

THE MODERATOR ROLE OF TRUST IN THE RELATIONSHIP BETWEEN COOPETITION AND INCREMENTAL INNOVATION: EVIDENCE FROM TOURISM INDUSTRY

Fatma YAVUZ* 

Yıldız Technical University, Business Management, Economics and
Administrative Sciences, Istanbul, Turkey, e-mail: fatmayavuz95@gmail.com

Murat ÇEMBERCI 

Yıldız Technical University, Business Management, Economics and
Administrative Sciences, Istanbul, Turkey e-mail: muratcemberci@gmail.com

Citation: Yavuz, F., & Çemberci, M. (2022). THE MODERATOR ROLE OF TRUST IN THE RELATIONSHIP BETWEEN COOPETITION AND INCREMENTAL INNOVATION: EVIDENCE FROM TOURISM INDUSTRY. *GeoJournal of Tourism and Geosites*, 44(4), 1292–1299. <https://doi.org/10.30892/gtg.44413-945>

Abstract: With the increasing importance of coopetition in recent days, coopetition has been adopted by companies in order to embark on the changing global market conditions. Cooperation is a variable that arises simultaneously from the concepts of “cooperation” and “competition” that has become increasingly popular in recent years. In cooperation, the attitude of the partners is important. During the competition process, the attitudes and behaviors of the partners towards each other should be within the framework of ethical and moral rules, competence, efficiency and goodwill. It is believed that the efficiency of the innovation process, which takes place together with the coopetition path, will be greater. It is aimed to improve the innovation performance of companies through strong cooperation between companies and synergy in the information of the parties. The element of trust is one of the important factors determining the direction of coopetition activities particular. For this, the trust factor between partners often comes into play. This research questions how innovative firms that conduct R&D and innovation studies affect trust in the relationship between coopetition efforts and incremental innovations in tourism industry. For this reason, it is aimed to examine the moderator effect of trust in the relationship between cooperation and incremental innovation. The analysis of the data collected in the study was tested by hierarchical regression analysis. The positive and significant impact of joint competitive activities on the hospitality industry was further strengthened by the moderator effect of the trust and supported by the results of the resulting field study. As a result, the study was finalized by supporting the assumption put forward.

Key words: coopetition, incremental innovation, trust, innovation, tourism

* * * * *

INTRODUCTION

Coopetition, which emerges at the point of adapting to changing conditions, sharing information and resources, and adapting to strong competition conditions, brings with it the ability of companies to protect their own assets and simultaneously access additional knowledge, skills and resources (Ma, 1999). On the other hand, firms that put their own interests ahead of their common goals will experience high levels of conflict and will not be able to maintain a coopetition relationship. Therefore, companies that do not have an effective knowledge management policy may encounter problems related to the sharing of their new services. When competition drives a partnership and is predominantly observed, self-interest will be maximized, meaning that the working relationship may be short-lived (Khanna et al., 1998). If one of the factors of cooperation or competition dominates the partnership relationship between firms, profitability will not be optimal (Luo et al., 2007). Since the 1980s, the tourism and hotel industry has shown a significant increase, becoming one of the largest industries in the world (Draskovic et al., 2022).

It has higher risk, capital intensity, leverage and more intense competition compared to other sectors (Singal, 2015). For example, while hotels that rely solely on platforms to acquire their customers can meet their occupancy targets, they also suffer reduced profits due to the high commissions they have to pay to the platforms. In contrast, hotels that rely only on their direct channels (e.g. hotel website) to attract customers and do not choose to list their properties on platforms will also find their profits diminished. This is because these hotels miss a large number of customers booking through the platforms and thus have low occupancy levels (Bahar et al., 2022). Therefore, firms that can maintain a balance of cooperation have a competitive advantage over those that only promote cooperation or competition (Deng et al., 2020).

When viewed in the context of global competition, multinational enterprises often engage in complex and simultaneous competitive cooperative relationships with global competitors. For example, NEC collaborates in R&D and co-production with competitors such as Honeywell, Siemens and Northern Telecom; Philips and Sony continue to collaborate to develop and manufacture new DVD players, but compete intensely in other product categories. Global competitors work together to collectively improve performance by sharing resources through collaborative relationships

* Corresponding author

and adhering to common goals in specific areas (for example, product market or value chain activities). At the same time, they compete by taking independent actions in other areas to improve their own performance (Luo, 2004). On the other hand, Ritala and Hurmelinna-Laukkanen (2009) distinguish three main factors for coopetition in their study. First, companies engaged in coopetition want to increase their existing market size or create a new market. Here, companies pool their resources to improve existing products and services or create new ones. Second, companies aim to improve resource use, reduce risk and share costs. Third, maintaining the market share of rival companies and increasing their competitiveness can be a reason for coopetition (Bouncken and Kraus, 2012).

Although cooperation is a variable arising from the concepts of cooperation and competition, it is thought that the efficiency of the innovation process realized in this way will be higher. Innovation is accepted as a tool to use the synergies in the knowledge bases of the parties with the strong cooperation between the companies and thus to increase the performance of the relevant companies (Ritala and Laukkanen, 2013). In the rapidly developing technology diversity, companies use cooperation to push the technology limit through alliances between competitors and create mutual advantages in sectors with short product life, technology convergence and high R&D costs (Gnyawali, et al., 2008). Studies in the literature provide an example of improving innovation through cooperation in basic research and standards development (Bayona et al., 2001; Tether, 2002). In the relations between organizations following incremental innovations, ideas, information, materials, design, etc. requires mutual exchange in order to improve the existing product or service concept. Belderbos et al. (2004) state the positive effect of collaborative competition on increased innovation. In this study, the moderator effect of trust between firms is questioned. Trust between firms is one of the important factors that determine the direction of coopetition activities. In this transparent competition and cooperation process, firms frequently exchange among themselves and establish relatively strong ties (Gulati, 1995). This tie that has been established can continue its existence trust. In the position of coopetition between organizations, the concept of goodwill in trust in the position of coopetition between organizations expresses honest, trustworthy and trustworthy behaviors between partners (Raza-Ullah, 2021). Therefore, the coopetition relationship plays an important role in maintaining the existence of goodwill in trust. It is very difficult for the relationship between the partners and the exchange of information and resources to take place in an environment where there is no trust and mutual goodwill. Another critical dimension in trust is competence trust. In other words, it is the positive thoughts of the business partner about their skills and abilities to contribute to collaborative projects (Czernek and Czakon, 2016; Deutsch, 1960).

Competence trust is necessary because it is precisely from this perspective that partners are willing to undertake large-scale, technologically complex and resource-intensive projects. In addition, precarious work in hotels today is a global phenomenon. Precarious work is associated with non-standard labor contracts. Fixed-term, temporary and short-term contracts, part-time contracts, agency work, freelance work, on-call employment (Delibasic et al., 2022), contracts to be concluded, including civil contracts, constitute a factor of trust between the parties. Precarious work has weakened the trade union as an organization, as its membership continues to decline (Edralin, 2014). In the literature, there are few studies that investigate the moderator of trust in the relation between coopetition and incremental innovation.

In this study, the moderating role of trust in the relationship between coopetition and incremental innovation is investigated, especially in the hotel industry where an increase has been observed. To be able to adapt to emerging innovations, according to the expectations of individuals, is to shape the innovation process, and the value of jointly participating in the competition at the point of service activities between organizations, it is aimed to contribute to the literature by examining the effect of moderator trust. Any insecurity situation in which the company managers are in encourages companies to be cautious due to the fact that appearance may be deceptive by raising awareness about their potential opportunistic tendencies that may occur in a competitive position jointly with partners (Schul et al., 2008). Therefore, companies that have doubts and reservations about each other at the point of mutual distrust may move away from innovations and steps to be taken by not wanting to take risks that may occur.

Confidence and insecurity at the point of predicting harmful consequences for the performance that may arise affect the steps that companies will take to incremental innovations. It is aimed to contribute to the literature by examining trust factor in the hotel industry, where there is a lot of circulation, the activities of organizations are constantly changing periodically and seasonally and in terms of keeping up with incremental changes and innovations.

Conceptual Background

The theoretical basis of the study is based on the Resource Dependence Theory. Resource dependency theory, which examines the efforts of businesses to gain power and autonomy over other businesses around them, emphasizes that the environment has a strong effect on strategic activities (Jones, 2013). According to the theory, businesses try to manage their interactions with their environment in order to guarantee their access to the resources they depend on (Pfeffer and Salancik, 2003). All businesses are in an open social environment and must obtain the necessary resources to survive and develop (Wu Jian-Feng et al., 2007). Therefore, interdependence has become an important motivation for establishing a long-term strategic partnership. For this reason, another factor that has an important role in the coopetition activities among companies is the phenomenon of 'resource dependence'. When viewed in a global context, competition will increase if resource dependence among competitors decreases. Weakened interdependence is likely to reduce cooperation and increase competition (Henderson and Mitchell, 1997). German Vodafone and French Vivendi Universal brands can be given as examples. The two companies have been competing and cooperating for years. Recently, their mutual rivalry in the pan-European mobile phone market has increased significantly due to the weakening of interdependence, with the dissolution of the internet joint venture Vizzavi (Luo, 2007).

1. Coopetition

In the business world, the concept of cooperation was developed by Ray Noorda, the founder of the network software company Novell, by combining the words cooperation and competition to describe the practices of simultaneously competing and collaborating (Ganguli, 2007). This hybrid behavior, which consists of both cooperation and competition elements, has become increasingly popular in recent years (Bengtsson and Kock, 2000), known as coopetition (Bouncken and Kraus, 2012). Concordantly, Nalebuff, and Brandenburger (1995) have managed to attract a great deal of attention, with the use of game theory in a theoretical framework to discuss the importance of coopetition in business. Nalebuff and Brandenburger (1995) defined coopetition as a strategy in which different players apply to create value in order to enlarge the market pie, and then compete to get as much of the pie as possible. Therefore, the method is to cooperate with competitors to gain competitive advantage. This concept, which attracts more and more attention in both business and academic life, has been frequently applied by technology companies that initially wanted to remain competitive in certain areas, but decided to work together in different areas (LeTourneau, 2004).

There are a few studies on the dimensions of coopetition in the literature studies on coopetition (Bendig et al., 2018; Bengtsson and Raza-Ullah, 2016; Luo et al., 2006). Seepana et al. (2020) make functional the coopetition by multiplying the two dimensions of coopetition, the multiplication or product/interaction method approach applied in previous coopetition studies (Seepana et al., 2020). The cooperation variable is measured with five items adapted from Cannon and Perreault (Cannon and Perreault, 1999) in 1999. Competition is measured with a four-item scale adapted from Zhang, Shu, Jiang, and Malter (Zhang et al., 2010). The multiplicative method is ideally interpreted as it represents the simultaneity of both constructs, namely cooperation and competition (Chandrasekaran et al., 2012; He and Wong, 2004; Seepana et al., 2020).

2. Incremental Innovation

Incremental innovation is the innovation that occurs as a result of studies involving improvement, research and development or restructuring processes in the existing product (Dewar and Dutton, 1986; Ritala and Hurmelinna-Laukkanen, 2013). Studies involving these processes are carried out gradually. In other words, collaborative incremental innovation is usually about creating value for the entire industry or a subgroup within it by improving existing products and processes or infrastructure (Von Hippel, 1988; Tether, 2002; Zhang et al., 2010). When incremental innovations are produced through coopetition, firms are likely to use some of their existing fundamental knowledge in the innovation process that underpins their current and future competitive differentiation in end-product markets. For this reason, even if there is a small improvement in the current technologies and general thinking of the companies, they should maintain this knowledge and skills (Ritala and Hurmelinna-Laukkanen, 2013). As a result, knowledge security exchange will be ensured by taking measures to protect the resources that companies have in a coopetition position.

According to the traditional assumption in the literature, firms are expected to benefit from joint innovation by accessing the knowledge and skills of their customers and suppliers. This kind of 'intimate' cooperation has been recognized as a tool to exploit the synergies in the knowledge bases of the parties, thereby increasing the innovation performance of the firms involved (Ritala and Laukkanen, 2013). In this century where technology is developing rapidly, competitors form alliances with each other in a competitive market in order to develop new technologies, share risks and standardize proposed offers. Carayannis and Alexander (1999) emphasize the importance of cooperation for knowledge-intensive, dynamic and complex fields such as technology industries, especially in providing access to information and resources if the players are SMEs (Gnyawali and Park, 2009). SMEs and industries are changing rapidly, and they have a high uncertainty level about their future (Ganguli, 2007). This uncertainty, which already exists, increases the flexibility and adaptability of companies. On the other hand, potential liquidity, limited resource and borrowing capacity problems of small and medium-sized enterprises reduce the possibility of contributing to research and development activities. Collaboration provides an opportunity to more easily adapt to these changes, share important additional information and resources, and mitigate the risks posed by uncertainty.

Achieving a new technological standard or a new market is difficult, although rationally not impossible. If SMEs see great potential to share risks or use complementary resources, they are willing to dedicate resources to their legacy competitors to develop strong innovation. The possibility of appealing to a wider segment in the market motivates the coopetition even more, especially in SMEs that do not have large market power (Bouncken and Kraus, 2012).

3. Trust

The term interorganizational trust is expected to exist in a focal firm in relation to the intentions and behaviors of the partners, together with the connotation of positive expectations when viewed from a mass perspective (Zaheer et al., 1998). The point emphasized here is to act together in the focal company in terms of the intentions and competencies of the parties for the activities carried out and to meet at a common point. In the coopetition process between firms, the use of power over dependent partners is a factor in the context of competition, while the act of individuals to maximize mutual interest is considered as a factor of cooperation (Bouncken and Fredrich, 2012). In this transparent cooperation, firms frequently exchange among themselves and establish relatively strong ties (Gulati, 1995). Therefore, "trust" has a critical value in this cooperation process established in a competitive environment (Farrelly and Quester, 2003). Trust is an element of coopetition, since cooperation is based not only on competition but also on cooperation (Devetag, 2009). Trust can increase interaction between partners and the development of shared values, even when firms compete with each other. Trust dimensions have been conceptualized in different ways in the literature. For example, Dowell et al. (2013) emphasized three dimensions of trust: goodwill, competence and honesty. Other studies used the first two dimensions (Das and Teng, 2001).

Since it is deemed necessary to consider goodwill as a dimension in all of the studies, the second approach is followed. These two dimensions were disabled and adapted from various studies (Connelly et al., 2018; Jiang et al., 2013; Raza-Ullah, 2021) and overall, four for goodwill and three for competence. A seven-item scale was used. The goodwill dimension of trust; The focus consists of four items that capture the firm's decisions about the partner's honesty, reliability, equity consistency, and helping behavior. The competence dimension of trust measures the degree to which the focus firm believes the partner can do its job, serves as an excellent source of truthful information, and has a wealth of professional knowledge and expertise.

RESEARCH MODEL AND DEVELOPMENT OF HYPOTHESES

The initial research model suggests that trust plays a moderator role in the relation between coopetition and incremental innovation as shown in Figure 1.

1. The Relationship between coopetition and incremental innovation

Incremental innovations includes minor changes to products, technologies and services (Dewar and Dutton, 1986). Additional technical support, new design and packaging activities can be given as examples of incremental innovation. However, incremental innovations are less risky than major changes in new products and technologies (Ali et al., 1993). For this reason, it is more likely to be preferred and implemented for coopetition activities compared to radical innovations. At the same time, the costs will be more limited compared to radical innovations. Belderbos et al. (2004) state the positive effect of coopetition on increased innovation. Based on all this information, the following hypothesis has been developed, considering the positive effect of coopetition on incremental innovation:

H₁: There is a positive and significant relationship between coopetition and incremental innovation.

2. The Moderator Role of Trust

Trust has an important role in coopetition, as coopetition is based not only on competition but also on cooperation (Devetag, 2009). Even in any competitive situation, the interaction and values between the partners of the two companies may increase with the element of trust and affect commercial activities. It will also affect the relationship between trust, collaboration and innovation performance. Under high confidence, collaboration partners gain stronger experience with cross-border new ideas, design concepts and technologies (Bouncken and Fredrich, 2012). Moreover, technology interdependence can create strong bonds between partners and motivate them to work on innovation and push innovation frontiers. Therefore, companies will be able to achieve various innovations and add value to their products by cooperating under the conditions of dependency brought about by high trust and trust. In the light of this information, the following hypothesis was formed:

H₂: Trust has a moderator effect on the relationship between coopetition and incremental innovation.

RESEARCH METHODOLOGY

The conceptual model put forward in this study shows the moderator effect of trust in examining the effect of coopetition on radical innovation. Although an empirical research was conducted to test these relationships, it was tried to ensure that at most two people from each company participated in the survey. Participants were not randomly selected, and it was tried to ensure that the authorized managers of the companies in terms of production structures and processes and the authorized people of the companies in the areas of purchasing and financial indicators participated in the survey. The enterprises included in the sample are those operating in more than one sector.

A questionnaire was sent to all of these enterprises. Electronic mail (e-mail) and face-to-face interview methods were used to collect the data. As a result, the data obtained from 212 companies were analyzed in the statistical data processing program. In order to test the relationships between the variables, hypotheses were tested using factor, reliability and hierarchical regression analyses. A multiple-choice scale was used to test the hypotheses. Answers (1= strongly agree to 5= strongly disagree) were measured using a 5-point Likert scale. The scales used in the developed western countries were included in the study questionnaire. Since the questions in these scales were compiled from foreign publications; It was first translated into Turkish, then translated back into English by a different expert and compared with the original. As a result of this comparison, after the compatibility of the original and the translation was confirmed, the questionnaires were sent to the companies. The scales that are the subject of the study were determined after a detailed literature review and included in the questionnaire to be used in the research.

Measures and Sampling

In this study, it is aimed to examine the relationship between coopetition, incremental innovation and trust in the tourism industry. It was aimed to examine the mentioned variables and a research model hypotheses were established. In the research, it has been tried to reach the large-scale hotels operating employees of large companies and SMEs that are deemed suitable for hospitality industry. The survey was conducted with managers and white-collar employees working at various levels in hotels and hospitality companies. Managers and white-collar employees were preferred because of their dominance over business policies and their ability to influence and direct the decisions taken in the company. An average of 1-2 people from each company were surveyed. The survey was completed by contacting some of the participants face-to-face, the majority via e-mail and social media platforms (LinkedIn, etc.). After eliminating the

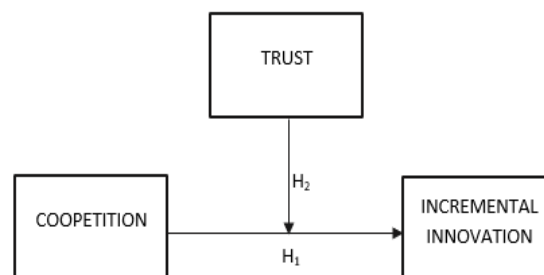


Figure 1. Initial Research Model

unsuitable questionnaires, the remaining 212 questionnaires were analyzed. While choosing the scale, scales with high validity, which have been used many times in international academic studies, were preferred. The scale consisting of 9 questions developed by Seepana et al. (2020) was used to measure the cooperation variable. To measure the incremental innovation variable, the incremental innovation scale developed by Garcia and Calantone (2002) and consisting of 3 questions was used. And to measure the trust variable, Connelly et al. (2018), a scale consisting of 7 questions was used.

RESEARCH FINDINGS

1. Demography Features

Demographic features of 212 people, consisting of managers and white-collar employees from tourism and hospitality industry participating in the research, are given in Table 1. The majority of the participants are business owners (65 people and 30.66%) and middle managers (58 people and 27.36%). 60.85% (129 people) of the participants are between the ages of 20-44. In terms of gender, 67.92% (144 people) constitute the majority of the participants. The proportion of women who answered the questionnaire is 32.08% (68 people). 57.55% (122 people) of the participants have a bachelor's degree.

2. Factor Analysis

Factor analysis was carried out in order to find out how many different dimensions the questions in the questionnaire were perceived by the respondents and to divide the independent variables into main groups so that the analyses could be done more efficiently. Varimax method was used as rotation method in factor analysis.

After the results of the analysis, a question was removed from the dimensions of the joint competition variable and the analysis continued. The remaining 18 questions were included in the analysis. As a result of the analysis, the variables were distributed over 4 factors. These factors are Trust (7 items), Competition (4 items), Incremental innovation (3 items), and Cooperation (4 items). With four factors obtained as a result of the factor analysis, it was determined that the explanation rate of the total change in the model was 64.06%, and the Kaiser-Meyer-Olkin (KMO) value of 0.869, which can be considered quite high, indicating that the data used is a homogeneous grouping of the variables, and a significant Barlett sphericity test result has been obtained. The factor structure of the Rotation Factor Matrix obtained as a result of the analysis is summarized in Table 2.

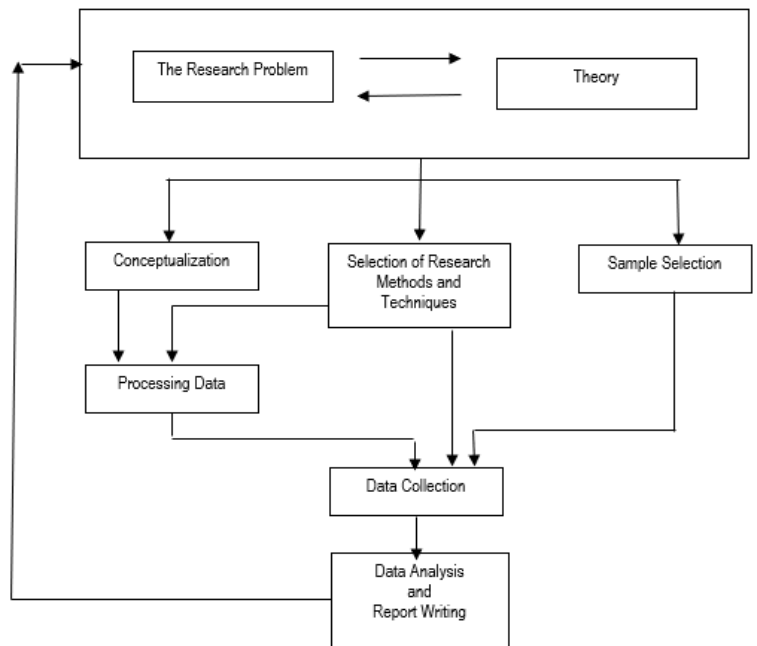


Figure 2. Research Methodology Flowchart

Table 1. Demographic Features

	Variables	Numbers of Participants	% (Percentage)
Position	Owners/Employers	65	30.66
	Executive	47	22.17
	Mid-level Manager	58	27.36
	Junior Administrative Officer	17	8.02
Age range	White Collar Employee	25	11.79
	20-44	129	60.85
	45-64	81	38.21
	65-79	2	0.94
Gender	80+	0	0.00
	Female	68	32.08
Back-ground	Male	144	67.92
	Elementary school	2	0.94
	Highschool	13	6.13
	Vocational school	13	6.13
	Graduate	122	57.55
Department	Master's degree	44	20.75
	Doctor's degree	18	8.49
	Production	34	16.04
	Finance	21	9.91
Department	HRM	3	1.42
	Marketing and Sales	93	43.87
	Others	61	28.77

Table 2. Factor Analysis

Factors	Items	Factor Loadings				Cronbach's Alpha Values
		F1	F2	F3	F4	
Trust	Trust 20	0.849				0.89
	Trust 19	0.787				
	Trust 18	0.748				
	Trust 15	0.728				
	Trust 17	0.695				
	Trust 16	0.672				
	Trust 14	0.644				
Competition	Competition 12		0.847			0.78
	Competition 11		0.796			
	Competition 13		0.783			
	Competition 10		0.504			
Incremental Innovation	Incremental Innovation 26			0.84		0.85
	Incremental Innovation 25			0.84		
	Incremental Innovation 24			0.77		
Cooperation	Cooperation 7				0.76	0.63
	Cooperation 6				0.62	
	Cooperation 8				0.57	
	Cooperation 5				0.56	
Explained Variance (%)		23.36	14.78	14.1	11.75	
Total Explained Variance (%)		64.06				
(i) Varimax Rotated Principal Component Analyses (ii) KMO =0.869; p<0.001						

3. Reliability Analysis

As a result of the reliability analysis, it is shown in Table 2 that the Cronbach's Alpha value of all variables is above the generally accepted value of 0.70. Thus, the research scale has been shown to be reliable.

4. Hierarchical Regression Analysis

In the study, hierarchical regression analysis was performed to determine how the change in incremental innovation, which is the dependent variable, is explained by coopetition as the independent variable and trust as the moderator variable. In order to analyze this effect more clearly, a simple regression analysis in which the coopetition independent variable is handled alone, and the multiple regression analysis, which jointly deals with competition, confidence, and the product variable consisting of the product of the standardized values of both variables, are referred to as Model 1 and Model 2, respectively entered into hierarchical regression analysis. The mathematical representation of the above explanations is as follows:

Table 3. Model Table of Hierarchical Regression Analysis

MODEL 1:	$INCREMENTAL\ INNOVATION = \beta_0 + \beta_1. COOPETITION + \epsilon$
MODEL 2:	$INCREMENTAL\ INNOVATION = \beta_0 + \beta_1. COOPETITION + \beta_2. TRUST + \beta_3. TRUST'.COOPETITION' + \epsilon$

The hierarchical regression model summaries are shown in Table 4. As seen in Table 3, an increase of 0.07 was observed between the R square value of Model 1 and the R square value of Model 2. As seen in Table 4, the model is generally significant. The coefficients of the variables are summarized in Table 6.

Table 4. Hierarchical Regression Model Summaries

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
1	.474a	0.224	0.221	0.87523
2	.546b	0.298	0.288	0.83665
a. Predictors: (Constant), Coopetition				
b. Predictors: (Constant), Coopetition, Trust, Çarpım Değişkeni				

Table 5. Anova Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	46.503	1	46.503	60.706	.000
	Residual	160.866	210	0.766		
	Total	207.369	211			
2	Regression	61.772	3	20.591	29.416	.000
	Residual	145.597	208	0.700		
	Total	207.369	211			

Table 6. The Coefficients of the Variables

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		β	Std. Error	β		
1	Constant	5.814	.060		96.729	.000
	Coopetition	.469	.060	.474	7.791	.000
2	Constant	5.882	.062		94.641	.000
	Coopetition	.276	.072	.278	3.851	.000
	Trust	.186	.073	.188	2.540	.012
	Çarpım Değişkeni	-.123	.043	-.199	-2.860	.005

As seen in Table 5, the product variable is statistically significant at the 10% significance level. Considering the R square change, the moderator effect of trust was found to be statistically significant.

DISCUSSION

In this study, the moderator role of trust in the relationship between coopetition and incremental innovation has been examined. The H₁ hypothesis assumed that coopetition had a positive effect on incremental innovation and the H₁ hypothesis was supported as a result of the hypothesis test. This finding supported that, in line with previous studies in the literature, inter-firm coopetition positively affects incremental innovation performance. Therefore, incremental innovation performance can be expected to increase as inter-firm coopetition activities increase. The H₂ hypothesis assumes that trust has a moderator effect on the effect of incremental innovation on inter-firm coopetition, and the H₂ hypothesis was supported as a result of the hypothesis test. Therefore, as the trust between firms increases, the effect of coopetition on incremental innovation is expected to increase. Considering the hospitality industry in particular, the trust that organizations will have for each other in order to adapt to the changing and developing technology, seasonal changes and collaborations every day is important. The trust that organizations will have towards each other will be reflected in the work that has been put forward and will increase performance. Therefore, as a result of coopetition activities, the satisfaction of customers' expectations and the trust that organizations will have towards each other can be related.

Incremental innovation is expressed as a type of innovation that occurs as a result of activities that involve the stages of development, improvement, restructuring of the current product and service, which are carried out in stages. For a sector such as the hospitality sector that constantly has to be open to changes and innovations in service, the value of trust will be of critical importance. In situations such as the exchange of resources between partners and each other, the exchange of information, the state of trust that they will form towards each other is vital. The moderator effect of the trust element has been demonstrated for the improvement in performance and changes in innovation at the point of meeting the expectations of the customers. Customer satisfaction, continuity and sustainability, keeping up with seasonal changes, keeping up with incremental technological innovations and therefore ensuring the conditions for customer recovery in the season vary depending on the trust between the partners in the activities carried out. The principle of trust, which can change depending on the principle of transparency, is vital for the continuity of incremental innovations. Along with the good results achieved, the improvement in performance and the reflection of the situation on customers will improve significantly. Therefore, the steps to be taken and the between the parties in the connections to be established and the transparency situation that may change depending on this trust are of great importance.

CONCLUSION

One of the important results of the research for companies in tourism and hospitality industry and managers is that managers should consider the important effect of the trust factor between their partners, with whom they carry out their cooperation activities, on the innovation and product development activities of companies. For this reason, companies facing strong information leakage risks in the cooperation between companies in the tourism and hospitality sectors may find it difficult to realize incremental innovations due to the size of insecurity that may arise. Therefore, for the slightest incremental innovation to be made in their existing technologies or business ideas, firms need to protect their knowledge and skills and protect themselves against the risks of insecurity. Thus, by protecting the resources of the companies in the cooperation position, a secure exchange of information can be provided between the companies in tourism and hospitality industry. In addition, by basing the information system and information sharing of institutions on the theory of resource dependence, it can move its businesses towards establishing longer-term strategic partnership relationships. Thus, it is understood that the trust element of the resource-based theory can be used. Therefore, the trust that the parties will feel towards each other in the process of cooperation between the partners will have an impact on innovation activities that will add value to the resulting products and will significantly contribute to the increase in the level of product performance.

Companies that are aware that taking advantage of incremental innovations and developments will greatly benefit from being able to keep up with and adapt to seasonal changes are aware of the importance of joint cooperation activities and the element of trust that will occur with it. Organizations that can act with this consciousness and take the right steps with the right partners at the right time will be one step ahead in terms of customer satisfaction and continuity.

The hospitality sector is a performance and satisfaction based sector. For this reason, strong collaborations that will be created within the trust environment that will be created will contribute significantly to the companies. It is aimed that the results of our study support this and make a contribution to the literature.

Limitation and Future Research

In this study, the role of trust in the relationship between cooperation and incremental innovation was analyzed. In the research model, only the trust variable was used as the moderating variable. However, in some studies in the literature, distrust is used as a moderator variable (Raza-Ullah, 2021). Therefore, this situation can be considered as a limitation for this study. The role of the distrust variable on the relationship between cooperation and incremental innovation in research models established in future studies can be examined. In addition, the data collection process of the research passed through the data collection difficulties in the Covid-19 Pandemic process. If larger sample sets are reached, re-evaluation of the results of the study may be considered. The research is limited by the moderator effect of trust in the hospitality sector and can also be associated with different sectors in the process of subsequent studies.

REFERENCES

- Ali, A., Kalwani, M.U., & Kovenock, D. (1993). Selecting product development projects: Pioneering versus incremental innovation strategies. *Management Science*, 39(3), 255-274. <https://doi.org/10.1287/mnsc.39.3.255>
- Bahar, V., Nenonen, S., & Starr, R. (2022). Cooperation with platforms: Balancing the interplay of cooperation and competition in hospitality. *Tourism Management*, 88, 1-20. <https://doi.org/10.1016/j.tourman.2021.104417>
- Bayona, C., García-Marco, T., & Huerta, E. (2001). Firms' motivations for cooperative R&D: an empirical analysis of Spanish firms. *Research Policy*, 30(8), 1289-1307. [https://doi.org/10.1016/S0048-7333\(00\)00151-7](https://doi.org/10.1016/S0048-7333(00)00151-7)
- Belderbos, R., Carree, M., & Lokshin, B. (2004). Cooperative R&D and firm performance. *Research policy*, 33(10), 1477-1492. <https://doi.org/10.1016/j.respol.2004.07.003>
- Bendig, D., Enke, S., Thieme, N., & Brette, M. (2018). Performance implications of cross-functional cooperation in new product development: the mediating role of organizational learning. *Industrial Marketing Management*, 73, 137-153. <https://doi.org/10.1016/j.indmarman.2018.02.007>
- Bengtsson, M., & Kock, S. (2000). "Cooperation" in Business Networks to Cooperate and Compete Simultaneously. *Industrial Marketing Management*, 29(5), 411-426. [https://doi.org/10.1016/S0019-8501\(99\)00067-X](https://doi.org/10.1016/S0019-8501(99)00067-X)
- Bengtsson, M., & Raza-Ullah, T. (2016). A systematic review of research on cooperation: Toward a multilevel understanding. *Industrial Marketing Management*, 57, 23-39. <https://doi.org/10.1016/j.indmarman.2016.05.003>
- Bouncken, R., & Fredrich, V. (2012). Cooperation: performance implications and management antecedents. *International Journal of Innovation Management*, 16(5), 1250028.1-28. <https://doi.org/10.1142/S1363919612500284>
- Cannon, J., & Perreault, J.R., W. (1999). Buyer-seller relationships in business markets. *Journal of marketing research*, 36(4), 439-460. <https://doi.org/10.1177/002224379903600404>
- Carayannis, E.G., & Alexander, J. (1999). Winning by co-opeting in strategic government-university-industry R&D partnerships: The power of complex, dynamic knowledge networks. *The Journal of Technology Transfer*, 24(2-3), 197-210. <https://doi.org/10.1023/A:1007855422405>
- Chandrasekaran, A., Linderman, K., & Schroeder, R. (2012). Antecedents to ambidexterity competency in high technology organizations. *Journal of operations management*, 30(1-2), 134-151. <https://doi.org/10.1016/j.jom.2011.10.002>
- Connelly, B., Crook, T., Combs, J., Ketchen, D., & Aguinis, H. (2018). Competence-and integrity-based trust in interorganizational relationships: which matters more?. *Journal of Management*, 44(3), 919-945. <https://doi.org/10.1177/0149206315596813>
- Czernek, K., & Czakon, W. (2016). Trust-building processes in tourist cooperation: The case of a Polish region. *Tourism Management*, 52, 380-394. <https://doi.org/10.1016/j.tourman.2015.07.009>
- Das, T., & Teng, B.S. (2001). Trust, Control, and Risk in Strategic Alliances: An Integrated Framework. *Organization Studies*, 22(2), 251-283. <https://doi.org/10.1177/0170840601222004>
- Delibasic, M., Pupavac, J., Budic, H., & Shilina, M.G. (2022). Employment in the hotel industries of Croatia and Montenegro: Current state and outlook. *Montenegrin Journal of Economics*, 18(3), 57-67. <https://doi.org/10.14254/1800-5845/2022.18-3.2>
- Deng, X., Zhang, N., Hwang, B.G., & Niu, Y. (2020). How to balance interfirm relationships? A case from high-speed railway industry. *Journal of Business & Industrial Marketing*, 35(11), 1785-1799. <https://doi.org/10.1108/JBIM-09-2019-0389>

- Deutsch, M. (1960). The effect of motivational orientation upon trust and suspicion. *Human relations*, 13(2), 123-139. <https://doi.org/10.1177/001872676001300202>
- Devetag, G.M. (2009). Coordination and trust as prerequisites of coopetition: experimental evidence. *Coopetition Strategy Theory, Experiments and Cases*, 274-289.
- Dewar, R.D., & Dutton, J.E. (1986). The adoption of radical and incremental innovations: An empirical analysis. *Management Science*, 1422-1433.
- Dowell, D., Heffernan, T., & Morrison, M. (2013). Trust formation at the growth stage of a business-to-business relationship. *Qualitative Market Research: An International Journal*, 16(4), 436-451. <https://doi.org/10.1108/QMR-06-2011-0006>
- Draskovic, V., Pupavac, J., Delibasic, M., & Bilan, S. (2022). Trade unions and hotel industry: Current trends. *ResearchGate*, 104-117. <https://doi.org/10.14254/2071-8330.2022/15-1/7>
- Edralin, D. (2014). Precarious work undermines decent work: the unionized hotel workers' experience. *DLSU Business & Economics Review*, 24(1), 13-26. <https://doi.org/10.1108/QMR-06-2011-0006>
- Farrelly, F., & Quester, P. (2003). The Effects of Market Orientation on Trust and Commitment: The Case of the Sponsorship Business-to-business Relationship. *European Journal of Marketing*, 37(3/4), 530-553. <https://doi.org/10.1108/03090560310459078>
- Garcia, R., & Calantone, R. (2002). A critical look at technological innovation typology and innovativeness terminology: a literature review. *Journal of Product Innovation Management*, An international publication of the product development & management association, 19(2), 110-132. <https://doi.org/10.1111/1540-5885.1920110>
- Ganguli, S. (2007). Coopetition models in the context of modern business. *The ICFAI Journal of Marketing Management*, 6(4), 6-16.
- Gnyawali, D.R., He, J., & Madhavan, R. (2008). Co-opetition, promises and challenges. *21st Century Management: A Reference Handbook*, 386-398.
- Gnyawali, D., & Park, B.J.R. (2009). Co-opetition and Technological Innovation in Small and Medium-Sized Enterprises: A Multilevel Conceptual Model. *Journal of Small Business Management*, 47(3), 308-330. <https://doi.org/10.1111/j.1540-627X.2009.00273.x>
- Gulati, R. (1995). Does familiarity breed trust — The implications of repeated ties for contractual choice in alliances. *Academy of Management Journal*, 38(1), 85-112. <https://doi.org/10.5465/256729>
- He, Z.L., & Wong, P.K. (2004). Exploration vs. exploitation: An empirical test of the ambidexterity hypothesis. *Organization science*, 15(4), 481-494. <https://doi.org/10.1287/orsc.1040.0078>
- Henderson, R., & Mitchell, W. (1997). The interactions of organizational and competitive influences on strategy and performance. *Strategic management journal*, 18(S1), 5-14. [https://doi.org/10.1002/\(SICI\)1097-0266\(199707\)18:1+<5::AID-SMJ930>3.0.CO;2-I](https://doi.org/10.1002/(SICI)1097-0266(199707)18:1+<5::AID-SMJ930>3.0.CO;2-I)
- Jiang, X., Li, M., Gao, S., Bao, Y., & Jiang, F. (2013). Managing knowledge leakage in strategic alliances: The effects of trust and formal contracts. *Industrial Marketing Management*, 42(6), 983-991. <https://doi.org/10.1016/j.indmarman.2013.03.013>
- Jones, G.R. (2013). Organizational theory, design and change.
- Khanna, T., Gulati, R., & Nohria, N. (1998). The dynamics of learning alliances: Competition, cooperation, and relative scope. *Strategic management journal*, 19(3), 193-210. [https://doi.org/10.1002/\(SICI\)1097-0266\(199803\)19:3<193::AID-SMJ949>3.0.CO;2-C](https://doi.org/10.1002/(SICI)1097-0266(199803)19:3<193::AID-SMJ949>3.0.CO;2-C)
- LeTourneau, B. (2004). Co-opetition: An Alternative to Competition. *Journal of Healthcare Management*, 49(2), 81-83.
- Luo, Luo, X., Rindfleisch, A., & Tse, D. (2007). Working with Rivals: The Impact of Competitor Alliances on Financial Performance. *Journal of Marketing Research*, 44(1), 73-83. <https://doi.org/10.1509/jmkr.44.1.073>
- Luo, Y. (2004). *Coopetition in international business*. Copenhagen Business School Press DK, 9-116.
- Luo, Y. (2007). A coopetition perspective of global competition. *Journal of world business*, 42(2), 129-144. <https://doi.org/10.1016/j.jwb.2006.08.007>
- Luo, X., Slotegraaf, R., & Pan, X. (2006). Cross-functional “coopetition”: The simultaneous role of cooperation and competition within firms. *Journal of marketing*, 70(2), 67-80. <https://www.scopus.com/home.uri>; <https://doi.org/10.1509/jmkg.70.2.067>
- Ma, H. (1999). Anatomy of competitive advantage: A SELECT framework. *Management Decision*, 37(9), 709-718. <https://doi.org/10.1108/00251749910299129>
- Nalebuff, B.J., & Brandenburger, A.M. (1995). The right game: Use game theory to shape strategy. *Chicago: Harvard Business Review*, 76, 57-71.
- Pfeffer, J., & Salancik, G.R. (2003). *The external control of organizations: A resource dependence perspective*. Stanford University Press.
- Raza-Ullah, T. (2021). When does (not) a coopetitive relationship matter to performance? An empirical investigation of the role of multidimensional trust and distrust. *Industrial Marketing Management* (96), 86-99. <https://doi.org/10.1016/j.indmarman.2021.03.004>
- Ritala, P., & Hurmelinna-Laukkanen, P. (2009). What's in it for me? Creating and appropriating value in innovation-related coopetition. *Technovation*, 29(12), 819-828. <https://doi.org/10.1016/j.technovation.2009.07.002>
- Ritala, P., & Hurmelinna-Laukkanen, P. (2013). Incremental and radical innovation in coopetition—The role of absorptive capacity and appropriability. *Journal of Product Innovation Management*, 30(1), 154-169. <https://doi.org/10.1111/j.1540-5885.2012.00956.x>
- Schul, Y., Mayo, R., & Burnstein, E. (2008). The value of distrust. *Journal of Experimental Social Psychology*, 44(5), 1293-1302. <https://doi.org/10.1016/j.jesp.2008.05.003>
- Seepana, C., Paulraj, A., & Huq, F. (2020). The architecture of coopetition: Strategic intent, ambidextrous managers, and knowledge sharing. *Industrial Marketing Management*, 91, 100-113. <https://doi.org/10.1016/j.indmarman.2020.08.012>
- Singal, M. (2015). How is the hospitality and tourism industry different? an empirical test of some structural characteristics. *Int. J. Hosp. Manag.* 47, 116-119. <https://doi.org/10.1016/j.ijhm.2015.03.006>
- Tether, B.S. (2002). Who co-operates for innovation, and why: An empirical analysis. *Research Policy*, 31(6), 947-967. [https://doi.org/10.1016/S0048-7333\(01\)00172-X](https://doi.org/10.1016/S0048-7333(01)00172-X)
- Von Hippel, E. (1988). Cooperation Between Rivals: Informal Know-How Trading; Research Policy. *Research Technology Management*, 31(6), 58. [https://doi.org/10.1016/0048-7333\(87\)90015-1](https://doi.org/10.1016/0048-7333(87)90015-1)
- Wu, J., & Lv, Z. (2007). Resource dependence, network centrality and multi-party alliance construction: an empirical research of industry-sponsored E-marketplaces. *Chinese Journal of Management*, 4(4), 509-513.
- Zaheer, A., McEvily, B., & Perrone, V. (1998). Does Trust Matter? Exploring the Effects of Interorganizational and Interpersonal Trust on Performance. *Organization science*, 9(2), 141-159. <https://doi.org/10.1287/orsc.9.2.141>
- Zhang, H., Shu, C., Jiang, X., & Malter, A. (2010). Managing knowledge for innovation: the role of cooperation, competition, and alliance nationality. *Journal of International Marketing*, 18(4), 74-94. <https://doi.org/10.1509/jimk.18.4.74>