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Toward A Normative Theory of Normative Marketing Theory

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We show how different approaches to developing marketing strategies depending on the type of environment a firm faces, where environments are distinguished in terms of their systems properties not their context. Particular emphasis is given to turbulent environments in which outcomes are not a priori predictable and are not traceable to individual firm actions and we show that, in these conditions, the relevant unit of competitive response and understanding is no longer the individual firm but the network of relations comprising interdependent, interacting firms. Networks of relations are complex adaptive systems that are more 'intelligent' than the individual firms that comprise them and are capable of comprehending and responding to more complex and turbulent environments. Yet they are co-produced by the patterns of actions and interactions of the firms involved. The creation and accessing of such distributed intelligence cannot be centrally directed, as this necessarily limits it. Instead managers and firms are involved in a kind of participatory planning and adaptation process through which the network self-organises and adapts. Drawing on research in systems theory, complexity, biology and cognitive science, extensions to the resource-based theory of the firm are proposed that include how resources are linked across relations and network in a dynamic and evolutionary way. The concept of an extended firm and soft assembled strategies are introduced to describe the nature of the strategy development process. This results in a more theoretically grounded basis for understanding the nature and role of relationship and network strategies in marketing and management. We finish by considering the research implications of our analysis and the role of agent based models as a means of sensitising and informing management action.

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