

# SME marketing networking: a strategic approach

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- *A strategic approach to how small and medium sized enterprises (SMEs) use their marketing networks during a time of change in their operating context is the focus of this article. SME networking is analysed using the structural, relational and usage dimensions associated with network frameworks.*
- *Specifically, the paper examines marketing network processes (MNPs) that are investigated through the use of network behaviour for SME management. The development of a thematic approach in viewing a network as a strategic analytical construct allowed these MNPs to be studied in relation to the specific theme chosen and how they do their strategic marketing.*
- *The research in this paper focused on the use of SME network activities in relation to strategic marketing, to gain an in-depth understanding of the nature and role of strategic marketing networks in SMEs during a time of environmental change.*

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## Introduction

A study of how small and medium sized enterprises (SMEs) use their strategic marketing networks to do business was undertaken during a time of unprecedented change within the food sector. The entry of the UK multiples such as Tesco, Sainsburys and Safeway into the Northern Ireland grocery market in the late 1990s and early 2000 resulted in many changes for food distribution channels. During this time the changes effected were dramatic and far-reaching, resulting in ever-increasing competition for the SMEs working with grocery distribution channels. Before this period, business activities existed in a relatively friendly co-operation between long-

standing channel members of suppliers and distributors. Most of the existing players knew their position within the market and for the most part, operated within accepted customs and practices.

The entry of the big UK multiples changed the marketing infrastructure dramatically. Almost overnight suppliers and distributors had no market. They had to learn to deal with new, large and apparently ruthless customers. These multiples also threatened established niche retail marketing by upsetting long-standing local supplier arrangements. It is within this

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context of sudden and dramatic strategic change that this study was undertaken.

The research involved 12 SMEs operating within this channel and consisted of local manufacturers, channel intermediaries, wholesalers and independent retailers. The distribution channel provided the context for understanding how each firm dealt with the changes in the market. This research focused on how these SMEs addressed these strategic changes through the use of their marketing network processes (MNPs).

Networking has received considerable attention in the literature (Curran *et al.*, 1993; Jarillo and Ricart, 1987; Yanagida, 1992; Gilmore and Carson, 1999; O'Donnell *et al.*, 2001). Despite interest in networks and networking activities, a certain amount of confusion exists regarding what networks are and how they operate (Charan, 1991). Most research to date has not explored the concept of marketing networks and marketing networking in any depth (Blackburn *et al.*, 1990). This has resulted in a lack of recognized conceptual frameworks to help understand the nature and role of networks.

### ***Networking in SMEs***

From the literature, there is clear evidence that SMEs actively network (Bryson *et al.*, 1993; Johannisson, 1986; Pache, 1990; Szarka, 1990). Research has shown how SMEs network in a general context (MacMillan and Farmer, 1979; Pitt *et al.*, 1990), or in an entrepreneurial context (Aldrich and Zimmer, 1986; Birley, 1985; Johannisson and Nilsson, 1989). Examining personal and SME networks is problematic in terms of method (Pitt *et al.*, 1990). The challenge for a better understanding of important interaction patterns between an owner-manager and his/her network

members calls for network concept development and for researchers to formulate theories which will enable the dynamic properties of networks to be dealt with effectively (Cook, 1977). A greater understanding of networks in SMEs will only be achieved by examining the content of its links and not simply counting how many links it has (Blackburn *et al.*, 1990).

In conceptual terms, this study focuses on the bounded social network of a single person (Noble, 1973), that is, the SME owner-manager. It has been difficult to develop models of networks in SMEs because these bounded individual networks are strongly influenced by the personality of the key players (Birley *et al.*, 1991). This network activity is important for SME owner-managers due to the resource constraints and limitations they experience (Deakins, 1991; Johannisson, 1990), plus the need to utilize their limited resources to compete more effectively and strategically (Falemo, 1989; Welsch and Young, 1983).

Marketing networking in SMEs is defined as the network processes that are undertaken by SME owner-managers in managing their marketing activities. The research challenge is to address the gaps in network theory regarding the marketing networks of SMEs and to determine how they actually influence their activities, especially in the context of the dramatic strategic change in their marketplace. This study borrows from the extensive relationship marketing literature (for example, Anderson *et al.*, 1994; Dodge and Fullerton, 1997; Hakansson and Snehota, 1995; Polonsky *et al.*, 1999).

### ***A network as an analytical construct***

A key aspect of understanding SME marketing networks is in defining a network as an analytical construct (Blackburn *et al.*, 1990). This concept uses a research design for studying network processes using a particular theme, in this case a marketing theme or context (Carson *et al.*, 1995; Hakansson and Snehota, 1995). Adapting a thematic approach means that an SME network is developed or 'constructed' by analysing only the linkages which

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relate to marketing activities and allows SME networks to be studied within a marketing context (Carson *et al.*, 1995). Thus the network for an SME can be constructed and the limits clearly determined by those involved in the particular activity being studied, in this case marketing activities. This eases the difficulties in trying to set meaningful limits to the scope of the SME marketing networks to be investigated (Dubini and Aldrich, 1991), and '*defines the base of the network relations to be investigated*' (Blackburn *et al.*, 1990, p. 15). In this paper, MNPs are linked to individuals rather than groups, whereby the focus is on each SME owner-manager and the individuals with whom he or she networks in relation to his or her marketing activities. In essence, a network therefore refers to an analytical construct not a social configuration in a literal sense.

The analytical construct focuses on more than just the physical nature of each network, since the concept aims to develop a better understanding of marketing network processes in SMEs. The key is not to regard network relations as structures, but '*as processes which from time to time may be dealt with as structures*' (Schatzman and Strauss, 1973, p. 6). Therefore, an SME marketing network should not only be regarded as an 'organized web' of network actors but an 'organized pattern of activities' (Hakansson and Snehota, 1995, p. 40). If a network is viewed as an analytical construct, then the focus in this research is on the marketing content of the marketing network linkages rather than merely counting how many there are.

### **MNPs**

The literature underpins the three dimensions of MNPs that have been identified, to help better understand networking in SMEs within a marketing context. First, the *structural* dimension is defined in terms of sources used (Johannisson, 1987; Mitchell, 1969), and focuses on the physical structure of each marketing network. This is a logical starting

point for understanding MNPs within SMEs in that it builds upon existing research which has examined the physical nature of SME networks addressing fundamental questions, *what* do they look like and *who* is involved in them.

Second, the *relational* dimension is defined in terms of network linkages and measured in terms of the strength of the marketing network linkages which exist (Anderson *et al.*, 1994; Jarillo and Ricart, 1987; Thorelli, 1986). Network linkages are an important element of the network structure (Johannisson, 1990; Yamagishi *et al.*, 1988). There is a need to focus on the relational nature of networks to more fully understand them (Coviello and Brodie, 1991; Kadushin, 1968), since relational linkages are the essential building blocks of a network (Anderson *et al.*, 1994; Biemans, 1990). Therefore this relational dimension of MNPs develops a better understanding of the behavioural dynamic which exists between network members and addresses the question, *how* do these marketing networks operate?

Finally, the third dimension of MNPs is the *usage* dimension that is defined in terms of how the MNPs of SMEs influence their marketing activities. So having examined both the structural and relational dimensions of MNPs, the usage dimension focuses on the outcomes or benefits as a result of owner-manager network activities. In short, this aspect of MNPs answers key questions such as, why are MNPs used in SME marketing and when are MNPs used in SME marketing? The following sections examine each MNP dimension in turn.

### ***Conceptually defining the structural dimension of MNPs***

The focus to date on analysing networks in SMEs has centred largely on describing the type of sources used. In the past, the literature has focused on distinguishing between formal business networks and informal social networks in terms of the sources they use (Birley, 1985; Tjosvold and Weicker, 1993). A recurring theme in the literature is the use of both formal and informal networks consisting of a

person's social and family context (Birley *et al.*, 1991; Shaw, 1994; Smallbone *et al.*, 1993; Szarka, 1990).

A key objective of this study was to focus on each SME, to determine the network structure and therefore understand the structural dimension of each marketing network. By examining each firm individually, this study establishes who exactly is involved in marketing activities and who SME owner-managers talk to within the firm, and outside the firm, regarding those marketing activities.

The structural dimension of each marketing network is defined in terms of structural components that are derived from the literature and defined in the literature. Each structural component is defined and described below.

**Network size** is *defined* as the actual *number* of direct contacts used by the owner-manager in each SME, to help him or her do marketing. It is *measured* by counting the number of sources used within the firm and outside to make marketing decisions or carry out marketing activities. There is some evidence that SME networks are extensive (Butler and Hansen, 1991), and that SME owner-managers do in fact spend a considerable amount of time developing and maintaining network contacts (Birley *et al.*, 1989).

**Network formality** is closely related to the concept of network diversity and is *defined* as the extent to which formal business network contacts are used in doing marketing compared to informal and social network contacts. It is therefore *measured* by counting the number of strong network contacts which an SME owner-manager has of a formal nature and social nature (Brown and Butler, 1993; Stockport, 1990; Szarka, 1990; Borch and Huse, 1993; Bryson *et al.*, 1993; Brodie *et al.*, 1997).

**Network diversity** is *defined* in terms of the *variety* of network sources used. It is *measured* by counting the number of different network sources that an SME owner-manager uses in doing marketing.

**Network density** is *defined* in terms of the *connectedness*, that is the extent to which network members are linked to each other

(Tichey and Fombrun, 1979; Cromie and Birley, 1992). As this research focuses on SMEs which operate within a marketing channel, the most meaningful measure of density that can be examined is the connectedness which exists between the firms *within* the channel (Rylander *et al.*, 1997). Therefore network density is *measured* by determining the number of other firms within the channel to which each SME owner-manager is connected.

**Network stability** is *defined* as '*... a condition in which inter-organisational relations in a bounded population remain the same over some specific time interval*' (Aldrich, 1979, p. 332). More specifically, network stability is defined as the number of network linkages within the marketing network of an SME owner-manager that have existed for a minimum length of time. Network stability is *measured* by determining how many of these linkages between an SME owner-manager and his or her network sources have existed for a certain time.

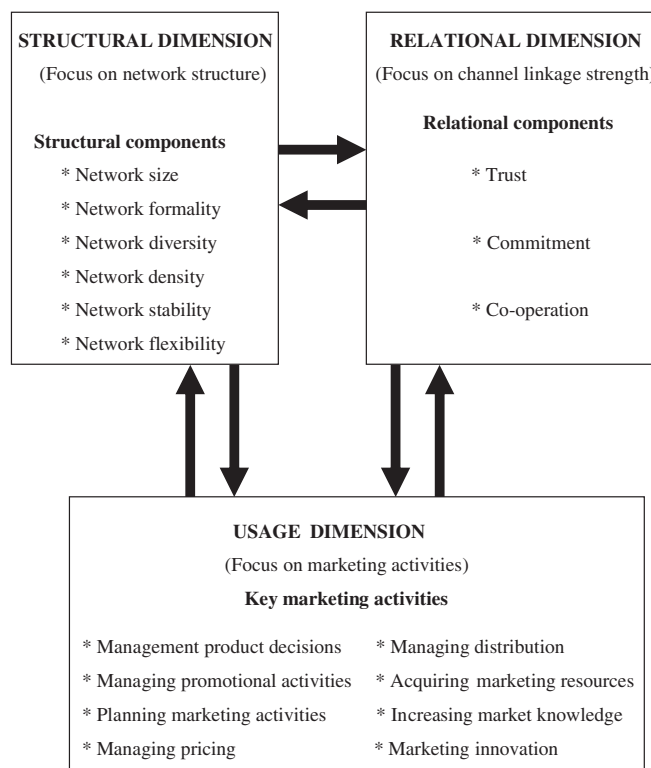
**Network flexibility** is closely related to network stability but is a distinct feature of network structure. Network flexibility is *defined* as the number of network linkages formed and the number of network linkages broken within a specific period. It is *measured* by establishing the number of new and broken linkages within a specific time period (Johanson and Mattsson, 1987).

These structural dimensions of MNPs form part of a conceptual model, shown in **Figure 1**.

### ***Conceptually defining the relational dimension of MNPs***

This section focuses on the second network dimension, namely the relational dimension, which considers the actual network *linkages* between an SME owner-manager and his or her network sources. More specifically, the relational dimension develops the concept of linkage strength by identifying from the literature, key relational components that determine the *strength* of marketing network linkages.





**Figure 1.** Marketing network processes in SMEs.

The concept of networking can be further developed by studying the network linkages which exist within the marketing network of an SME owner-manager. The literature argues that formation and subsequent success of SME networks is largely determined by the owner-manager's efforts and skills to develop co-operative goals with network members (D'Cruz and Rugman, 1994; Jarillo, 1988; Tjosvold and Weicker, 1993). This introduces a relational aspect whereby marketing networks are considered in terms of the strength of the linkages and the relational components which determine that strength, principally trust, commitment and co-operation.

The need to focus on network relationships is highlighted in the move from the traditional '4Ps' old style marketing mix view of marketing to a relational view of marketing (Coviello *et al.*, 1997). The relational dimension of network linkages is strongly argued in the literature (Carsrud *et al.*, 1987; Stern, 1979) and is based on relationships over time (Thorelli, 1986; O'Donnell *et al.*, 2001).

The network approach is a valuable means of examining this relational dimension because it shifts the focus from the SME itself, to the relationships the owner-manager has with other firms and people. This research approach therefore focuses on the strength of linkages between the SME owner-manager and his network members, since the development and maintenance of these linkages is a key SME strength (Butler and Hansen, 1991; MacMillan and Farmer, 1979; Shaw, 1993; Williams, 1985; Wilson and Stanworth, 1988). The three relational components, **trust**, **commitment** and **co-operation**, are defined in turn below and are illustrated in Figure 1.

The literature emphasizes the importance of **trust** in relation to network linkages (Aldrich *et al.*, 1989; Coulson-Thomas, 1991; Johanson and Mattsson, 1987), and the level of trust between an SME owner-manager and another firm can and will change over time (Cromie, 1990; Johannisson, 1986; Ring and Van de Ven, 1992). Trust is defined as '*a willingness to rely on an exchange partner in whom one has*

*confidence*' (Moorman *et al.*, 1993, p. 82). Trust is measured in terms of the nature of the information shared and the confidence in advice received.

Since commitment is an important component in managing networking relations (D'Cruz and Rugman, 1994), and indeed strengthening network relations (Mohr and Spekman, 1994), it is considered as a key relational component influencing the strength of marketing network linkages. **Commitment** is defined as the time and effort in maintaining network linkages. It is measured in terms of the frequency of communication between an SME owner-manager and each network member.

**Co-operation** is defined as the level of interdependence between an SME owner-manager and each marketing network member. It is measured in terms of the level of co-ordinated market activities and the level of reciprocity and mutual compatibility regarding marketing goals between an SME owner-manager and his or her linkage partners.

The relational dimension focuses on the strong network linkages that exist between the SME owner-manager and other SMEs, acknowledging the existence of strong and weak network linkages (Granovetter, 1973). It studies the strong network linkages from the viewpoint of the focal person, as each SME owner-manager, and aims to build up a clear pattern of the existing marketing network. Indeed, a strong message emerging from the literature is the long-term nature of network relationships (Borch and Huse, 1993; Dubini and Aldrich, 1991; Johnsson and Hagg, 1987; Pache, 1990). Network linkage strength, in terms of the relational components, is addressed in the description of the method and analysis.

### ***Conceptually defining the usage dimension of MNPs***

Having considered MNPs in terms of network structure, and linkage strength, the third and final dimension of MNPs to consider is the usage dimension of MNPs, focusing on SME

marketing activities. In determining the propensity for SME owner-managers to use marketing networks in doing marketing (Carson, 1993), the role of MNPs is defined in terms of the usage dimension. This study aims to clearly establish the extent to which SMEs use their networks to do marketing.

This usage dimension focuses on marketing activities in terms of how MNPs influence, or impact upon, the various marketing activities of SMEs. While there is a huge range of marketing activities that SMEs can draw upon, some key marketing activities are deemed to be most important. There is strong literature support for the following.

**Managing product decisions:** Gilmore and Carson (1999), Stokes (1995), Carson and Cromie (1989), Lazerson (1988).

**Managing promotional activity:** Hogarth-Scott (1996), Hogarth-Scott *et al.* (1996), Lancaster and Massingham (1988).

**Planning marketing activities:** Fuller (1994), Lipparini and Sobrero (1994), Keeble *et al.* (1992), Butler and Hansen (1991), Unni (1981).

**Managing pricing:** Gilmore and Carson (1999), Brodie *et al.* (1997), Dodge and Fullerton (1997), Carson and Cromie (1989).

**Managing distribution:** Rylander *et al.* (1997), Piercy and Cravens (1995), Chell and Haworth (1993), Coulson-Thomas (1991), Harding (1990).

**Acquiring marketing resources:** Johannisson and Nilsson (1989), Smeltzer and Fann (1989), Hellgren and Stjernberg (1987), Dollinger (1985).

**Increasing market knowledge:** Gilmore and Carson (1999), Yanagida (1992), Carswell (1990), Eccles and Crane (1987), Johanson and Mattsson (1987).

**Marketing innovation:** Davis and Klassen (1991), Flett (1989), Hyvarinen (1989), Jarillo (1988), Minkes (1987).

In summary, Figure 1 represents a framework to consider the key dimensions of marketing networks, namely the structural, relational and

usage dimensions. The marketing activities identified by the literature are examined to gain a better understanding of why SME owner-managers network and how network activities contribute to marketing.

### ***Empirical methodology***

The use of marketing networks is an under-developed area of research within SME marketing and there is little descriptive detail or insight. Traditional social science studies of networks have developed from a positivist standpoint, with a strong emphasis on building generalizable models of networks and testing them. In contrast, this study aimed to develop theory from an interpretivist research position, through the use of case study research collecting qualitative data to gain a better understanding and insight into how SMEs use MNPs to do marketing.

This study used case study methodology and through multiple sources of data collection, a qualitative database was built up. The composite framework in Figure 1 was developed as a conceptual model prior to data collection and proved a valuable theoretical framework in the empirical study of SME marketing networks. The empirical study focused on 12 firms working within a marketing channel: four firms were manufacturing firms; four firms were intermediary or wholesaler firms; and four firms were retail firms. Theory development was essential in this case study research to guide both the collection and analysis of data (Carson *et al.*, 2001; Yin, 1994). The data analysis process focused on the continuous interplay between the conceptual model, data and categories developed through coding. It allowed relationships between the categories to develop in producing more coherent theory (Araujo, 1995; Richards and Richards, 1995). This study was a longitudinal one that was both descriptive and explanatory in nature.

In this way the focus was on analytical generalization as opposed to statistical generalization with the emphasis on theory building (Carson *et al.*, 2001; Perry *et al.*, 1998)

through explanation building (Yin, 1994). The conceptual framework helped to build marketing theory more effectively (Bonoma, 1985; Zinkham and Hirschheim, 1992), and case study methodology is a very useful method for gaining understanding (Eisenhardt, 1989; Yin, 1981) of SME marketing networks. It provided a necessary means of fully understanding the complex patterns of ties in network analysis (Fombrun, 1982; Lincoln and Millar, 1979) and allowed the phenomenon to be examined within its real-life context (Bonoma, 1985; Yin, 1981), from a holistic viewpoint (Emory, 1976; Gummesson, 1991; Hofer and Bygrave, 1992).

The 12 cases were purposefully selected to provide rich information and allow for theoretical and literal replication using multiple case studies. Care was taken in developing the case study interview instrument and in revising it as the research progressed. Finally, a case study database was built up from the data collected during 52 in-depth interviews and the complete case study database generated over a 12-month period.

Initial in-depth interviews were used to provide a clear understanding of the SME owner-managers' positions on marketing and networking within their firms. The parameters outlined in Figure 1, identified from the literature, were justified and confirmed in the initial stages of research. At this stage the interviews undertaken had a flexible, exploratory, open-ended format known as the *interview guide approach* (Patton, 1987) in this less well-defined field of study. These findings established measurable parameters against which each of the 12 SMEs could be investigated in the main study.

The initial research study clearly showed there were strong linkages within an SME network. These findings confirmed that the

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most meaningful and manageable objective for the main research study was to clearly identify the strong linkages that exist *within* the distribution channel. The initial findings allowed measurable parameters to be identified whereby the component parts of structure, relation and usage could be used to assess network linkage strength. Strong linkages were characterized by a high level of dimensions, whereby weak linkages exhibited none of them.

### ***Empirical findings***

The findings are presented in terms of structural, relational and usage dimensions of the 12 SMEs marketing network processes in the context of a changing marketing environment. This is followed by a discussion of the interrelationships between each of these components.

#### **Structural dimension**

SME marketing networks can be regarded as extensive, with clear evidence of networking activity in relation to marketing activities. The level of formality in this research was deemed to be very high, with little or no evidence of informal and social network sources being used by SME owner-managers. For example, the marketing network of owner-managers in the distribution channel had a mean size of 45 network sources. The external marketing network of each owner-manager was largely consistent in size and included other firms within the distribution channel. Thus network sources used by the SME owner-managers were strongly industry-specific and indeed channel-specific, whereby there was a high level of strong linkages and therefore network density within the distribution channel. In addition, there was a high level of both marketing network stability and flexibility within the marketing network of each SME owner-manager. For example, within each marketing network, around two-thirds of all the marketing network linkages identified were stable linkages of two years or more. Around one-

third of all network linkages identified were flexible linkages formed or broken within the past 12 months.

So there were substantial changes in the structure of the marketing networks of the SME operating within the distribution channel during this period of change. There were changes in the size of the network in terms of existing linkages being broken and some new linkages being formed. This study found that overall, SMEs increased the size of their marketing networks. For example, all four manufacturing firms formed network linkages with at least three UK multiples in an effort to establish business with them. Several other SMEs developed new linkages with PR agencies and others formed linkages with marketing consultants to help manage their activities better. These SMEs also developed their networks by increasing use of industry- or marketing-specific business sources.

#### **Relational dimension**

Findings indicated that SME owner-managers in this research had strong marketing network linkages within the distribution channel. There was strong vertical network linkage development with a high level of co-operation clearly evident along the distribution channel between the three types of SME, manufacturing, intermediary and retailing firms. There was clear evidence of co-operation within these strong channel linkages, as one manager said, *'It's important to try and engender an atmosphere where it's a win-win situation if possible'*. There was also evidence of commitment and trust from manufacturers in managing these linkages, as illustrated by another manager that said, *'You go in with your winners (brands) and get credibility and work up your knowledge and trust and credibility with the trade and give back-up and let them know exactly what is happening'*.

These linkages connected the manufacturing firms with their customers at both an intermediary and a retailing firm level, so there was a need to strengthen these linkages in the face of an increasingly competitive marketplace.



These strengthening network linkages exhibited increasing levels of trust, commitment and co-operation. In particular, there was evidence of vertically downward relational linkages between manufacturing firms in both intermediary and retailing firms as manufacturing firms tried to deal with the increasingly competitive marketplace. However, high competitiveness between the intermediary firms did not allow strong horizontal linkages to be formed. Small retailing firms became strongly linked to each other, demonstrating trust, commitment and co-operation in achieving the common goal of effectively competing with the multiples.

### Usage dimension

The data were analysed to determine the extent to which MNPs were used to carry out each marketing activity. Research findings showed that networks were used to carry out marketing although there was a wide variation in the extent of marketing undertaken by the case firms. Some of the firms in this study were always reactive to market changes, did no marketing planning and based most activities on pricing and promotion. Thus they were non-marketing in their approach to business during this time of strategic change. A few firms in this study did some 'simple' marketing. These firms were sales driven, had an intuitive approach to doing business, did some promotional activity and a little planning in relation to some key business opportunities. However, there were some firms that illustrated a more sophisticated level of marketing. These firms were customer orientated, carried out marketing planning, category management, had an integrated programme of promotional activity and reviewed activities on a regular basis.

Managing distribution, promotional activity and product decisions were the three marketing activities identified as those being most influenced by marketing network processes. However, they were less well used for acquiring marketing resources, planning marketing activities, managing pricing, marketing innovation or for increasing market knowledge.

### Discussion

The relational dimension provides an alternative perspective on analysing and understanding the MNPs of SMEs, rather than the traditional focus on the structural dimension. However, findings clearly show that these two network dimensions cannot be considered as mutually exclusive perspectives for analysing the MNPs of SMEs. The findings from this study show that there is a distinct overlap between the structural and relational dimensions in the network activities of SMEs.

The structural components of network *stability* and *flexibility* are both closely linked to the relational concept of linkage strength. Stable networks in this study were defined and identified as those with linkages that have existed for two years or more. Strong network linkages, defined in relational terms of trust, commitment and co-operation, were identified within the distribution channel as the *same* channel network linkages identified as stable in terms of the structural dimension.

The structural findings on network *formality* show little evidence of informal social network sources. In terms of network *diversity*, SME owner-managers used strongly industry-specific and channel-specific network sources. Network *density* was high within the distribution channel. These findings demonstrate that the structural findings are consistent with relational findings establishing strong channel network linkages.

In addition, the limited *flexibility* exhibited by SME owner-managers in forming new or breaking old network linkages is consistent with network *size*, which shows no significant increase. These structural component findings are replicated by the relational findings which acknowledge that strong channel linkages have been strengthened. Figure 1 therefore reflects the relationship which exists between the structural and relational dimensions, whereby they separately provide a different perspective on examining SME marketing networks but comparing the findings obtained from each perspective strengthens the credibility of the findings.

The usage dimension is viewed as inextricably linked to both the structural and relational dimensions of MNPs for two fundamental reasons: first, findings showing the extensive use of MNPs in doing marketing confirms that there is a direct relationship between the extent of marketing in an SME and the level of marketing networking by the SME owner-manager; and second, the most stable linkages (structural dimension) which were the strongest linkages (relational dimension) are also those utilized most in making marketing decisions by SME owner-managers (usage dimension).

The extensive use of MNPs in doing marketing means that the complexities of MNP dimensions should not be viewed as *separate* entities, and this is depicted in Figure 1. The findings of this study illustrate that these three dimensions of network marketing are strongly linked and are more accurately represented as integrative.

### Conclusion

In order to gain an understanding of MNPs in SMEs during a time of strategic change, the structural dimension of MNPs was investigated to determine the structure of each SME marketing network. Also, the relational dimension of the marketing networks was analysed to identify the strong linkages that exist within the distribution channel network. Finally, the research focused on the usage dimension of MNPs to clearly show the extent to which channel MNPs influence each marketing activity.

Figure 1 illustrates the marketing network processes in SMEs within a distribution channel during a time of considerable strategic change. This strategic change served to reinforce the networking dimensions and indeed highlight the importance in maintaining and developing business in the new market structures. This figure provides a valuable conceptual framework in allowing the marketing network phenomenon in SMEs to be studied and introduces the concept of the three dimensions of MNPs. The empirical

findings, however, underpin and emphasize that a strong relationship exists between the three dimensions of MNPs in SMEs (as depicted by the linkage arrows in bold). Developing the concept of a network as an analytical construct and clearly defining the three marketing network dimensions from the literature allowed *each* dimension to be analysed separately. It also offers a framework to gain a more meaningful understanding of MNPs in SMEs in terms of their structural, relational and usage dimensions. These dimensions are clearly important to SMEs, especially in circumstances of dynamic strategic change.

The figure also represents the *dynamic* nature of MNPs, which was evident in the firms studied and which combines a rich mix of structural, relational and usage complexity. The three MNP dimensions cannot be regarded as autonomous, separate entities, because in this research they have been shown to be inextricably linked. This model could be used to develop network theory and provide a greater insight into network activities within *all* firms, not only SMEs, and to study *various* aspects of management.

In gaining a better understanding of MNPs in SMEs this study makes a contribution to the previously under-researched area of marketing networks in SMEs, and the findings are useful to academics and practitioners in considering the value and purpose of networking within SMEs in a competitive environment.

### Biographical notes

David Carson is Professor of Marketing at the University of Ulster, Northern Ireland. His research interests lie in marketing for SMEs and quality in marketing in service industries, particularly in travel and tourism. David has wide business experience both in consultancy and directorship roles and is joint editor of the *European Journal of Marketing* and Vice President of the Academy of Marketing UK. He is a Fellow of the Chartered Institute of Marketing (CIM) and a member of the CIM Academic Senate.

*Audrey Gilmore* is Professor of Services Marketing at the University of Ulster. Her teaching and research interests are in service marketing and management, SME marketing, competencies and networking. She has published in a variety of international journals on these themes. Much of her research has involved the development of qualitative methodologies for marketing studies. Audrey is joint editor of the *European Journal of Marketing* and is currently the Academy of Marketing Regional Chair for Ireland.

*Steve Rocks* is a Marketing and Sales Manager for the Kraft Corporation in Ireland. He is also an occasional lecturer in marketing for various Masters' programmes at the University of Ulster.

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