

Dialectic critical realism in business marketing: dialectic customer portfolio management

Markus Vanharanta

Global Campus, University College Dublin, Dublin, Ireland, and

Phoebe Wong

School of Professional Education and Executive Development, The Hong Kong Polytechnic University, Hong Kong, China

Abstract

Purpose – This study aims to contribute to the field of customer portfolio management by proposing a novel approach rooted in dialectic critical realism (DCR). DCR, as an ontological theory, enables a fundamental reimagining of customer portfolio management as a dialectic process. The conceptualized dialectic portfolio management is motivated by the concept of “absence”, akin to Hegelian “antithesis”, which highlights limitations, problems and tensions in portfolio management. In essence, “absence” serves as a diagnostic tool that directs portfolio actions towards resolving problems by pursuing a more comprehensive “totality”, similar to the Hegelian notion of “synthesis”.

Design/methodology/approach – This conceptual paper theorizes DCR in business marketing and customer portfolio management.

Findings – DCR conceptualizes customer portfolios as relational structures characterized by omissions and tensions. These issues are addressed through a dialectic synthesis aimed at achieving a more comprehensive “totality”. Consequently, DCR guides portfolio management to continually re-think the connections and distinctions that define a portfolio within its network context. This dialectic process is facilitated by a novel vocabulary that enhances the understanding of network and portfolio relations, incorporating concepts such as “intrapereations”, “existential constitutions”, “intra-connections” and “intensive” and “extensive” portfolio practices.

Originality/value – This study aims to foster a fresh and process-oriented perspective on portfolio management, drawing inspiration from the growing demand for enriched dialectic theorizing within the realm of business marketing. The adoption of a dialectic process orientation based on DCR revolutionizes the comprehension of portfolio management by fundamentally reimagining the underlying ontological assumptions that underpin the existing body of literature on customer portfolios. Moreover, DCR asserts that ethical considerations are inextricably linked to human experiences and associated practices, emphasizing ethics as an integral component of customer portfolio management.

Keywords Ontology, Absence, Customer portfolio, Ethical practice, Dialectic critical realism

Paper type Conceptual paper

1. Introduction

Over the past four decades, there have been extensive developments in the B2B customer portfolio literature (Cunningham and Homse, 1982; Fiocca, 1982; Campbell and Cunningham, 1983; Ritter and Andersen, 2014; Thakur and Workman, 2016; La Rocca *et al.*, 2019; Clarke *et al.*, 2017). This article theorizes a dialectic turn in portfolio management, significantly contributing to recent dialectic theorizing in business marketing (Nenonen *et al.*, 2014; Peters, 2018; Kaartemo *et al.*, 2020; Nayak *et al.*, 2023). Accordingly, this article builds upon a rich historical tradition of dialectic thinking in Western philosophical thought. Notable figures, such as Plato and Hegel have emphasized the dynamic interplay of opposing forces or ideas (Benson, 2006; Hegel, 1991) and the Socratic method has used dialectic questioning (Nelson, 1978). Dialectic contributions have extended across various fields, including literature, psychology, sociology and politics, among other fields (Schneider, 1971;

Riegel, 2013; Schneider, 1986; Hodson, 2017; Colletti, 1975; Marx, 2004). Based on the broad intellectual significance, it is thus surprising that business marketing research has only recently begun to explore the potential of dialectic thinking (Nenonen *et al.*, 2014; Peters, 2018; Kaartemo *et al.*, 2020; Nayak *et al.*, 2023). For instance, it has been maintained that dialectic theorizing is consistent with the characteristics of the network, as it never settles into an equilibrium due to a continuous state of

© Markus Vanharanta and Phoebe Wong. Published by Emerald Publishing Limited. This article is published under the Creative Commons Attribution (CC BY 4.0) licence. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this licence may be seen at <http://creativecommons.org/licences/by/4.0/legalcode>

This paper forms part of a special issue “Business-to-business marketing: imagining something different”, guest edited by Ilkka Tapani Ojansivu, Sharon Purchase and Christopher J. Medlin.

The authors would like to thank the Editors and anonymous reviewers for their insightful comments.

Received 20 July 2022
Revised 25 January 2023
21 June 2023
15 September 2023
Accepted 18 September 2023

The current issue and full text archive of this journal is available on Emerald Insight at: <https://www.emerald.com/insight/0885-8624.htm>



Journal of Business & Industrial Marketing
39/3 (2024) 474–490
Emerald Publishing Limited [ISSN 0885-8624]
[DOI 10.1108/JBIM-07-2022-0333]

imbalance (Håkansson and Johanson, 1993; Ford *et al.*, 2008). Dialectic process theories thus enhance our understanding of network dynamics, including conceptualizations of the network as a non-predictive outcome of conflicting forces (Kaartemo *et al.*, 2020). Similarly, the dialectic lens has been proposed as a means to reconcile divergent theoretical positions in business marketing, such as synthesizing the resource-based view and industrial organization theory (Nayak *et al.*, 2023). In addition, in business marketing, the dialectic lens has been used to evaluate “market plasticity” as a dialectic between market stability and market fluidity (Nenonen *et al.*, 2014). Nevertheless, the present understanding of dialectic processes in business marketing remains significantly undertheorized: “Although dialectic theory offers a potentially fruitful approach for understanding change and stability in business networks [...] dialectic studies on business network dynamics remain scarce.” (Kaartemo *et al.*, 2020, p. 659).

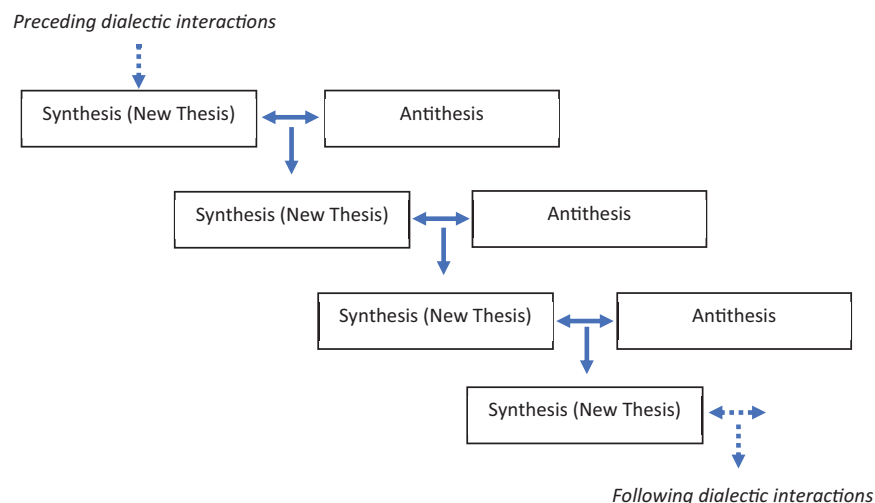
The specific theoretical approach of this article is based on dialectic critical realism (DCR) (Bhaskar, 2008, 2009), providing a contemporary dialectic perspective for business marketing. While the contribution of this article builds upon an extensive critical realist (CR) literature in business marketing (Easton, 2010; Peters *et al.*, 2013; Ryan *et al.*, 2012; Easton, 2002; Peters, 2016; Vanharanta and Wong, 2022; Ehret, 2013), none of the CR theories has been previously applied to customer portfolio management. Furthermore, DCR [1] has received little attention in business marketing, with the rare exception of Peters (2018), combining theoretical ideas from both DCR and social constructionism (Law, 2004) in relation to resource integration and service-dominant logic (Vargo and Lusch, 2016).

DCR draws strong inspiration from the Hegelian dialectic, which encompasses three interconnected moments [2] known as “thesis-antithesis-synthesis” [3] (Chalybäus, 1839; Hegel, 1991). In the Hegelian dialectic framework, the “thesis” represents the initial proposition or standpoint that generates a reaction. The “antithesis” presents a counterproposition or opposing standpoint, while the “synthesis” signifies the resolution of conflicts between the thesis and antithesis by integrating contrasting elements into a more comprehensive understanding (see Figure 1). To illustrate, let us

consider a business marketing scenario, where prior interactions with customers have resulted in the formation of a customer portfolio (i.e. thesis) that lacks synergies among the customer accounts. Consequently, managers may recognize this deficiency (i.e. antithesis) and endeavour to enhance the composition of the customer portfolio (i.e. synthesis). However, these managerial actions can potentially give rise to new tensions (antithesis) over time, thereby perpetuating an ongoing dialectic process (see Figure 1).

DCR advances the Hegelian dialectic based on the CR ontology by proposing a four-part dialectic process: non-identity, absence/negation, totality and praxis (Bhaskar, 2008). DCR offers a fresh dialectic perspective by framing business marketing as an ethical practice that is driven by a quest to dialectically resolve problems associated with “absence”. The core aim of DCR is, hence, to transcend diverse problems caused by “absence” through dialectic managerial practices. Accordingly, DCR re-conceptualizes exchange relationships, relationship portfolios and the network as rife with “absence” (including omission, tensions and contradictions) and thus subject to a continuous process of dialectic improvements. Furthermore, all four moments of DCR provide an ontological expansion to the current scope of portfolio theory: the first moment (“non-identity [4]”) brings customer portfolio management to bear upon the CR notion of ontological depth. This moment is consistent with traditional critical realism that pre-dates the more advanced theoretical developments of DCR (Easton, 2010; Peters *et al.*, 2013; Ryan *et al.*, 2012; Easton, 2002; Peters, 2016; Vanharanta and Wong, 2022; Ehret, 2013). The second moment (absence/negation) motivates the dialectic process by emphasizing what is missing in a portfolio, which is captured by the broad umbrella concept, “absence”. The third moment (totality) allows portfolio management to transcend problems caused by “absence/negation” based on a higher-level or more complete understanding of “totalities”. This includes an enhanced understanding and a new vocabulary to describe linkages and interdependencies between portfolio and network objects. Finally, the fourth moment (praxis) recognizes that portfolio management cannot be separated from values and ethical considerations, in addition to socio-economic power relations. Furthermore, DCR

Figure 1 Hegelian dialectic process



Source: Derived from Hegel (1812) and Chalybäus (1839)

proposes that relying solely on reason, whether from a rationalist or idealist perspective, is insufficient for synthesizing tensions. The dialectic synthesis, thus, must be realized through ethical praxis (as illustrated in Figure 2).

We will begin this article by reviewing the extant literature on customer portfolio management. This is followed by ontological theorizing, including a review of pre-existing CR literature in business marketing and the new four-part dialectic process of DCR. We end the article by reflecting on the limitations of this study and by providing directions for future research.

2. Customer portfolio management

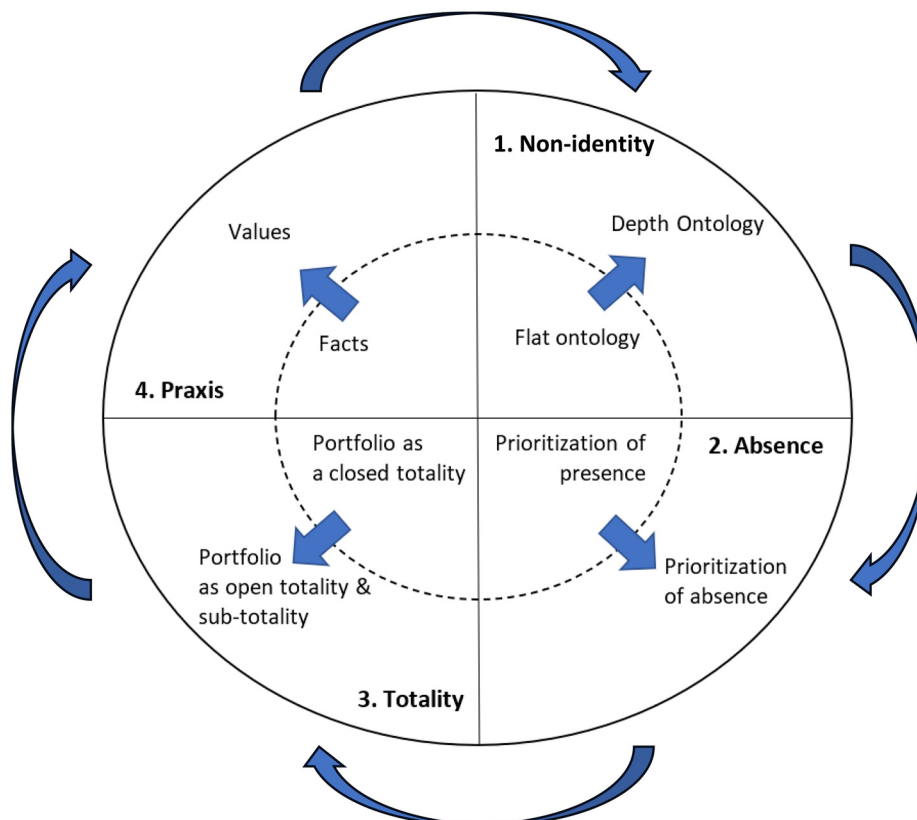
In business marketing literature, relationship portfolios can be positioned as a mid-level theoretical construct between exchange relationships (or relationship management) and the network (or network management) (Möller and Halinen, 1999). At its core, B2B customer portfolio literature is an applied area of research whereby similar contributions and critiques can be found in various related fields, including supplier portfolio models (Cunningham and Homse, 1982; Krapfel *et al.*, 1991; Olsen and Ellram, 1997; Zolkiewski and Turnbull, 2000), product portfolio models (e.g. Henderson, 1970; Hofer and Schendel, 1978; Wind, 1982; Cardozo and Smith Jr, 1983), business unit portfolio models (e.g. Wind *et al.*, 1983), brand portfolio models (Lei *et al.*, 2008). A significant portion of the academic literature concerning portfolio management draws its inspiration from the seminal Nobel Prize-winning contributions of Markowitz (1952) and Sharpe (1963).

This includes direct applications of modern portfolio theory to customer portfolio management by Ryals (2002) and Hopkinson and Yu (2002), using mean-variance analysis to optimize portfolio returns for a given level of risk. A common objective in portfolio analysis/management is to manage business relationships “in an integrated manner [...] [and] to develop an optimal customer/supplier portfolio” (Möller and Halinen, 1999, p. 417). Accordingly, much customer portfolio literature has been inspired by the different notions of coherence, including the idea of “portfolio balance” that addresses the formulation of optimal criteria to prescribe portfolio resource allocations:

A central issue in [relationship] portfolio management [in B2B marketing] is to find *suitable criteria* to deal with the resource allocation problem [...] assessing each relationship and prioritizing them according to the extent that they contribute towards *balance in the portfolio* and the overall interests of the company. (Ford *et al.*, 2003, p. 84 emphasis added)

In this literature, the notion of “aggregate coherence” is approached relatively inclusively, including both mathematical portfolio models and some visual representations of portfolios, such as 2×2 matrix models. In business marketing research, the taxonomic portfolio models have been widely popularized and prescribed in real-life business settings. As a common feature, taxonomic portfolio models tend to examine customer relationships at a holistic portfolio level, as opposed to evaluating the merits and weaknesses of customer relationships in isolation (Cunningham and Homse, 1982; Fiocca, 1982; Turnbull and Zolkiewski, 1997; Thakur and Workman, 2016). In addition, it is common for customer portfolio models to

Figure 2 Four-part dialectic process and expansion of the scope of portfolio management by each of the four moments of DCR



Source: Authors' own work

facilitate aggregate visual representations of customer portfolio relationships to enhance managerial decision-making and optimize aggregate portfolio returns (Turnbull and Zolkiewski, 1997).

While the construction of a coherent portfolio has often been viewed as a relatively straightforward task, Möller and Halinen (1999) have raised several underlying analytical problems. For example, management may not have the required capabilities to evaluate linkages and inter-dependencies between firms, which can have highly complex manifestations in portfolio management. Difficult-to-manage inter-dependencies include complex competitor effects and reputational inter-dependencies. In addition, many of the portfolio models assume that the lifetime value of a customer relationship can be accurately estimated to optimize resource allocations. This means that additional capabilities may be required to offer customers differentiated levels of service based on strategic needs, profitability and relationship potential (Möller and Halinen, 1999). In addition, the relatively static view of portfolio analysis/management has been criticized by several scholars (Homburg *et al.*, 2009; Terho and Halinen, 2007; Johnson and Selnes, 2004; Clarke *et al.*, 2017). For example, static modelling has been recognized to complicate the application of portfolio prescriptions in a real-life context: “Moving [a customer portfolio] conceptual framework to [...] an applied level is a challenge” (Johnson and Selnes, 2004, p. 15). Moreover, some scholars have advocated a view of customer portfolio management as a more dynamic process dominated by daily interaction practices with customers, as opposed to an analytic event of selecting customers at a particular moment in time (Terho and Halinen, 2007; Clarke *et al.*, 2017). DCR addresses these shortcomings from several angles:

- DCR provides a new understanding of portfolio management as a dialectic process, addressing calls for improved dialectic theorizing in business marketing (Kaartemo *et al.*, 2020) and the need to transcend the relatively static nature of the traditional portfolio literature (Homburg *et al.*, 2009; Terho and Halinen, 2007; Johnson and Selnes, 2004; Clarke *et al.*, 2017). For example, dialectic process theories have been recognized as an advantageous means to conceptualize ever-changing network conditions, such as multilevel network dynamics (Kaartemo *et al.*, 2020);
- DCR allows for a fundamental reimagining of portfolio management by addressing the ontological assumptions and foundations of portfolio theory. This ontological angle is consistent with the theme of this Special Issue, namely, to imagine something different. Furthermore, the ontological contribution of this article transcends past epistemic contributions in the portfolio literature;
- DCR addresses some of the past weaknesses of the portfolio literature by providing a new ontological demarcation line between causal and non-causal portfolio models, namely, “intensive” and “extensive” portfolio practices;
- Finally, DCR provides a new ontological understanding and vocabulary to describe portfolio linkages, which has been identified as a significant managerial challenge in portfolio management (Möller and Halinen, 1999).

3. Dialectic critical realism

DCR is a contemporary dialectic theory based on the work of Roy Bhaskar (2008, 2009), with the stated objective of revitalizing

dialectical thinking rooted in CR ontological principles (Norrie, 2007, p. 2). The importance of ontological theorizing, such as DCR, is well-established in the business marketing literature (Easton, 2002; Peters *et al.*, 2013; Andersen *et al.*, 2020; Ojansivu *et al.*, 2022; Ojansivu *et al.*, 2020). Ontological theorizing is essential for the purposes of business marketing, as it allows us to take a “step back [...] investigating the relationship between the reality we aim to understand and the theories we build therefore” (Ehret, 2013, p. 316), including continued questioning, reflexivity and dialogue regarding the underlying commitments of customer portfolio management. By making ontological assumptions explicit, we can better understand the hidden limitations and biases, including the identification of areas where further investigation and theorizing are needed (Tadajewski, 2008). In addition, ontological theorizing can enhance communication between researchers by providing a shared vocabulary and conceptual frameworks for discussing social phenomena. Indeed, those “[...] marketing theorists who are lexically bilingual [...] can help others to comprehend alternative modes of thought” (Tadajewski, 2008, p. 283). In converse, dogmatic adherence to fixed and/or unexamined ontological positions risks boxing business marketing to predictable ways of thinking, which may perpetuate predetermined ideological viewpoints, including outdated and potentially mistaken perspectives of the past (Andersen *et al.*, 2020; Peters *et al.*, 2013). Furthermore, ontological theorizing can also be motivated by the quest for ontological pluralism “to protect the less theoretically and politically developed paradigms from the imperialistic tendencies [...] [of the more established paradigms]” (Tadajewski, 2008, p. 279; Ojansivu *et al.*, 2020). Overall, by introducing DCR to business marketing literature, we seek to stimulate genuine academic dialogue and enhance our imaginative capabilities to envision business marketing in a new light.

Next, we will proceed to examine the four moments of DCR that jointly constitute the dialectic process. The term “moment” refers to the stages or phases of the dialectic process (Hegel, 1812). The first moment of DCR, covered in Section 3.1, is consistent with traditional CR, which is extensively featured in pre-existing business marketing literature, although lacking specific applications to customer portfolio management (Easton, 2002; Easton, 2010; Ryan *et al.*, 2012; Peters *et al.*, 2012, 2013; Ehret, 2013; Vanharanta and Wong, 2022). Accordingly, we will use the first moment, outlined in Section 3.1, primarily as a review of pre-existing CR literature in business marketing. The dialectic contribution of this article thus begins with the second moment (Section 3.2).

3.1 The first moment of DCR: expansion from flat to depth ontology

The first moment, “non-identity”, brings portfolio management to bear upon two kinds of ontological depth consistent with traditional CR and DCR, namely, vertical and horizontal realism (Bhaskar, 1998, pp. 11–12; Hartwig, 2007).

3.1.1 Vertical realism

Vertical realism concerns “internal relations” and “relational structures” that bring about the irreducible emergent properties investigated by business marketing scholars (Ehret, 2013; Vanharanta and Wong, 2022). In terms of the CR vocabulary, the term “relations” refers to the “properties possessed by things in

virtue of their positioning in respect of other things”. (Hartwig, 2007, p. 410) Thus, the notion of “relations” is not synonymous with “exchange relationships” investigated in business marketing, although all “exchange relationships” include various “relations”. Furthermore, CR makes the key distinction between internal and external relations: “An element A is internally related to B if B is a necessary condition for the existence of A” (Hartwig, 2007, p. 410). According to this understanding, internal relations have a central role in business marketing theory, as they bring about new emergent properties that do not exist in the atomistic parts in isolation (Vanharanta and Wong, 2022). For example, exchange relationships concern internal relations that bring about new emergent properties, such as the properties of exchange and joint value creation (Figure 3): “Critical realism offers an approach for studying emergent phenomena on business markets, where relationships between businesses produce new qualities of value creation that no individual company can reach in isolation” (Ehret, 2013, p. 316).

In business marketing research, the primary “relational structure” is the buyer–seller exchange relationship, consisting of various internal relations. Other important relational structures include the network, customer and supplier portfolios, firm-level structures (e.g. resource constellations), associations between managers (e.g. long-term trust and commitment between actors) and interaction groups (i.e. groups that allow for sense-making and intersubjective understanding) (Figure 4) (Vanharanta and Wong, 2022; Axelsson and Easton, 1992; Ford *et al.*, 2003). In contrast, external relations do not generate relational structures. If the relation between elements A and B “[...] is not a necessary condition, the relation is external, and its determinations in respect of A are contingent” (Hartwig, 2007, p. 410). As an example of external relations, today’s weather does not

generate relevant business marketing structures, although today’s weather may still have a significant (contingent) causal effect on some business marketing activities (Figure 3).

It is important to note that “relational structures” (formed by internal relations) are not static or deterministic entities but dynamically changing and dependent upon human agency (Archer *et al.*, 1998). Thus, CR does not use relational structures to predict future business marketing events (Ryan *et al.*, 2012; Vanharanta and Wong, 2022). The relationship between agency and structure has been comprehensively theorized by CR structuration models (Bhaskar, 1979/1998; Archer, 1995; Parker, 2000), including past applications to business marketing literature (Peters *et al.*, 2012; Peters *et al.*, 2013).

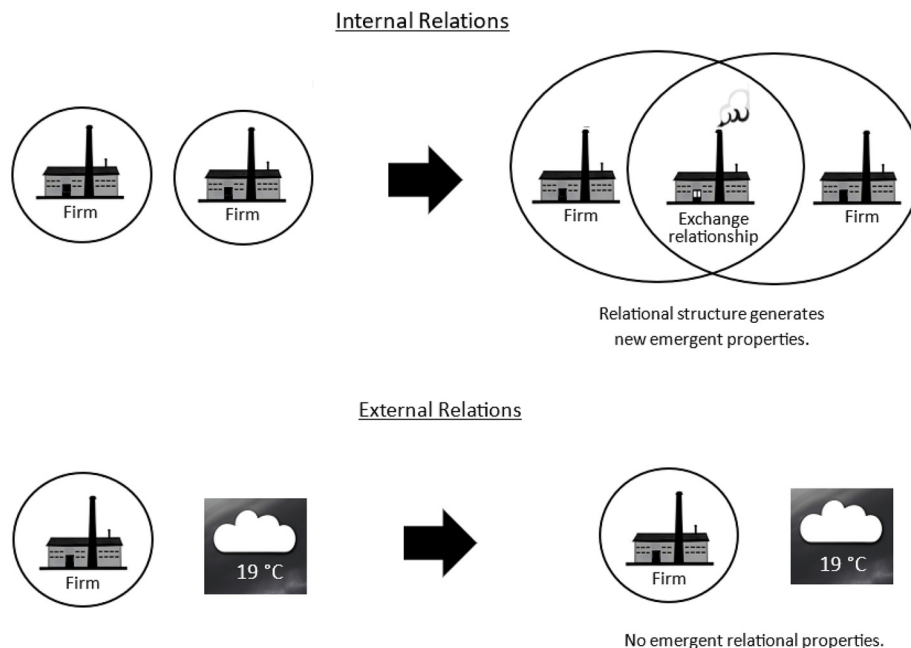
As a methodological advantage of CR, relational structures can be conceptualized as multilevel-laminated systems (Bhaskar, 2014; Elder-Vass, 2010) to allow for non-reductionist investigations of business marketing (Figure 4) (Vanharanta and Wong, 2022). Business marketing can thus be understood as a practice that takes place within multiple (inter-related) levels of relational emergence that influence each other (Figure 4).

3.1.2 Horizontal realism (also known as transfactual realism [5])

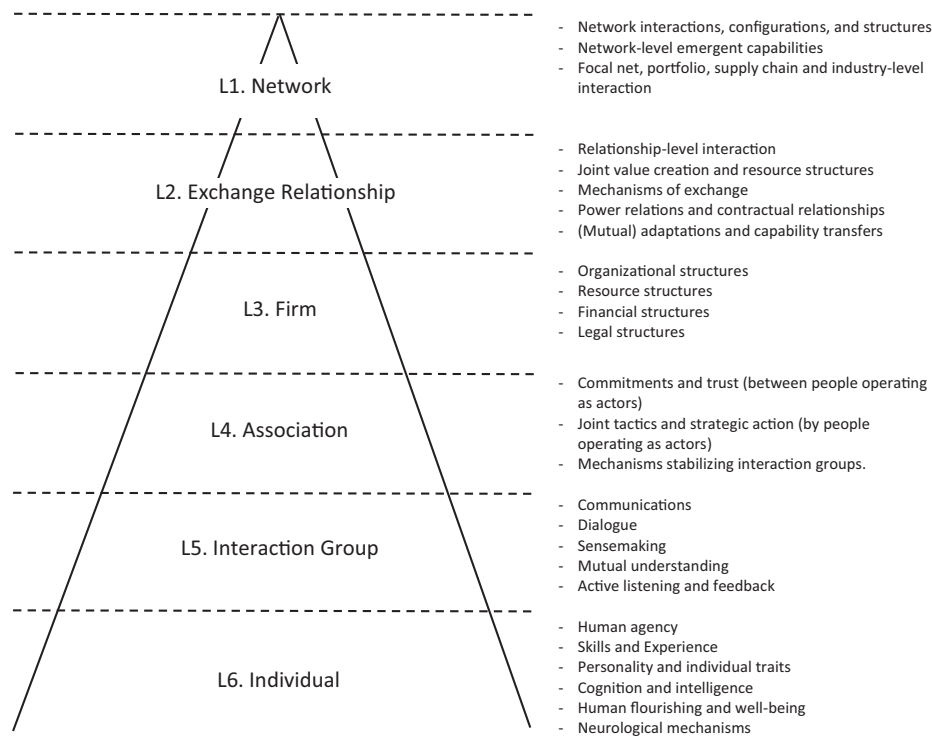
CR research emphasizes relational structures and their associated causal mechanisms, which diverges from the positivistic understanding of causation, characterized by event-based or event regularity-based explanations (Bhaskar, 1975). More specifically, the “horizontal realism” of CR concerns the stratified and differentiated nature of causal explanations that distinguish between the domains of the real, actual and empirical (Figure 5) (Bhaskar, 1975; Ryan *et al.*, 2012).

Under the right conditions, causal mechanisms (at the domain of the real) become exercised and activated, generating

Figure 3 Comparison between internal and external relations



Source: Developed based on Vanharanta and Wong (2022, p. 2013)

Figure 4 The laminated interactional model (LIM)

Source: Adapted from Vanharanta and Wong (2022, p. 2012)

events (at the domain of the actual), which may, in some instances, be observed by scholars or managers (at the domain of the empirical). The domain of the real is thus larger than the domains of the actual and empirical (Figure 5) (Bhaskar, 1975). This includes the understanding that mechanisms may remain inactive as latent potentialities (thus only present at the domain of the real) without generating any events (at the domain of the actual). Accordingly, events (at the domain of the actual) or experiences (at the domain of the empirical) may not be sufficient to explain causality in business marketing research. Furthermore, as business marketing invariably takes place in an open system [6], even the best empirical (and managerial) efforts may struggle to achieve controlled activation of mechanisms into regularly occurring events. To quote Benton (1998, p. 306), “[...] social mechanisms exist only in open systems and that, therefore, controlled experiments, prediction and decisive tests of theory are impossible in the social sciences”. For example, the field of psychology is currently struggling with a protracted replication crisis (Maxwell *et al.*, 2015; Lilienfeld, 2017; Shrout and Rodgers, 2018; Amrhein *et al.*, 2019; Wiggins and Christopherson, 2019; LaPlante, 2019; Frias-Navarro *et al.*, 2020; Sharpe and Poets, 2020). Similarly, it is concerning that after decades of empirical business marketing research, there are very few systematic meta-studies comprehensively demonstrating successful replication of past findings. Due to these problems, CR research tends to disregard the empirical value of most event regularities, instead of focusing on the underlying relational structures and mechanisms (Figure 5).

This means that CR research is primarily focused on explaining business marketing (at the domain of the real) as opposed to making predictions regarding the constant conjunction of events (at the domain of the actual).

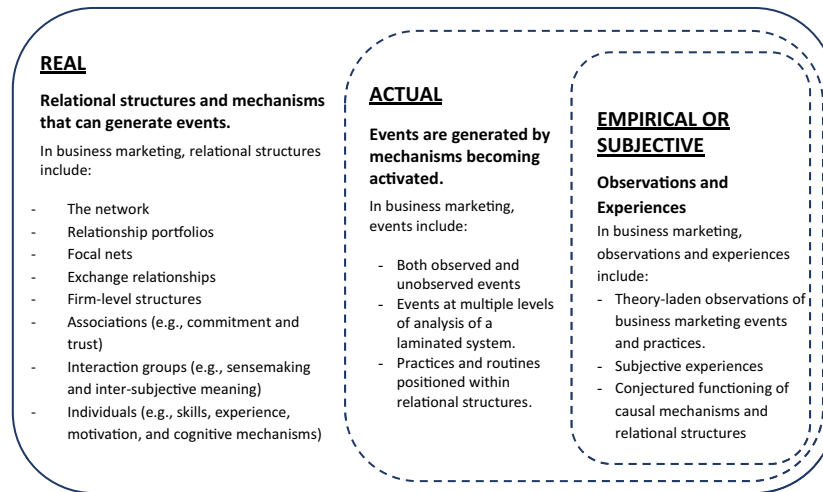
In the context of portfolio management, horizontal realism allows us to distinguish between “intensive” and “extensive” portfolio practices. This distinction establishes a key demarcation line between:

- CR causal explanations, consistent with an intensive portfolio practice; and
- positivistic event (regularity)-based explanations, consistent with an extensive portfolio practice (Figure 6).

An intensive portfolio practice seeks to investigate, reproduce and/or transform the underlying relational structures of a specific customer portfolio (or small group of portfolios). This requires context-specific expertise in the particular configuration of relational structures and mechanisms in question (Figure 6).

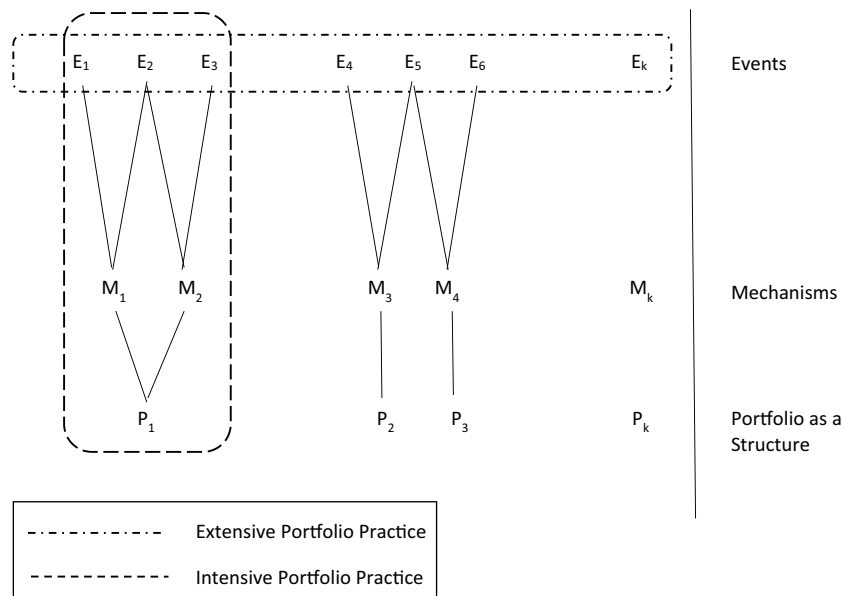
In contrast, an extensive portfolio practice seeks to investigate or manage a portfolio based on event regularities (at the domain of the actual) while disregarding the underlying relational structures of a portfolio. While an extensive portfolio practice is incompatible with CR causal explanations, this line of thinking has been extensively featured in customer portfolio literature, such as applications of the modern portfolio theory [7] (Hopkinson and Yu, 2002; Ryals, 2002). In addition, most of the taxonomic 2×2 portfolio models are, by and large, consistent with the notion of extensive portfolio management (Zolkiewski and Turnbull, 2002) in so far as the models do not

Figure 5 The stratification of the three domains applied to business marketing



Source: Adapted to business marketing based on Bhaskar (1975, p. 13)

Figure 6 Intensive and extensive portfolio practice



Source: Adapted to portfolio management based on Sayer (1992, p. 237)

identify specific internal relations (or relational structures), and causal mechanisms, as per the CR model of causation (Table 1).

As an illustrative example, this CR understanding provides two divergent strategies to manage risk in a customer portfolio. The extensive portfolio practice proposes to mitigate risks via diversification (Hopkinson and Yu, 2002; Ryals, 2002). For example, in managing a large customer portfolio, diversification based on macroeconomic variables may be a reasonable consideration, among others. In contrast, an intensive portfolio practice focuses on the specific risks associated

with a particular customer (or a group of customers) in a portfolio context. This concerns recognizing the specific nature of underlying relational structures and related mechanisms. For example, in our private discussion with a leading Irish aeroplane leasing firm, the CEO indicated that the firm managed risk mainly via an intensive portfolio practice by:

- including only a select few customers in the customer portfolio;
- carefully investigating customer-specific risks; and
- working closely with the customers to manage potential problems.

Table 1 Intensive and extensive portfolio management

	Intensive portfolio practice	Extensive portfolio practice
Management questions	How do particular relational structures, mechanisms and practices work in a specific portfolio or a small number of portfolios?	What are the common event patterns in a portfolio or population of portfolios? How widely are specific characteristics or processes distributed or presented?
Types of groups	Causal group-based mechanisms and underlying structures	Taxonomic groups based on events
Types of explanations produced	Causal explanation of portfolio-related events in a specific case or situation. The explanations may not be generalizable to other contexts	Descriptive representative generalizations that lack explanatory penetration
Nature of managerial expertise	Domain-specific managerial expertise, such as proficiency gained through years of working in a particular industry	Domain-free skills, including statistical and quantitative data analysis
Risk management	In-depth understanding and management of the specific relational structures and related mechanisms	Traditional diversification approach, based on analysis of events

Source: Adapted to portfolio management based on Sayer (1992, p. 243)

At the same time, however, the firm was willing to forgo the benefits of diversification suggested by an extensive portfolio practice.

To sum up, the first moment establishes the CR ontological foundation for the dialectic turn in customer portfolio management and business marketing. The first moment is consistent with traditional CR, whereas the dialectic contribution of this article begins with the second moment.

3.2 The second moment of DCR: expansion from presence to absence/negation

The second moment of DCR, namely, “absence/negation”, motivates the dialectic process (Bhaskar, 2008) by highlighting problems and shortcomings in a portfolio practice. As a meaningful comparison, “absence/negation” has considerable similarities with the Hegelian notion of “antithesis”, which likewise motivates the dialectic process (Figure 1). “Absence/negation” can also function as an important diagnostic tool to identify which areas of portfolio management require additional attention.

The terms “absence/negation” are used both as a noun and a verb, both “in terms of being and (especially) non-being, and in terms of doing and (especially) undoing – or, better negating”. (Norrie, 2010). “Negativity/absence” includes all of the following: “to deny, reject, contradict, oppose, exclude, marginalize, denigrate, erase, separate, split, sunder, cancel, annul, destroy, criticize, and condemn” (Bhaskar, 2008, p. 8), and in addition, “the hiatus, the margin, the void, the hidden, the empty, the anterior, the exterior, the excluded, the omitted, the forgotten and the feared” (Bhaskar, 2008, p. 238). Based on this highly inclusive definition, absence is ever-present in all business marketing situations and practices: “I would like the reader to see the positive as a tiny, but important, ripple on the surface of a sea of negativity” (Bhaskar, 2008, p. 5). In this passage, “positive” refers to “presence” (Norrie, 2010, p. 23), whereby what is missing or amiss is recognized as far greater than what is present in a portfolio. Based on this understanding, all portfolios have an abundance of opportunities for dialectics improvements, whereby the idea of

a “balanced” portfolio is meaningful only as an ideal. What is present continues to be important, although DCR shifts managerial emphasis from presence to absence.

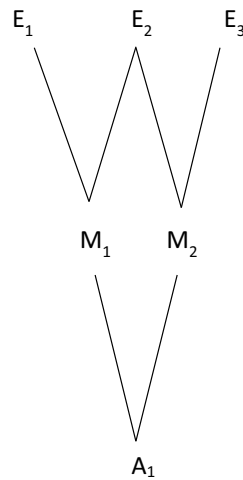
As a more controversial argument, DCR regards absence as “real”, whereby absence is understood to have its own causal powers (Bhaskar, 2008). Absence is thus “not nothing” (Deacon, 2006, p. 119; Peters, 2018), counter to the famous Latin assertion by Parmenidean: “Ex nihilo nihil fit (from nothing, nothing comes)”. This can be seen as a departure from 2,000 years from the Western philosophical tradition, starting from Plato and Parmenides (Norrie, 2010; Bhaskar, 2008). DCR, thus, allows for a new ontological understanding of “absence” in business marketing. To illustrate this point, Bhaskar provides several examples of absence asserting a causal influence, both as an enabler and as a cause of ills:

Consider a book in a library. It typically involves an absence (and possibly dead) author, an absent reception necessary for its presence in the library, and absences – spaces inside and in between sequences of marks – necessary for its intelligibility, its readability. (Bhaskar, 2008, p. 5)

[...] the missing collar-stud that makes the after-dinner speaker late, the monsoon that doesn't come which makes the crops perish, the inconsolable loss of the bereaved one (Bhaskar, 1991, p. 126)

To make sense of these arguments, Bhaskar emphasizes the structure of absence. For example, the ozone hole over Antarctica, initially identified during the 1980s, exhibits distinctive characteristics, including a particular geographical location and a historical trajectory. Consequently, this absence leads to heightened levels of ultraviolet radiation, which, in turn, presents threats to both human well-being and ecological systems. In business marketing, an absence also has a structure, including a historical trajectory, network location and configuration with other network objects and structures, including other absences (Figure 7).

Building upon this ontological position, Bhaskar (2008, p. 46) objects to giving ontological priority to positivity over absence by asserting that “a world without voids (absences) [...] would be a world in which nothing could move or occur, as it presupposes impossible conjunction of atomicity, rigidity and immediacy”. Thus, in portfolio management and business

Figure 7 A structured absence within a portfolio

Source: Authors' own work

Events

Managerial outcomes influenced by absence.

Mechanisms

Emergent mechanisms of a structured absence hindering (or enabling) portfolio management.

Structured Absence

An absence within the structure of a portfolio.

marketing, “negation/absence” allows for managerial action and change, including the dialectic processes, by providing the required space for some other activity. In addition, the quest to eliminate ills associated with absence provides a direction for the dialectic process, including operational and strategic insights for customer portfolio management. Absence thus does not only motivate portfolio action, but it also makes the action possible.

3.2.1 Process orientation

The prioritization of absence allows for a process orientation, including an emphasis on time and space. This becomes clear by pondering:

[...] the extent to which emergent social things [e.g., managers, firms, business relationships, the network, and related processes and routines] [...] not only presuppose (that is to say, are dependent on) but also are existentially constituted by (as a crucial part of their essence) or merely contain [...] their geo-histories (Bhaskar, 2008, p. 54).

A customer portfolio can thus be equally identified by what it was, in addition to what it is now, whereby a portfolio is continuously in a state of becoming and begoing. Furthermore, by prioritizing absencing in DCR causal explanations, “processes of causation are [viewed as] processes of absencing previously given states of being” (Norrie, 2010, p. 29). In this regard, DCR builds upon a rich tradition in business marketing research addressing the importance of process and time (Peters *et al.*, 2012; Halinen *et al.*, 2012; Medlin, 2004).

To be more specific, DCR allows us to examine ‘absence’ in a portfolio (i) a ‘product’, (ii) ‘process’, (iii) ‘process-in-product’, and (iv) ‘product-in-process’ (Bhaskar, 2008). (i) ‘Absence as a product’ refers to the result of past business marketing interaction. For example, a portfolio may be characterized by its lack of trust because of past events; (ii) Absence as a process addresses the way ongoing negation brings about a new state of being while simultaneously

absenting the current state; (iii) ‘absence as process-in-product’ can be understood as the specific ‘rhythmics’ of a portfolio, namely, the ‘spatiotemporal efficacy of the process’ (Bhaskar, 2008, p. 31). As a rhythmic, there may be times when a portfolio remains relatively stable, only to be followed by a period of rapid development and change. In addition, ‘absence as process-in-product’ can be understood by reference to ‘sedimented rhythmics’, in which ‘the possibility of overlapping, intersecting, condensing, elongated, divergent, convergent and even contradictory rhythmics’ come together (Bhaskar, 2008 p. 50). A portfolio can thus be observed to have its own sedimented rhythmics as different layers (of the underlying relational structures) become activated and observable at different times. The dialectic process orientation thus overwhelms any remaining static notions of portfolio management, whereby the complex nature of portfolio imbalances is recognized as an ever-changing process.

For example, new and old portfolio management practices and processes, including both micro and macro routines, may overlap and intersect with each other. At times, this results in contradictions and tensions, occasionally generating a degree of convergence, including brief moments of harmony. We can also examine the sedimented rhythmics based on laminated multilevel explanations (Figure 4), whereby overlapping and intersecting causal mechanisms at different levels of analysis can, over time, both converge and contradict each other. As an example, Bhaskar discusses the sedimented rhythmics of a large city such as Delhi. The plurality of inter-whined rhythmics that influence each other results in:

[...] the amazing and putative contradictory juxtaposition of condensation of differentially sedimented rhythmics [...] where temples mosques, traditions, religious rites, weddings, inter-cast conflict electric cables, motor cars, television sets, rickshaws, scavengers and disposable cans coalesce in a locate. (Bhaskar, 2008, p. 32)

The process of sedimented rhythmicity can be further complemented by the notion of “co-presence” that occurs when:

[...] rhythmically differentially sedimented structures become imposed on a single episode [...] [as an analogy, this can be exemplified by] the scion of an aristocratic family is the figurehead for a bourgeois, liberal, and democratic system, as in the Queen’s opening of Parliament in the UK. (Bhaskar, 2008, p. 33)

Co-presence is also a characteristic of portfolio management (and business marketing in general), for example, in situations where outdated legacy processes and routines intersect and interact with cutting-edge technology and new ways of managing a customer portfolio. Furthermore, latent structures and mechanisms of the past may become re-activated, asserting a renewed causal influence upon customer portfolio management, such as old organizational routines and capabilities finding a renewed significance in a new situation. Similarly, an old public relations scandal may suddenly resurface in social media after years of latent hibernation, complicating business marketing practices.

After an absence has emerged in a portfolio, this absence becomes a relevant causal mechanism exercising its own causal powers. In DCR, this is known as (iv) “absence as product-in-process”. For example, if the absence of trust becomes an established characteristic of portfolio management, this may begin to exercise its own causal powers, hindering the current and future management actions. “Absence as product-in-process” can thus constrain or block meaningful portfolio management, whereby the elimination of harmful absences provides the path to dialectic improvements in portfolio management.

To sum up, absence/negation motivates the dialectic process, expanding the current scope of customer portfolio management. This expansion of portfolio literature addresses persistent calls for a more dynamic customer portfolio theory (Homburg *et al.*, 2009; Terho and Halinen, 2007; Johnson and Selnes, 2004; La Rocca *et al.*, 2019; Clarke *et al.*, 2017).

3.3 The third moment: from a “closed totality” to an “open sub-totality”

The third moment, “totality”, provides a path towards a dialectic synthesis that rectifies the identified problems (caused by “absence/negation”) in portfolio management. More specifically, “an absence or omission [...] may be remedied by a resort to a greater totality, e.g. fuller, deeper, wider or more complete” (Bhaskar and Norrie, 1998, p. 563). In business marketing, the quest to understand interaction holistically is a relatively common objective, such as the emphasis on network-level interaction, as opposed to focusing on a single business relationship in isolation (Ford and Håkansson, 2006; Axelsson and Easton, 1992). DCR builds upon this understanding by providing a newfound ontological clarity and a new vocabulary to address the linkages (and distinctions) between network parties.

Provisionally, “totality” can be viewed as a system of internal relations (Bhaskar, 2008, p. 405), building upon vertical realism (Figures 3 and 4). For example, firms, business relationships, customer portfolios and networks can all be understood as totalities. In the past, it has been common to model a portfolio as finite entities comprising clearly defined portfolio objects. Based on this understanding, a portfolio has

identifiable boundaries corresponding with the notion of a “closed totality”. DCR expands this understanding based on the concepts of “open totalities” and “sub-totalities”. As “open totalities”, the boundaries and linkages of a portfolio are recognized as continuously changing. The DCR notion of “open totality” is thus incompatible with fixed portfolio prescriptions and/or static portfolio models, which have been previously critiqued in the portfolio literature (Homburg *et al.*, 2009; Terho and Halinen, 2007; Johnson and Selnes, 2004; Clarke *et al.*, 2017). As an “open totality”, a portfolio is constantly evolving and changing, whereby the past, present and future are all intimately connected within this ongoing process of development. Business marketing and portfolio management are thus “caught in a structured flow of being and becoming in which the totality of past, present and future relations is implicated” (Norrie, 2010, p. 88). Even the past of a portfolio is not simply a collection of static events that have already happened and are now over and done with. Instead, the past is a dynamic part of the open totality, as the present and future are always shaped by what has come before. Furthermore, the past is constantly re-interpreted and re-evaluated based on new information and changing circumstances, as opposed to being fixed or unchanging. Similarly, the present is not a static moment in time but a dynamic part of the ongoing process of change and development. Finally, the future is not predetermined or fixed but something that is constantly being created and re-created through the ongoing process of development and change.

In addition, customer portfolios are also “sub-totalities” [8], whereby it is not possible to establish a clear-cut separation between a customer portfolio and its broader network context. For managerial purposes, however, we recognize that it may be expedient to distinguish portfolios as (quasi-) separate entities. Nevertheless, based on DCR, the boundaries of portfolios are less clearly defined and, to an extent, permeable. This means that a dialectic approach to portfolio management needs to emphasize not just what is connected (such as connections within a portfolio and the portfolio’s broader network connections) but also what a portfolio divides and disconnects (bringing the emphasis back to “absence”). The DCR understanding of a portfolio thus includes problematic “discontinuities, hiatuses, spaces, binds, barriers, boundaries, and blocks” (Bhaskar, 2008, p. 126). As “sub-totalities” all customer portfolios are hence recognized as partial and lacking, suggesting an abundance of pathways to attain dialectic improvements in portfolio management. This means that DCR (and dialectic portfolio management) can be seen as an “art of thinking [about] the coincidence of distinctions and connections” (Norrie, 2010, p. 87).

To improve the existing conceptualizations of a “totality”, DCR provides an advanced vocabulary to describe linkages between firms, making a significant contribution to business marketing theory. As the first step, we have already illustrated the difference between internal and external relations (Figure 3). For instance, in the past, business marketing literature has emphasized the importance of actor bonds, resource ties and activity links (Håkansson and Johanson, 1992; Ford *et al.*, 2003). DCR adds to this understanding by making the distinction between internal and external relations. Accordingly, a DCR study would recognize

that only some “actor bonds” and “resource ties” are internal to a portfolio, thus resulting in relevant emergent properties. In addition, DCR makes a distinction between three different types of internal relations to provide a more nuanced explanation. This includes essential and non-essential internal relations, labelled as “existential constitutions” and “intra-connections”, respectively. This terminology highlights the fact that only some internal relations are essential, such as having a strategic significance for the purposes of portfolio management. Nevertheless, even non-essential (or non-strategic) “intra-connections” can be causally efficacious, whereby they may require managerial attention. In addition, “intraprimerations” are entities contained by other entities. For example, a portfolio is always a complex “intraprimeration”, as a portfolio “contains” customer relationships, which contain firms, which again contain other entities. In addition, a portfolio is contained by its network context, which is again contained by greater global totalities. These nested intraprimerations associated with a portfolio resemble a Russian Matryoshka doll, comprising several dolls placed inside each other. The ontological justification of “intraprimerations” as a legitimate approach to business marketing research is based on vertical realism (outlined in Section 3.1.) Methodologically, intraprimerations can be investigated by reference to laminated systems, outlined in Figure 4 (Vanharanta and Wong, 2022).

To sum up, DCR provides a new understanding of “totalities” for the purposes of dialectic portfolio management and business marketing. This understanding benefits from an explicit ontological understanding of linkages between different business entities, clarifying and expanding upon past business marketing conceptualizations.

3.4 The fourth moment: from facts to an ethical practice

The fourth moment of DCR entails recognizing portfolio management as a practice, whereby, in business marketing, a synthesis needs to go beyond mere intellectual conceptualizations. Thus, in practice, meaningful dialectic synthesis may require negotiations, compromises, cooperation and mutual adaptations in a portfolio context (Ford and Håkansson, 2006; Ford *et al.*, 2003). Indeed, a supplier may not have the required power to unilaterally construct an ideal customer portfolio based on mere intellectual contemplations. Based on DCR, this also means an expansion of the scope of customer portfolio management from facts to values, whereby portfolio management is viewed as an ethical practice. This entails rejecting Hume’s classic is-ought problem, whereby we could not prescribe “what ought to be” based on “what is” (Hunt, 2015; Donaldson, 1994). For example, positivist business marketing research, by definition, does not address normative questions. In contrast, DCR argues that the distinction between facts and values is a false dichotomy and, hence, a mistaken starting point for social science (Bhaskar, 2008), including business marketing. Our understanding is always value-implied and “already moralized” and, therefore, it is not even necessary to “re-moralize it” (Bhaskar, 2009, p. 151). For example, without the value of truth, business marketing research would be meaningless, as the commitment to truth is a necessary value underpinning academic knowledge claims. In addition, truth, as a foundational value, allows a critique of business practices by identifying false beliefs: “To criticize a belief is implicitly to criticize any action based on or

informed by it” (Bhaskar, 2008, p. 262). This distinction opens the possibility for academics to criticize business marketing practices, including customer portfolio management. At the minimum, this suggests that business marketing research may be used to identify and eliminate errors (i.e. “absence”) in a customer portfolio practice, providing some basis to move from facts to values.

However, DCR makes far more expansive ethical arguments in relation to solidarity, freedom and human emancipation. Here, Bhaskar borrows from Jurgen Habermas (1990), arguing that justice and freedom are pre-figured in speech acts:

[...] might one not be tempted to argue that equality, liberty, and fraternity are present in every transaction or material exchange; or that respect and mutual recognition are contained in the most casual reciprocated glance? (Bhaskar, 1982, p. 306).

This implies that values are ever-present (although perhaps as latent mechanisms) in every business marketing interaction. It is thus notable that business marketing research has established the importance of trust and reciprocal commitments in long-term business relationships (Ford *et al.*, 2003; Morgan and Hunt, 1994). Furthermore, DCR maintains that trust and solidarity are necessary aspects of all human interaction that begins at birth and continues through life: “social relations of trust and solidarity between the infant and parenting figure [begin at birth] without which the infant could not survive. This is the fundamental starting point [...] continues throughout the life cycle [...] in order to survive [...] we cannot do without the support and solidarity of others” (Norrie, 2010, p. 221).

However, DCR also recognizes that these ethical arguments do not necessarily describe the typical human experience, including business marketing interaction and portfolio management. Instead, the ethical argument “pertains to what it means to be human, but do not necessarily reflect how humans actually or necessarily act in the world as it is” (Norrie, 2010, p. 145). This is consistent with the CR notion of causation, as mechanisms may remain as latent potentialities unless they become activated by human agency. This potential latency of ethics is consistent with the stratified understanding of reality (Figure 5). For example, in some business marketing contexts, economic considerations may have primacy over ethical considerations. However, as the dialectic process unfolds, the latent potential of values may become activated, resulting in ethical perspectives gaining primacy over other considerations. For example, ever since the 2008 banking crisis, the environmental, social and corporate governance perspectives have become increasingly influential in business marketing (Paolone *et al.*, 2021; Huang *et al.*, 2022). Similarly, in 2022, the war in Ukraine suddenly increased the importance of ethical considerations in global trade, as many businesses were forced to re-evaluate their presence in Russia (Shahzad *et al.*, 2023). This means that there are many realistically “grounded ways of understanding ethics” (Norrie, 2010, p. 147), and based on the unfolding of history, the dominant perspective may change over time. Overall, DCR does not argue that equality, liberty and fraternity will necessarily become actualized in the future. The historical progression towards greater levels of human flourishing is thus uncertain. Instead, ethical development is dependent upon human agency (Bhaskar, 2008; Norrie, 2010). Nevertheless, DCR maintains

that ethical considerations cannot be separated from human experience, and thus must be included in our understanding and practice of business marketing and customer portfolio management.

3.5 Comparison to Hegelian dialectic

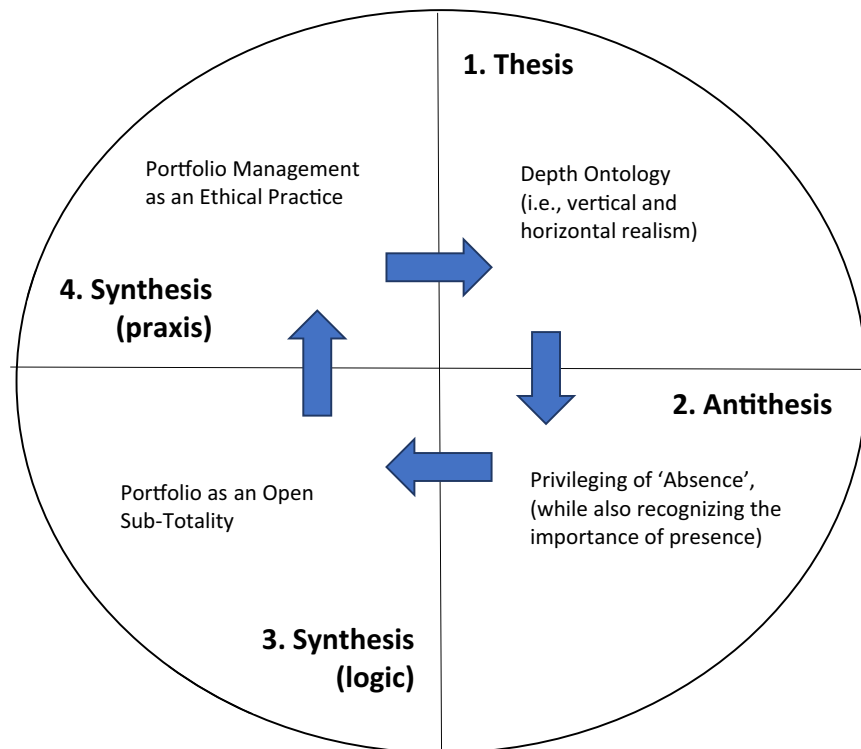
In this article, we have, step-by-step, introduced the four moments of DCR as an ontological expansion of customer portfolio management. The overarching contribution to portfolio management (and business marketing), however, stems from the dialectic process that seamlessly links the four moments together into an ethical practice. In this regard, it is meaningful to more carefully contrast DCR with the traditional process of the Hegelian dialectic, including the popular terminology, “thesis-antithesis-synthesis” (Hegel, 1991; Chalybäus, 1839). Both dialectics share a similar process orientation, whereby portfolio management is guided by an initial state becoming challenged by “antithesis” (or absence), requiring a “synthesis” (or a greater “totality”) to overcome the absence/negation. Figure 8 superimposes the four-part dialectic process of DCR upon the traditional Hegelian framework. Nevertheless, various differences and incompatibilities remain, which need to be acknowledged. Firstly, the Hegelian dialectic focuses on epistemology, while DCR is an ontological theory (Norrie, 2010). This makes DCR well-suited to examine the fundamental nature of problems by challenging pre-existing assumptions and perspectives. In addition, DCR is based upon the CR ontological understanding, which is, in many areas, not

shared by the Hegelian dialectic. This includes both horizontal and vertical realism, relational structures, and the notion of an “open sub-totality” (Norrie, 2010, p. 61). Furthermore, the Hegelian dialectic stresses the importance of reason as a rationalist or idealist viewpoint, while Bhaskar (2008) argues that reason alone is not enough. Thus, according to DCR, synthesis also depends on praxis, including the importance of active human agency and power relations (Figure 8). A more comprehensive comparison between the Hegelian dialectic and DCR can be found in Bhaskar (2008) and Norrie (2010).

4. Discussion

Having theorized the potential advantages of DCR in portfolio management, it is important to recognize that DCR remains a controversial ontological theory, including ongoing debate and disagreements even within the CR community. For example, while Elder-Vass (2010) is an active proponent of the CR philosophy, he doubts the need for DCR and rejects Bhaskar’s theory of explanatory critique. Similarly, Collier (1998, p. 691) has tentatively argued that Bhaskar may have exaggerated the importance of absence over presence: “[...] I am not convinced that complete positivity is logically impossible [...] [although] nothing [...] hangs on it”. Furthermore, numerous scholars have been dissatisfied with the impenetrable nature of Bhaskar’s writings: “[...] like many other readers, including enthusiasts for critical realism, I was largely defeated by the Niagara of neologism, most of them inadequately explained, even in the glossary” (Sayer, 1999, p. 170) Sayer is furthermore

Figure 8 An approximate amalgamation of the Hegelian dialectic and DCR



Source: Derived based on Hegel (1812) and Bhaskar (2008)

sceptical of the key ethical arguments, accusing Bhaskar of pulling global salvation out of the CR that (Sayer, 1999). While many of the underlying philosophical debates are beyond the scope of this article, a more comprehensive evaluation of DCR can be found in other sources (Bhaskar, 2008; Archer *et al.*, 1998; Collier, 1994; Harre and Varela, 1996; Norrie, 2010; Sayer, 1998).

Finally, we wish to consider directions for future business marketing research and managerial implications. As a comprehensive ontological theory, DCR proposes a new research agenda to investigate business marketing as a four-part dialectic process based on the CR ontological foundation. This calls for research that emphasizes the importance of “absence” to pursue the dialectic resolution of problems towards a more comprehensive “totalities”. Furthermore, the process orientation entails investigating multilevel “co-presence” in business marketing, whereby “rhythmically differentially sedimented structures become imposed on a single episode [...]” (Bhaskar, 2008, p. 33). To capture this multilevel understanding, DCR calls for the use of laminated systems in business marketing investigations (Vanharanta and Wong, 2022). In addition, DCR calls for an investigation of business marketing structures as “open sub-totalities”, providing a new dialectic understanding of business relationships and the network. This includes the new relational distinctions between “internal” and “external relations”, “intrapemeations”, “existential constitutions” and “intra-connections”. DCR also suggests that business marketing may not be immune to the ongoing replication crisis in human sciences (Malich and Munafò, 2022). Thus, as an important direction for future research, DCR challenges business marketing to demonstrate successful replication of past empirical findings comprehensively.

Ostensibly, this article also proposes numerous piecemeal insights whereby dialectic constructs may be shoehorned into the pre-existing body of business marketing literature. Such piecemeal application of DCR, however, needs to be approached with caution as DCR has deep ontological commitments that may be incommensurable with other ontological theories. In this regard, marketing literature has proposed several approaches to grappling with the challenge of ontological incommensurability (Peters *et al.*, 2013; Andersen *et al.*, 2020; Tadajewski, 2008). For example, Burrell and Morgan (2017/1979) proposes a parallel approach to multiple ontological positions, whereby DCR would co-exist with other incommensurable theoretical trajectories as a separate theoretical system. By this suggestion, we are not arguing for ontological relativism but for a practical approach to protect the development of nascent ontological orientation from the hegemonic political power of more established positions, such as the political interests at play in an academic review process (Tadajewski, 2008). In converse, Lewis and Grimes have proposed that theory-building may benefit from a sequential approach of jointly applying multiple (incommensurable) ontological perspectives to “challenge taken-for-granted assumptions and portray organizations in a new light” (Lewis and Grimes, 1999, p. 673). Furthermore, Gioia and Pitre (1990) have proposed that it may be possible to triangulate ideas across paradigms as a means to partially transcend the problem of incommensurability.

Regarding managerial implications, this article guides customer portfolio management towards a dialectic process orientation to continuously synthesize ever-changing problems associated with absence, including a heightened sensitivity towards ethical concerns. Unlike academic research projects, however, management practices are not equally held back by problems associated with incommensurability, as managerial practical adequacy does not necessarily depend upon theoretical consistency: “Given that material processes are distinct from our beliefs about them, it should not be surprising to find cases where two or more radically and indeed incommensurable set of beliefs have equal practical adequacy” (Sayer, 1992, p. 79). Accordingly, managers have considerable liberties to mix and match incommensurable ontological theories, including the ideas advanced in this manuscript.

5. Conclusions

This article makes a significant contribution by theorizing a dialectic turn in customer portfolio management and business marketing based on DCR. This addresses recent calls to capture the dynamic nature of the network by dialectic theorizing (Kaartemo *et al.*, 2020). The four-part dialectic process of DCR (Bhaskar, 2008) allows for the fundamental reimagining of portfolio management on CR ontological grounds. In dialectic portfolio management, operational and strategic insights are inspired by “absence/negation”, addressing what is absent or amiss within a portfolio, including contradictions, paradoxes and other types of tensions. Dialectic portfolio management thus concerns the elimination of the problems associated with “absence”, facilitating syntheses as a dialectic process towards a greater “totality”. Moreover, DCR views portfolios as “open sub-totalities”, whereby it is difficult to establish a clear-cut separation between a portfolio and its broader network context. Dialectic portfolio management is, hence, a processual practice concerning continuously re-thinking both what connects and distinguishes a portfolio. This includes the notion of absence as “process-in-product”, resulting in ever-changing “sedimented rhythmic” in portfolio management. At times, an absence may manifest heightened contradictions and tensions, while at other times, the same absence may allow for a degree of convergence, including brief moments of harmony. DCR thus entails a highly dynamic- and process-oriented understanding of portfolio management that dialectically addresses the ever-changing nature of problems caused by “absence”.

As a significant additional contribution, DCR allows for a more detailed (ontological) vocabulary to describe relevant interconnections and interdependencies in business marketing. To begin with, DCR recognizes that relations between business marketing entities include both internal and external relations (Figure 3), which can be used to complement traditional conceptualizations of the network, such as the traditional ARA framework (Ford *et al.*, 2003; Håkansson and Johanson, 1992). Furthermore, we introduce the new concepts of “existential constitutions”, “intra-connections” and “intrapemeations” to business marketing. This new understanding contributes to the non-reductionist and multi-layered understanding of portfolio management following vertical realism, including the methodological advantages of laminated systems (Figure 4)

(Vanharanta and Wong, 2022). This article thus builds upon the insight of Kaartemo *et al.* (2020, p. 666), recognizing that “[...] dialectic process theory is particularly applicable in studying multilevel network dynamics”. Finally, this article establishes a new demarcation line concerning “intensive” and “extensive” portfolio theories and practices. An “intensive” portfolio practice is consistent with CR and DCR understanding advanced in this article. In contrast, much of the past portfolio theorizing corresponds with an “extensive portfolio practice” that separates business marketing events from their specific relational structures, resulting in non-causal understanding. To sum up, we hope this manuscript will inspire a new dialectic understanding of business marketing.

Notes

- 1 DCR is a relatively new theoretical development of the CR philosophy (Bhaskar 2008). Thus, while critical realism has been extensively featured in business marketing, these contributions typically do not address DCR.
- 2 Traditionally, dialectic literature uses the term “moment” to describe the phases or steps in a dialectic process (Norrie 2010).
- 3 Contrary to popular belief, Hegel himself did not use the specific terms “thesis-antithesis-synthesis-synthesis”, which can instead be attributed to Chalybäus (1839). Instead, Hegel’s original texts use the terms “abstract-negative-concrete” (Norrie 2010) which is more consistent with the terminology used in the DCR literature (e.g., Bhaskar 2008).
- 4 “For Bhaskar non-identity [...] is linked to [...]. natural kinds, which are to be found in the world prior to our attempts to understanding them”... Also, non-identity can be contrasted with Hegelian thought identity “in the concept and the thing”. (Norrie 2010, p. 13)
- 5 Open and closed systems (or differentiation) relate to transfactual realism, which is also known as horizontal realism (Hartwig, 2007, p. 141)
- 6 In CR terminology, there is a distinction between open and closed systems is also known as “differentiation” (Archer 1998: xii). Business marketing operates exclusive under open system conditions, problematizing controlled experiments (Vanharanta and Wong 2022; Benton 1998). In an open system, experimental controls may be disrupted by both external and internal influences.
- 7 The objective of the modern portfolio theory (MPT) is to maximize the expected return of a portfolio for a given level of risk or, conversely, to minimize the risk for a desired level of return. This is typically achieved via diversification.
- 8 All totalities in business marketing can be seen as sub-totalities.

References

Amrhein, V., Trafimow, D. and Greenland, S. (2019), “Inferential statistics as descriptive statistics: there is no

- replication crisis if we don’t expect replication”, *The American Statistician*, Vol. 73 No. 1, pp. 262-270.
- Andersen, P.H., Medlin, C.J. and Törnroos, J.-Å. (2020), “Re-appraising interaction and process for industrial network research: the future plunging mirror hall metaphor”, *Industrial Marketing Management*, Vol. 91, pp. 627-638.
- Archer, M. (1995), *Realist Social Theory: The Morphogenetic Approach*, Press Syndicate of the University of Cambridge, Cambridge.
- Archer, M., Bhaskar, R. and Collier, ATL.A.N (1998), *Critical Realism: Essential Readings*, Routledge, London.
- Axelsson, B. and Easton, G. (1992), *Industrial Networks: A New View of Reality*, Routledge, London.
- Benson, H.H. (2006), “Plato’s method of dialectic”, A companion to Plato, pp. 85-99.
- Benton, T. (1998), “Realism and social science”, in Archer, M., Bhaskar, R., Collier, A., Lawson, T. and Norrie, A. (Eds), *Critical Realism: Essential Readings*, Routledge, London.
- Bhaskar, R. (1975), *A Realist Theory of Science*, Leeds Books, Leeds.
- Bhaskar, R. (1979/1998), *The Possibility of Naturalism*, Routledge, London.
- Bhaskar, R. (1982), “Emergence, explanation, and emancipation”, in Secord, P. F. (Ed.), *Explaining Human Behavior: Consciousness, Human Action and Social Structure*, Sage, Beverly Hills, CA.
- Bhaskar, R. (1998), “Philosophy and scientific realism”, in Archer, M., Bhaskar, R., Collier, A., Lawson, T. and Norrie, A. (Eds), *Critical Realism: Essential Readings*, Routledge, London.
- Bhaskar, R. (2008), *Dialectic: The Pulse of Freedom*, Routledge, London.
- Bhaskar, R. (2009), *Plato Etc: problems of Philosophy and Their Resolution*, Routledge, London.
- Bhaskar, R. (2014), “Foreword”, in Edwards, P.K., O’mahoney, J. and Vincent, S. (Eds) *Studying Organizations Using Critical Realism: A Practical Guide*, Oxford University Press, Oxford.
- Bhaskar, R. and Norrie, A. (1998), “Introduction: dialectic and dialectical critical realism”, in Archer, M., Bhaskar, R., Collier, A., Lawson, T. and Norrie, A. (Eds), Routledge, London.
- Burrell, G. and Morgan, G. (2017/1979), *Sociological Paradigms and Organisational Analysis: Elements of the Sociology of Corporate Life*, Routledge, London.
- Campbell, N.C. and Cunningham, M.T. (1983), “Customer analysis for strategy development in industrial markets”, *Strategic Management Journal*, Vol. 4 No. 4, pp. 369-380.
- Cardozo, R.N. and Smith Jr, D.K. (1983), “Applying financial portfolio theory to product portfolio decisions: an empirical study”, *The Journal of Marketing*, pp. 110-119.
- Chalybäus, H.M. (1839), *Historische Entwicklung Der Speculativen Philosophie Von Kant Bis Hegel*, Arnoldische, Buchhandlung.
- Clarke, A.H., Freytag, P.V. and Zolkiewski, J. (2017), “Customer portfolios—challenges of internal and external alignment”, *Imp Journal*.

- Colletti, L. (1975), “Marxism and the dialectic”, *New Left Review*, Vol. 93, pp. 3–29.
- Collier, A. (1994), *Critical Realism: An Introduction to Roy Bhaskar’s Philosophy*, Verso, London.
- Collier, A. (1998), “The power of negative thinking”, in Archer, M., Bhaskar, R., Collier, A., Lawson, T. and Norrie, A. (Eds), *Critical Realism: Essential Readings*, Routledge, London.
- Cunningham, M.T. and Homse, E. (1982), “An interaction approach to marketing strategy”, in Håkansson, H. (Ed.) *International Marketing and Purchasing of Industrial Goods: An Interaction Approach*, Wiley, Chichester.
- Deacon, T.W. (2006), “Emergence: the hole at the wheel’s hub”, *The re-emergence of emergence: The emergentist hypothesis from science to religion*, pp. 111–150.
- Donaldson, T. (1994), “When integration fails: the logic of prescription and description in business ethics”, *Business Ethics Quarterly*, Vol. 4 No. 2, pp. 157–169.
- Easton, G. (2002), “Marketing: a critical realist approach”, *Journal of Business Research*, Vol. 55 No. 2, pp. 103–109.
- Easton, G. (2010), “Critical realism in case study research”, *Industrial Marketing Management*, Vol. 39 No. 1, pp. 118–128.
- Ehret, M. (2013), “Emergence of business markets—a critical realist foundation”, *Industrial Marketing Management*, Vol. 42 No. 3, pp. 316–323.
- Elder-Vass, D. (2010), *The Causal Power of Social Structures: Emergence, Structure and Agency*, Cambridge University Press, Cambridge.
- Fiocca, R. (1982), “Account portfolio analysis for strategy development”, *Industrial Marketing Management*, Vol. 11 No. 1, pp. 53–62.
- Ford, D. and Håkansson, H. (2006), “The idea of business interaction”, *The Imp Journal*, Vol. 1, pp. 4–27.
- Ford, D., Gadde, L.-E., Håkansson, H. and Snehota, I. (2003), *Managing Business Relationships*, Wiley, Chichester.
- Ford, D., Gadde, L.-E., Håkansson, H., Snehota, I. and Waluszewski, A. (2008), “Analysing business interaction”, *24th IMP Conference*, Uppsala, pp. 1–37.
- Frias-navarro, D., Pascual-llobell, J., Pascual-soler, M., Perezgonzalez, J. and Berrios-riquelme, J. (2020), “Replication crisis or an opportunity to improve scientific production?”, *European Journal of Education*, Vol. 55 No. 4, pp. 618–631.
- Gioia, D.A. and Pitre, E. (1990), “Multiparadigm perspectives on theory building”, *The Academy of Management Review*, Vol. 15 No. 4, pp. 584–602.
- Habermas, J. (1990), *Moral Consciousness and Communicative Action*, MIT Press, New York, NY.
- Håkansson, H. and Johanson, J. (1992), “A model of industrial network”, in Axelsson, B. and Easton, G. (Eds), *Industrial Networks: A New View of Reality*, Routledge, London.
- Håkansson, H. and Johanson, J. (1993), “The network as a governance structure: interfirm cooperation beyond markets and hierarchies”, in Grabher, G. (Ed.) *The Embedded Firm: On the Socioeconomics of Networks*, Routledge, London.
- Halinen, A., Medlin, C.J. and Törnroos, J.-Å. (2012), “Time and process in business network research”, *Industrial Marketing Management*, Vol. 41 No. 2, pp. 215–223.
- Harre, R. and Varela, C. (1996), “Conflicting varieties of realism: causal powers and the problem of social structure”, *Journal for the Theory of Social Behaviour*, Vol. 26 No. 3, pp. 313–325.
- Hartwig, M. (2007), (Ed.) *Dictionary of Critical Realism*, Routledge, London.
- Hegel, G.W.F. (1812), “Wissenschaft der Logik”, Johann Gottlieb Körner.
- Hegel, G.W.F. (1991), *The Encyclopaedia Logic: Part I of the Encyclopaedia of Philosophical Sciences with the Zusätze*, in Suchting, W. A., Geraets, T. F. and Harris, HS (Eds), Hackett Publishing Company, Indianapolis.
- Hodson, J. (2017), *Dialect in Film and Literature*, Bloomsbury Publishing, London.
- Homburg, C., Steiner, V.V. and Totzek, D. (2009), “Managing dynamics in a customer portfolio”, *Journal of Marketing*, Vol. 73 No. 5, pp. 70–89.
- Hofer, C.W. and Schendel, D. (1978), *Strategy Formulation: Analytical Concepts*, West Publishing Co., St. Paul.
- Hopkinson, G. and Yu, L.C. (2002), “Valuing customer relationships: using the capital asset pricing model (CAPM) to incorporate relationship risk”, *Journal of Targeting, Measurement and Analysis for Marketing*, Vol. 10 No. 3, pp. 220–232.
- Huang, Y., Surface, D.L. and Zhang, C. (2022), “Corporate social responsibility and sustainability practices in B2B markets: a review and research agenda”, *Industrial Marketing Management*, Vol. 106, pp. 219–239.
- Hunt, S.D. (2015), “The bases of power approach to channel relationships: has marketing’s scholarship been misguided? ”, *Journal of Marketing Management*, Vol. 31 Nos 7/8, pp. 747–764.
- Johnson, M.D. and Selnes, F. (2004), “Customer portfolio management: toward a dynamic theory of exchange relationships”, *Journal of Marketing*, Vol. 68 No. 2, pp. 1–17.
- Kaartemo, V., Coviello, N. and Nummela, N. (2020), “A kaleidoscope of business network dynamics: rotating process theories to reveal network microfoundations”, *Industrial Marketing Management*, Vol. 91, pp. 657–670.
- Krapfel, R.E., Salmond, D. and Spekman, R. (1991), “A strategic approach to managing buyer-seller relationships”, *European Journal of Marketing*, Vol. 25, pp. 22–37.
- LA Rocca, A., Perna, A., Sabatini, A. and Baraldi, E. (2019), “The emergence of the customer relationship portfolio of a new venture: a networking process”, *Journal of Business & Industrial Marketing*, Vol. 34 No. 5.
- Laplante, D.A. (2019), “Replication is fundamental, but is it common? A call for scientific self-reflection and contemporary research practices in gambling-related research”, *International Gambling Studies*, Vol. 19 No. 3, pp. 362–368.
- Law, J. (2004), *After Method: Mess in Social Science Research*, Psychology Press, London.
- Lei, J., Dawar, N. and Lemmink, J. (2008), “Negative spillover in brand portfolios: exploring the antecedents of asymmetric effects”, *Journal of Marketing*, Vol. 72, pp. 111–123.
- Lewis, M.W. and Grimes, A.I. (1999), “Metatriangulation: building theory from multiple paradigms”, *The Academy of Management Review*, Vol. 24 No. 4, pp. 672–690.
- Lilienfeld, S.O. (2017), “Psychology’s replication crisis and the grant culture: righting the ship”, *Perspectives on Psychological Science*, Vol. 12 No. 4, pp. 660–664.

- Malich, L. and Munafò, M.R. (2022), “Introduction: replication of crises-interdisciplinary reflections on the phenomenon of the replication crisis in psychology”, *Review of General Psychology*, Vol. 26 No. 2, pp. 127-130.
- Markowitz, H. (1952), “Portfolio selection”, *The Journal of Finance*, Vol. 7 No. 1, pp. 77-91.
- Marx, K. (2004), *Capital: Volume I*, Penguin, London.
- Maxwell, S.E., Lau, M.Y. and Howard, G.S. (2015), “Is psychology suffering from a replication crisis? What does “failure to replicate” really mean?”, *American Psychologist*, Vol. 70 No. 6, p. 487.
- Medlin, C.J. (2004), “Interaction in business relationships: a time perspective”, *Industrial Marketing Management*, Vol. 33 No. 3, pp. 185-193.
- Möller, K.K. and Halinen, A. (1999), “Business relationships and networks: managerial challenge of network era”, *Industrial Marketing Management*, Vol. 28 No. 5, pp. 413-427.
- Morgan, R.M. and Hunt, S.D. (1994), “The commitment-trust theory of relationship marketing”, *Journal of Marketing*, Vol. 58 No. 3, pp. 20-38.
- Nayak, B., Bhattacharyya, S.S. and Krishnamoorthy, B. (2023), “Integrating the dialectic perspectives of resource-based view and industrial organization theory for competitive advantage—a review and research agenda”, *Journal of Business & Industrial Marketing*, Vol. 38 No. 3, pp. 656-679.
- Nelson, L. (1978), “Socratic method and critical philosophy”, *Revista Portuguesa de Filosofia*, Vol. 34.
- Nononen, S., Kjellberg, H., Pels, J., Cheung, L., Lindeman, S., Mele, C., Sajtos, L. and Storbacka, K. (2014), “A new perspective on market dynamics: market plasticity and the stability–fluidity dialectics”, *Marketing Theory*, Vol. 14 No. 3, pp. 269-289.
- Norrie, A. (2007), RE: presentation – dialectic. type to alan norrie on dialectic at the dictionary of critical realism launch – april 4th.
- Norrie, A. (2010), *Dialectic and Difference: Dialectical Critical Realism and the Grounds of Justice*, Routledge, London.
- Ojansivu, I., Hermes, J. and Laari-Salmela, S. (2020), “Business relationships in the industrial network literature: three approaches and their underlying assumptions”, *Industrial Marketing Management*, Vol. 87, pp. 181-195.
- Ojansivu, I., Medlin, C.J., Andersen, P.H. and Kim, W. (2022), “Using a ‘lens’ to re-search business markets, relationships and networks: tensions, challenges and possibilities”, *Industrial Marketing Management*, Vol. 100, pp. 49-61.
- Olsen, R.F. and Ellram, L.M. (1997), “A portfolio approach to supplier relationships”, *Industrial Marketing Management*, Vol. 26, pp. 101-113.
- Paolone, F., Cucari, N., Wu, J. and Tiscini, R. (2021), “How do ESG pillars impact firms’ marketing performance? A configurational analysis in the pharmaceutical sector”, *Journal of Business & Industrial Marketing*, Vol. 37 No. 8.
- Parker, J. (2000), *Structuration*, Open University Press, Buckingham.
- Peters, L. (2016), “Heteropathic versus homopathic resource integration and value co-creation in service ecosystems”, *Journal of Business Research*, Vol. 69 No. 8, pp. 2999-3007.
- Peters, L. (2018), “Resource integration process: the dialectic of presence and absence”, in Vargo, S. and Lusch, R. (Eds), *The SAGE Handbook of Service-Dominant Logic*, Sage Publications, London.
- Peters, L., Pressey, A., Vanharanta, M. and Johnston, W. (2013), “Constructivism and critical realism as alternative approaches to the study of business networks: convergences and divergences in theory and in research practice”, *Industrial Marketing Management*, Vol. 42 No. 3, pp. 336-346.
- Peters, L.D., Vanharanta, M., Pressey, A.D. and Johnston, W.J. (2012), “Taking time to understand theory”, *Industrial Marketing Management*, Vol. 41 No. 5, pp. 730-738.
- Riegel, K.F. (2013), *Foundations of Dialectical Psychology*, Academic Press, Cambridge.
- Ritter, T. and Andersen, H. (2014), “A relationship strategy perspective on relationship portfolios: linking customer profitability, commitment, and growth potential to relationship strategy”, *Industrial Marketing Management*, Vol. 43 No. 6, pp. 1005-1011.
- Ryals, L. (2002), “Measuring risk and returns in the customer portfolio”, *Journal of Database Marketing & Customer Strategy Management*, Vol. 9 No. 3, pp. 219-227.
- Ryan, A., Tähtinen, J., Vanharanta, M. and Mainela, T. (2012), “Putting critical realism to work in the study of business relationship processes”, *Industrial Marketing Management*, Vol. 41 No. 2, pp. 300-311.
- Sayer, A. (1992), *Method in Social Science: A Realist Approach*, Routledge, New York, NY.
- Sayer, A. (1998), “Abstraction: a realist interpretation”, in Archer, M., Bhaskar, R., Collier, A., Lawson, T. and Norrie, A. (Eds), *Critical Realism: Essential Readings*, Routledge, London.
- Sayer, A. (1999), *Realism and Social Science*, Sage, London.
- Schneider, L. (1971), “Dialectic in sociology”, *American Sociological Review*, Vol. 36 No. 4, pp. 667-678.
- Schneider, E.M. (1986), “The dialectic of rights and politics: perspectives from the women’s movement”, *NYUL Review*, Vol. 61, p. 589.
- Shahzad, U., Mohammed, K.S., Tiwari, S., Nakonieczny, J. and Nesterowicz, R. (2023), “Connectedness between geopolitical risk, financial instability indices and precious metals markets: novel findings from Russia Ukraine conflict perspective”, *Resources Policy*, Vol. 80, p. 103190.
- Sharpe, W.F. (1963), “A simplified model for portfolio analysis”, *Management Science*, Vol. 9 No. 2, pp. 277-293.
- Sharpe, D. and Poets, S. (2020), “Meta-analysis as a response to the replication crisis”, *Canadian Psychology/Psychologie Canadienne*, Vol. 61 No. 4, pp. 377-387.
- Shrout, P.E. and Rodgers, J.L. (2018), “Psychology, science, and knowledge construction: broadening perspectives from the replication crisis”, *Annual Review of Psychology*, Vol. 69 No. 1, pp. 487-510.
- Tadajewski, M. (2008), “Incommensurable paradigms, cognitive bias and the politics of marketing theory”, *Marketing Theory*, Vol. 8 No. 3, pp. 273-297.
- Terho, H. and Halinen, A. (2007), “Customer portfolio analysis practices in different exchange contexts”, *Journal of Business Research*, Vol. 60 No. 7, pp. 720-730.

- Thakur, R. and Workman, L. (2016), "Customer portfolio management (CPM) for improved customer relationship management (CRM): are your customers platinum, gold, silver, or bronze?", *Journal of Business Research*, Vol. 69 No. 10, pp. 4095-4102.
- Turnbull, P. and Zolkiewski, J. (1997), "Profitability in customer portfolio planning", in FORD, D. (Ed.), *Understanding Business Markets: Interaction, Relationships and Networks*, The Dreyden Press, London.
- Vanharanta, M. and Wong, P. (2022), "Critical realist multilevel research in business marketing: a laminated conceptualization of resilience", *Journal of Business & Industrial Marketing*, Vol. 37 No. 10.
- Vargo, S.L. and Lusch, R.F. (2016), "Institutions and axioms: an extension and update of service-dominant logic", *Journal of the Academy of Marketing Science*, Vol. 44 No. 1, pp. 5-23.

- Wiggins, B.J. and Christopherson, C.D. (2019), "The replication crisis in psychology: an overview for theoretical and philosophical psychology", *Journal of Theoretical and Philosophical Psychology*, Vol. 39 No. 4, p. 202.
- Wind, Y. (1982), *Product Policy, Concepts, Methods and Strategies*, Reading, Mass, Addison-Wesley.
- Zolkiewski, J. and Turnbull, P. (2000), *Relationship Portfolios – Past, Present and Future*, 16th IMP Conference in Bath, UK.
- Zolkiewski, J. and Turnbull, P. (2002), "Do relationship portfolios and networks provide the key to successful relationship management?", *Journal of Business & Industrial Marketing*, Vol. 17 No. 7, pp. 575-597.

Corresponding author

Markus Vanharanta can be contacted at: markus.vanharanta@ucd.ie