to both business and consumer markets.

## **SUGGESTIONS FOR FUTURE RESEARCH**

This conclusion brings up a new series of questions, not only in the area of understanding but also in the field of creating and managing exchange situations at large.

As Jan Johanson once stated "Much of what is fascinating in research are the new questions which pop during the work and often obscure the original questions and their answers. It is seldom the answers which are interesting, but better and more precise questions"

*First, does marketing need a new paradigm?*

The paper is trying to show that the market place is a complex environment. Academics and managers in marketing should not be discussing whether marketing is about exchange

transactions or exchange relationships. Marketing is about both. The challenge of the future will be to understand that in the same product/service industry, firms will be competing using different conceptual paradigms. Consequently, it will be necessary to analyze the alternative exchange situations from various points of view in order to understand and manage them successfully. Of course, firms operating in very extreme situations, will have less of a choice in terms of what paradigm they believe will produce better results. In other words, where a firm finds itself in the transaction/relationship continuum is more the result of the actors' exchange paradigm and the environment and less the result of the product-service typology sold or customer served.

*Second, how to manage consumers markets from an Interaction and Network Approach?*

By suggesting to move the focus of attention from the producer-consumer to the seller-buyer dyads along the whole "value constellation", the question arises of how to manage such a network or series of overlapping networks. It is clear that dealing with such "large" networks seems almost an impossible task to carry out. Let's remember that the first articles that discussed networks instead of dyads also had the feeling of an overwhelming task and many papers closed with a large section on future research topics. The challenge, at that time, was to bring together marketing theory, the theory of industrial organization, social exchange theory and organizational theory.

Now, the game needs to be opened further. As Möller and Wilson (1995) point out "It is easy to recognize that a pluralistic approach is needed for achieving a comprehensive understanding of relational exchange behavior. The economic perspective cannot penetrate the social aspects of exchange; the resource dependency theory does not explain the cognitive aspects of organizational learning; the social exchange theory does not cover the market and transaction-specific factors addressed by transaction-cost economics. Each approach provides a partial view of the phenomenon".

Some questions that still need answers are: Is the environmental context objectively structured as markets, networks and hierarchies or, do the actors' perception and attitude define it subjectively?

Are markets really markets in the traditional economic sense of the word? Haven't IT, the service dimension of the offer and the developing role of resellers changed the market place in such a way that, in some fields, today we have something that looks much more like a series of overlapping networks? How can producers use the I&NA to reach consumers in a more competitive manner? From a producers point of view, are consumers potential direct actors or indirect actors?

*Third, how are relationships defined in consumer markets?*

The article stumbled into this subject that today finds authors in different positions. Interaction involves bilateral sets of costs and benefits (Dwyer, Schurr and Oh, 1987) and not all consumers are willing to invest in close relationships. Strandvik and Liljander (1994) state that a relationship is as strong as perceived by the customer. Webster (1992), Sheth and Paratiyar (1995) and Bagozzi (1995) try to understand the factors that lead consumers to seek out and value on going relationships with brands, manufacturers and resellers of various kinds. Grönroos (1996) and Berry and Parasuraman, (1991) define relationships differently. In many cases the distinction between what is considered a relationship depends on whether the author is considering behavioral or attitudinal aspects.

With regards to this point some questions are: now that it is possible to database-direct mail consumers, does it mean that all consumers desire to establish relationships with their supplier? Isn't this technology-allows-me-to-do approach totally production oriented? What role do the new technological advances play in developing interaction? Why do/would consumers establish relationships with suppliers? Why is junk mail called junk mail? Are relationships a matter of attitude? Should relationship variables be inter-linked with the classical 4 P's? If so, how? What level of interaction is required in order to consider a particular exchange situation a transaction or the beginning of a relationship? Should attitudinal or behavioral aspects define what is to be considered a relationship?

Some of these questions are starting to be addressed (e.g. Liljander and Strandvik, 1995, Sheth and Parvatiyar, 1995, Webster, 1994, Garbarino and Johnson, 1996, Bagozzi, 1995), but on the

whole it can be said that both from a theoretical and empirical point of view consumer marketing is the blind spot of the interaction and network approach.

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