DOCTOR OF PHILOSOPHY

The role of interoganisational tension and conflict in market creation practice

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THE ROLE OF INTERORGANISATIONAL TENSION AND CONFLICT IN MARKET CREATION PRACTICE

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ABSTRACT

Markets exist within a world of constant exchanges which form the basis for changes and the creation of new markets. Therefore, it is important to research these exchanges. One of the areas in which market creation can be observed is interorganisational collaborations, as firms increasingly collaborate to create markets. In market creation practice, however, interorganisational tension and conflict can form from divergent approaches and vested interests of the partners. Interorganisational tension represents the opposing intentions of interorganisational forces, and conflict is generated through disagreements. The aim of this research is to investigate interorganisational tension and conflict on market creation practice. Specifically, it attempts to: (i) expand interorganisational tension and conflict and provide insights to these concepts, as well as establishing a two-dimensional interorganisational tension (productive and unproductive) understanding, (ii) explore the interactions between interorganisational tension and conflict, (iii) develop a conceptual framework that explains the level of market creation depending on the effects of interorganisational tension and conflict, (iv) develop a typology of partnering firms based on interorganisational tension and conflict practice. To achieve this aim, and to respond to the research calls, this study follows a grounded theory approach which intends to expand the understanding of interorganisational tension and conflict.

According to the findings, a major characteristic of interorganisational tension is its two dimensions: productive and unproductive. However, it is the intertwined nature of tension and conflict that influences market creation. Fundamental to these are the six interorganisational tension and three conflict types revealed by the findings of this study. The core theoretical contributions of the study are a dynamic framework that portrays the dynamic interactions between interorganisational tension and conflict on market creation practice, and a typology of market-creating partnering firms. Collectively, they explicate the development of market creation practice, and firms' reactions to interorganisational tension and conflict.

Key Words: Interorganisational collaborations, tension, conflict, market-creation

TO EVERYONE WHO BELIEVED IN ME IN THIS JOURNEY

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

List of Abbreviations

CAQDAS	Computer Assisted Qualitative Data Analysis Software
GSM	Global System for Mobile Communications
ICT	Information Communication Technologies
NFC	Near Field Communication
PIN	Personal Identification Number
SIM	Subsctiber Identity Module
Telco	Telephone and Communications Company

1   CHAPTER ONE: INTRODUCTION AND RESEARCH BACKGROUND

CONTENTS

The nature of the research is outlined in this chapter. It begins by clarifying the background to the study, outlining the research aim and objectives. A theoretical rationale and justification of the study discussing the importance of market creation, interorganisational collaborations and their relation to tension and conflict is then discussed. It continues with a brief discussion on the methodology for the study, and finally it concludes by outlining the theoretical contributions planned in this research.

1.1   BACKGROUND TO THE RESEARCH

Markets are critical for marketing activities. Markets are important because they provide the fields where exchanges take place, and these exchanges are the basis for the marketing process (Buzzell, 1999; Humphreys, 2010). Therefore markets, and in particular the way in which markets socially emerge, is the focus of this thesis. The overall aim of this study is to investigate interorganisational tension and conflict in market creation practice. Recent studies in marketing, including Buzzell (1999), Araujo et al. (2008) and Humphreys (2010) highlight the importance of moving the marketing debate beyond the product-and firm-centric research foci and towards the dynamic social interactions taking place among the web of market actors in the practice of market creation. In particular, Araujo et al. (2008) argue that "*markets should be studied as sites of multiple and often conflicting sets of practices...*" (p. 6). In another stream of institutional research, North (2005) suggests that to investigate markets, it is important to look into their changing conditions through these social exchanges, particularly in the context of new market creation practice where conflicting social dynamics are particularly visible. A new market is created when a firm or a group of firms introduce/s new and non-existent products or services and changes the existing structure of the industry or multiple industries (Darroch and Miles, 2011). New market creation conditions therefore provide a theoretically rich field to frame this study.

Much of the discussion on the role of markets in marketing has been led by the research of Araujo (2007) and his colleagues (Adler and Kwon, 2002; Darr and Talmud, 2003; Finch and Geiger, 2011; Harrison and Kjellberg, 2010). This work stresses the role of interorganisational collaborations in market creation practice. More generally, studies also point to the benefits associated with the interorganisational collaborations through various

means, such as competitive advantage, extracting more power, and value from collaborations[1] (Eisenhardt and Schoonhoven, 1996; Shah and Swaminathan, 2008). There are significant challenges in market creation collaborations, however.   (Guidice et al., 2003) assert:

> *"Cooperative agreements have become an integral part and cornerstone of competitive strategies. Competition through cooperation has become the mainstay of a firm's attempt to gain financial and survival advantages. The virtual explosion of cooperative agreements on a worldwide basis has led to a new form of competition: group versus group rather than company versus company" (pp. 135, 136)*

This argument is in line with Araujo's (2007) suggestion that during market creation firms form collaborations which both cooperate and compete at the same time. This may have a major impact on the conditions for market changes (Finch and Geiger, 2011). The difficulties of collaborating has been well documented in the literature over the last two decades – almost half of collaborations end up in unplanned dissolutions (Das and Teng, 2000; Inkpen and Beamish, 1997; Stern et al., 1973). The purpose of these collaborations is to create *their own* model markets. Not all interorganisational collaborations end in dissolution. Many prosper under significant conditions of tension and conflict. Indeed, in a significant study, (Ozcan and Eisenhardt, 2009) recently demonstrated that tension and conflict does not preclude firms from various industries embracing opportunities to collaborate in order to create new markets, as can be observed in industries such as telecommunications, computer hardware and software, entertainment, creative content, news distribution and financial services (Ozcan and Eisenhardt, 2009). This study takes up and extends this work, investigating the productive nature of interorganisational tension and conflict in market creation practice. In this study, tension is defined as the opposing intentions of individual, organisational or interorganisational forces (Dodd, 1939; Zeitz, 1980). Conflict that is generated from real or perceived differences is identified as a type of behaviour that occurs when two or more parties have disagreements (DeChurch and Marks, 2001; De Dreu and Vianen, 2001).

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[1] The term "collaborations" in this work is used interchangeably with the term "interorganisational collaborations".

1.2   RESEARCH AIM AND OBJECTIVES

In short, markets are a central part of marketing. It is contended in this thesis that marketing practice significantly shapes markets, not least in the pursuit of creating a new market. However, market creation is a Herculean task, requiring much more than management enthusiasm, talent optimism, and good intentions. It requires inter-organisational collaboration – firms and social actors working together to instantiate significant boundary change. Marketers must work with non-marketers. Market orientated firms must work with non-market orientated firms, or with firms with varying degrees of market orientation. Traditionally, interorganisational collaboration has been one of the core areas of interest in marketing and strategic management researches (Boyd and Kevin, 2008; Fock et al., 2005; Kale et al., 2002), not least because of their emphasis on market-driving behaviours, as well as their role in creating conditions for dynamic innovation and change (see for ex. Atuahene-Gima and Ko, 2001; Rao et al., 2008). The term "interorganisational collaborations" refer to a wide range of organisational formations based on their aims, governance structures, equity distributions, and market positioning (Gulati, 1998). This study adopts Parkhe's (1993) early definition for interorganisational collaborations:

> *"… relatively enduring interfirm cooperative arrangements, involving flows and linkages that utilize resources and/or governance structures from autonomous organisations, for the joint accomplishment of individual goals linked to the corporate mission of each sponsoring firm" (p. 795).*

Against this background, this research investigates interorganisational tension and conflict in market creation practice and the research problem aims to discern:

Research Aim: to explore and amplify the nature of tension and conflict in interorganisational collaborations in market creation practice.

Marketing studies mainly focus on the behaviour of consumers or marketing managers to understand the change in the markets (Buzzell, 1999). The aim of this study extends this approach by investigating the dynamics of market creation practice through the interorganisational collaborations. The significance of market creation is reflected in the increasing attempts of scholars to understand and explain the phenomenon (Araujo, 2007; Araujo et al., 2008; Kjellberg and Helgesson, 2007). Commenting on market creation, Hagedoorn (1993) asserts, "*...interfirm agreements are mentioned for their ability to create new markets and products, to provide market-entry...*" (p. 374). This view is supported by Knight (1921), who claims that the creation of markets depends on the collaboration of parties (Part II, Chapter VI). Yet, Knightian uncertainty also creates a challenge for

interorganisational relations and market creation (March and Shapira, 1987). Subsequently, during market creation, interorganisational collaborations face novel and unique challenges which cause interorganisational tension and conflict.

In order to fully explore this research problem, four research objectives were identified as of critical importance.

Objective 1: to expand the concepts of interorganisational tension and conflict and to provide insights to these concepts, as well as to establish a two-dimensional interorganisational tension (productive and unproductive) understanding.

Objective 2: to explore the reciprocal interactions between interorganisational tension and conflict.

Objective 3: to develop from the empirical evidence a conceptual framework that explains the level of market creation depending on the effects of interorganisational tension and conflict.

Objective 4: to develop a typology of partnering firms based on interorganisational tension and conflict practice.

The research objectives attempt to provide deeper insights into the market creation practice through the dynamics underlying the interorganisational tension and conflict. Although the inevitability of the interorganisational tension and conflict are discussed in the literature (Bradford et al., 2004; Jehn, 1995; Stern et al., 1973), there are a number of limitations to this research (Shah and Swaminathan, 2008). Specifically, studies often associate tension only to dysfunctional conflict (Bradford et al., 2004; Kankanhalli et al., 2006; Nordin, 2006). This assumption frequently ignores the positive impacts of tension that foster creativity and success in interorganisational collaborations (Dyer and Song, 1998; Ghemawat and Costa, 1993; Gobeli et al., 1998; McInerney, 2006). This is more visible in market creation activities due to the uncertainties, instabilities and possibilities of the new market (March and Shapira, 1987), where products, services and market actors are not stabilized (Jones et al., 1998; Sakakibara, 1997). Building on this argument, Perez-freije and Enkel (2007) point out the facilitating impact of productive tension that prepares the basis for market creation. Similarly, theorists of interorganisational collaborations and marketing denote that tension and conflict are significant for the creation of markets by indicating the underlying reasons and the interconnections between them (Rond and Bouchikhi, 2004), while also highlighting the need

for further theoretical clarification on the dynamics of tension and conflict (Huxham and Beech, 2003; McInerney, 2006).

In particular, scholars call for future research to understand the creation and evolution of markets (Levitt et al., 1999) through the collaborative activities (McInerney, 2006), and the role of interorganisational tension and conflict in market creation practice (Cameron, 1986). In essence, these calls require further studies to understand how collaborations and partners can benefit from tension and conflict (Barnett et al., 2000; Belderbos, 2003; Doz et al., 2000), through more micro-analytic perspectives (McDermott and O'Connor, 2002). In an attempt to answer these calls, the purpose of this thesis is to explore the dynamics of interorganisational tension and conflict on market creation practice.

1.3 THEORETICAL RATIONALE AND JUSTIFICATION FOR THE STUDY

The findings from this research will add to the existing theoretical knowledge. The rationale and justification for the focus and direction of the study may be discussed under the following subsections. Each of the grounds will be discussed in turn.

1.3.1 The role of Market Creation in Marketing Theory

Market creation studies look into the phenomenon from two distinct perspectives (Humphreys, 2010). The first approach is the product and meeting a need in the market by creating new products and services. The second perspective argues that market creation is the making of social and political processes (Humphreys, 2010). That is, markets are affected by the social and political exchanges which lead to the creation of new-markets, by developing new structures. According to the economic theory, existence of demand and supply is crucial to create new markets (Sundbo, 1997). However, institutional theory suggests that this economic rationale is guided by social interactions. This perspective builds on the argument that markets can be created through socially influencing people's behaviours (Sundbo, 1997). Sarasvathy and Dew (2005) explains this as markets being seen through three fundamental categories: demand, supply and institutions. This is a valid argument for well-established markets. In the context of market creation, none of these three elements pre-exists. That is, the newness of the market and the creation practice brings along uncertainties and ambiguities (Sarasvathy and Dew, 2005). In support of this argument, Gaddefors and Anderson (2009) argue that classical marketing perspectives overlook the probability of future transactions and preferences which constitute the markets.

14

According to Gaddefors and Anderson (2009), the creation of markets is different from established markets, and it is about "creating" rather than "managing" them. Thus, market creation is the outcome of complex adjustments and innovations which relate to creative activities (North, 2005). These creative activities happen in three domains: macro, meso and micro (Dimara et al., 2003). Macro domain refers to the existing general rules and regulations in which new markets operate, and meso domain indicates the environment where the social activities take place between individuals and firms. Micro domain denotes the market-creator actor (either individuals, or firms). Interactions take place among each domain and the newness of the market produces uncertainties and ambiguities in all these domains. Fligstein and Sweet (2002) posit that the interactions in these domains, in effect, lead to creation of new markets. The aforementioned uncertainties and ambiguities are the result of the trade-off between the normative stable conditions and the actual instabilities due to the newness of the market. That is to say, the imperfections in the market generate opportunities for the creation of new markets (Alvarez and Barney, 2007). Subsequently, market-creators, using these opportunities, create the new market, and try to stabilize it through the interactions in the macro, meso and micro domains (Alvarez and Barney, 2007; Fligstein and Sweet, 2002).

Marketing theorists embrace this idea and argue that markets are created through social relationships (Storbacka and Nenonen, 2011). These social relationships are not limited to the transactional relations. Firms, while creating new markets, tend to enter into collaborations to benefit from other partners' resources (Sarkar et al., 2001). Thus, market creation practice generally facilitates collaborations (Sarkar et al., 2001; Storbacka and Nenonen, 2011). In a recent study, Santos and Eisenhardt (2009) portrayed the social mechanisms of market creation. As suggested by theory, markets are created by imperfections, uncertainties and ambiguities (Alvarez and Barney, 2007). Inherent to these are interorganisational collaborations, tension and conflict. Consequently, taking a similar approach to Santos and Eisenhardt (2009), the following subsections depict the social aspect of market creation through reviewing these market creation mechanisms.

1.3.2   Market Creation through Interorganisational Collaborations

Individual firms increasingly collaborate on a wide range of activities. The increase in interorganisational collaborations is mainly driven by the desire to extract more benefits from the markets (Shah and Swaminathan, 2008), or create new ones (Eisenhardt and Schoonhoven, 1996; Guidice et al., 2003; Sarkar et al., 2001). Indeed, the consideration of markets as a social structure brings into play the interorganisational collaborations (Hardy and Phillips, 1998; Lawrence et al., 2002). Such collaborative approaches emphasise the

social and regulatory exchange of markets (Baker and Nelson, 2005; Barney, 1991; Eisenhardt and Schoonhoven, 1990; Humphreys, 2010; Park and Ungson, 1997). Lawrence et al. (2002) note that:

> *"…collaboration can act as a source of change in institutional fields...: new practices, rules, and technologies that transcend a particular collaborative relationship and may become new institutions if they diffuse sufficiently."(p. 281).*

Interorganisational collaborations are, therefore, a critical market-creating practice (Prashantham and McNaughton, 2006). That is to say, actual market conditions do not facilitate a single organisation to create a new market, but instead market creation requires inputs from a diverse array of industries and organisations (Humphreys, 2010). Consequently, collaborative practice becomes a requirement in the creation of new markets (Davis and Eisenhardt, 2011), as Alvarez and Barney (2007) put: *"...it will often be the case that those seeking to exploit a creation opportunity will need the cooperation of others..."* (p. 137). However, collaboration is often accompanied by competition in interorganisational relationships which are driven by tension and conflict (Hibbard et al., 2001). This becomes more visible in market creation activities (Araujo, 2007). For instance, the imbalanced and opportunistic expectations of the partnering firms generate disagreements (Khanna, 1998; Larsson et al., 1998; Lichtenstein et al., 2007). Khanna et al. (1998) explain this as the tension and conflict that expand to all partners and challenge the cooperation among them. They argue that tension and conflict is generated by the disproportional and often competing private and common expectations.

1.3.3   The Role of Interorganisational Tension in Market Creation

Tension is common in almost all contemporary organisations, but it is particularly significant in social collaborative activities (Mudambi and Swift, 2009). In market conditions, tension causes rivalry actions among organisations (Chen et al., 2007). These competitive attempts become more visible while creating markets (Aspers and Darr, 2011; Bowman and Hurry, 1993). That is, collaborations as heterogeneous social settings have a high tendency for interorganisational tension which has impacts on all partners (Jones et al., 1998; Sakakibara, 1997). Although this tension contributes to further changes in the market, and hence increases the market creation speed (Acs, 2005), in general tension is acknowledged as a source of instability. Das and Teng (2000) furthering this perspective, developed a framework where they depict three types of interorganisational tensions which are embedded into the conflictive nature of collaborations: cooperation versus competition which displays the rivalry actions among partners, rigidity versus flexibility that defines the connectedness levels of

partners, and short term versus long term orientation which focuses on the temporal agendas of the partners. They argue that the instabilities in collaborations depend on these three tensions. According to Kauser and Shaw (2004), the impact of tension on the collaboration success (or failure) is more than the impact of organisational structures. These studies; therefore, point to the fact that interorganisational success or failure is significantly related to the tension and conflict among partners. However, tension by its nature is not aimed at stabilities or instabilities and does not have any explicit or implicit purpose, as outlined by Rond and Bouchikhi (2004):

"… tensions that arise from the inter play of these forces are neither intrinsically functional nor dysfunctional nor naturally geared towards stability or instability..." (p. 66).

A comparatively small, but growing number of studies show that tension has productive and unproductive impacts on collaborations, which are reflected in collaborative tasks[2] (Huxham and Beech, 2003; McInerney, 2006). For example, while Levitt et al. (1999) argue that productive tension stimulates innovation, McInerney (2006) notes that collaborations are necessary formations for productive tension to stimulate innovation and creativity. This is explained in Cameron's (1986) excerpts:

"Without the tension that exists between simultaneous opposites in organisations, unproductive "schismogenesis" occurs... Schismogenesis is a process of self-reinforcement where one action or attribute in the organisation perpetuates itself until it becomes extreme and therefore dysfunctional. (p. 546)

Opposition in the form of schismogenesis may lead to system ineffectiveness and eventual dissolution, whereas the presence of creative tension arising from paradoxical attributes helps foster organisational effectiveness. (p. 549)"

Therefore, tension is important for collaborations as it facilitates productivity, innovation and creativity (McDermott and O'Connor, 2002). This links the productive impacts of tension to market creation (Lichtenstein et al., 2007). In fact, current research highlights the importance of productive impacts of tension on market-creating practice (Isaksen and Ekvall, 2010).

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[2] Collaborative tasks refer to the interorganisational tasks that are planned to be achieved by the collaboration. (see the full definition in Section 1.3.5, p. 19)

On the other hand, these productive impacts of tension do not reduce its unproductive impacts that lead to instabilities which are hazardous to collaborations (Das and Teng, 2000). Subsequently, research has called for more studies to focus on the opposite effects of interorganisational tension to provide deeper insights and to investigate its relation to conflict (Kale et al., 2000; Kor, 2006; Tiwana, 2008). This study aims to answer these research calls by investigating the two dimensions of interorganisational tension: productive tension which is defined as the tension that allows organisations to experiment and innovate by seeking and exploiting its productive effects (Levitt et al., 1999), and the unproductive tension which is explained as the undesirable factors (e.g. anxiety, stress, sadness, fear and anger) that lead to unproductive consequences (Lee et al., 2006).

1.3.4 The Role of Interorganisational Conflict in Market Creation

Conflict research has been developed through functional and dysfunctional conflicts among individuals (Aubert, 1963), inter and intra groups (DeChurch et al., 2007; Litterer, 1966), as well as strategic decision making processes (Medina et al., 2005). According to conflict theorists, the functional or dysfunctional effects of conflict either foster innovation and success in organisations, or result in failures as Baum et al. (2000) explains:

> *"…conflict can have two opposing effects. To a point, it can increase flexibility, foster innovation and ensure security of access to critical complementary assets. But it can also fragment the network as partners' competing interests pull in different directions, members fail to reach sufficient scale or returns to invest in the alliance, and appropriation concerns derail cooperative efforts..." (p. 270).*

Studies on market creation argue that the creation and change processes encompass a conflictive nature (Teubal and Zuscovitch, 1997). That is, the uncertainties and instabilities associated with the emergence of markets generate conflict. This conflict results from the normative versus changing conditions of the new market (McAdam, 2005). Thus, conflict is inevitable (Janssen et al., 1999), but it is also vital for market creation and organisational development (Goldman, 1966; Janssen et al., 1999; Parkhe, 1991). Furthermore, conflict presents both functional and dysfunctional effects which cannot be predicted straightaway. According to Jehn (1995), functional conflict is defined as situations where disagreements, different ideas and opinions among group members are observed especially on tasks, goals and their contents which in turn aim at accomplishing the tasks and goal. On the other hand, dysfunctional conflict is defined as interpersonal incompatibilities among group members which includes annoyance, antagonism and anger that negatively affects tasks and goals (Jehn, 1995).

Recent studies demonstrate that functional and dysfunctional conflicts have curvilinear relationships (De Dreu and Weingart, 2003; Tekleab et al., 2009). The curvilinear relationships between the conflict types produce complications for collaborative practice. For example, the intensity of functional conflict has different impacts than the expected positive effects and generates negative outcomes (De Dreu and Weingart, 2003; De Dreu, 2006). In another study, Mooney et al. (2007) demonstrated that functional conflict contributes to dysfunctional conflict causing the overall result to become dysfunctional. De Dreu and Weingart (2003) suggested that the curvilinear relationships between functional and dysfunctional conflict make it difficult to predict the achievement of collaborative tasks. While these discussions on conflict portray the intertwined nature of conflict, further research is required to develop the concept and the role of conflict in market creation (McAdam, 2005).

1.3.5 The Relationship between Interorganisational Tension and Conflict

The preceding subsections looked into the interorganisational tension and conflict concepts in the literature. This subsection will review the literature from the perspective of the relationship between these two concepts. The multifaceted relationship between conflict and tension is much less studied. For instance, almost all studies in conflict literature assume tension as an outcome of dysfunctional conflict, which reduces team outcomes (Moye and Langfred, 2004; Tidd et al., 2004). Only a few studies recognize the positive effects of tension (Dyer and Song, 1998; Gobeli et al., 1998; Isaksen and Ekvall, 2010; Levitt et al., 1999). In marketing and organisational behaviour literatures, in a limited number of studies, tension is referred to as a separate context which converts a static status into a dynamic competitive position fostering creativity or rivalry actions (Chen et al., 2007; Perez-freije and Enkel, 2007).

For the most part, research studies of tension and conflict relationships either associate tension with the negative consequences of dysfunctional conflict while ignoring the existence of productive effects of tension, or acknowledge the productive effects of tension in isolation from conflict. However, as Goldman (1966) and Cameron (1986) state, tension and conflict are not only vital for markets where social exchanges are generated, but also have integrating effects by reducing dysfunctional social activities.

Market creation studies often discuss about the "institutional void" in nascent markets which refer to the lack of legal frameworks, shortage of skilled people and absence of key infrastructure (Anderson et al., 2010). The existence of institutional voids in nascent markets creates tension and conflict due to the complexity of the new market environment (Anderson

et al., 2010). In other words, the uncertain environment as a result of the institutional voids produces encumbrances for the collective activity (Aldrich and Fiol, 1994). In such uncertain and risky environments, Lichtenstein et al. (2007) posit that market creation can be realised through achieving positive results from both tension and conflict. Given the above discussions regarding the negative impacts of both tension and conflict, extracting positive benefits is a difficult task to achieve. Furthermore, lack of standards and effective legislations lead to additional complications, and hence tension and conflict among market creators (Aldrich and Fiol, 1994). Thus, the strategic activities of firms to create markets in uncertain and competitive environments merit future research (Rindova et al., 2010). Specifically focusing on these gaps in this multidisciplinary arena, this study aims to investigate the under researched relationship between the interorganisational tension and conflict, as well as their impacts on market creation. One way to observe the nature of this relationship is to investigate the interorganisational market-creating tasks, which are directly affected by tension and conflict (Jehn et al., 2010; Kor, 2006; Leiponen, 2008; Zhao et al., 2007, 2010).

Market-Creating Tasks: Tasks are activities of organisations where processes occur regarding their physical outcomes (Porac et al., 1989). Market-creating interorganisational tasks can be defined as certain procedural scripts and activities that convert inputs to outputs performed by the members of collaborations (Alter, 1990; Goodhue and Thompson, 1995). Essentially, the task is a connecting process between actions of partners and the social collaborative structures. That is to say, tasks are at the centre of interorganisational collaborations, and at the same time an inseparable part of market creation. Studies demonstrate that the nature of the market-creating tasks is affected by actions and interactions, and through the dialogues and practice of the partners (Araujo et al., 2008; Kor, 2006). For example, competitive concerns among members create conflicts in market standardization tasks (Axelrod et al., 1995).

From this perspective, tasks are the mirrored reflections of the collaborative activities that are strongly related to the interorganisational tension and conflict. Tasks provide the basis for framing, observing, and understanding tension and conflict, and how they are utilized in the creation of new markets (Kor, 2006; Leiponen, 2008; Vaara et al., 2004; Zhao et al., 2007, 2010). Zigurs and Buckland (1998) explain this by the following words: "...*the nature of the task plays an important role in a group's interaction process and performance.*" (p. 313). Therefore, market creation tasks are suitable for investigating the interorganisational tension and conflict. Goodhue and Thompson (1995) suggest that to understand these interactions a micro focus to market creating tasks are required. However, a field with unidentified

characteristics, in this case an unborn market, raises concerns among researchers (Shane and Venkataraman, 2000). Moreover, as Langley (1999) pointed out, the investigation of tasks as market creating procedures has several challenges, such as the pre-conceptualization of the tasks under consideration. Through these methodological challenges, this study focuses on the processes of the market-creating tasks in general, and concentrates specifically on the standardization protocols as well as the mission statements to provide a deeper insight to the phenomenon, not least because a number of studies point to their critical market-creating attributes (Axelrod et al., 1995) (See Chapter Two, Section 2.8, p. 72 for a discussion on the standardization protocols and mission statements).

1.4 METHODOLOGY

In this section a brief overview of the research methodology is discussed. This is described in detail in Chapter Three.

The study is conducted as a grounded theory research using qualitative techniques, as the research objective is to provide further insights to the dynamics of interorganisational tension and conflict in market creation practice (Corbin and Strauss, 1990). There a number of reasons for this methodological choice. First, the scarcity of tension studies both in multidisciplinary market creation and interorganisational collaborations fields highlights the need for further exploration of the concept, in particular its relation to conflict (Kale et al., 2000; Tiwana, 2008). In light of this need to further explore the interorganisational tension and conflict, the application of grounded theory would provide valuable insights to the subject in describing, explaining, and understanding the dynamics of collaborative market creation (Palakshappa and Gordon, 2006). In fact, when the researchers are concerned more about exploring and understanding the phenomenon, the methodological approaches preferred are the qualitative techniques that allow grounding of the theory (Morgan and Smircich, 1980). Second, traditionally, positivist studies that employ quantitative techniques dominate the multidisciplinary interorganisational collaborations field. However, theorists working on interorganisational collaborations increasingly criticize this approach through methodological discussions within their fields and call for future research to use other perspectives (Gummesson, 2001; Hunt, 1994; Milliken, 2001). For instance, marketing theorists, a field dominated by quantitative studies, have long been encouraging the employment of qualitative methods which will significantly contribute to the field (Gummesson, 2001, 2003): in particular, through the inclusion of the "human" factor involved within the field (Hirschman, 1986). In the recent years these calls have been attracted researchers who investigate collaborations from different perspectives such as formation or dissolution of collaborations

(Palakshappa and Gordon, 2006). Third, Gummesson (2003) suggests that in B2B (business to business) research, grounded theory enables information from the live B2B activity, and this provides richness to the phenomenon. Thus, using grounded theory approach, the aim is to expand the notion of interorganisational tension and conflict and their dynamics in market creation. Finally, one of the major methodological impediments to researching "pre-paradigmatic stages" of market creation is, pioneering nature of this market activity presents new challenges for research designs, (Langley, 1999). Katz and Gartner (1988) state:

> *"The irony is that when we turn to the literature for guidance on how to identify new organisations, our theories and definitions about organisations assume that they already exist; that is, the starting point for our theories begins at the place where the emerging organisation ends." (p. 429).*

This study acknowledges the challenge of researching market creation and attempts to provide methodological insights by investigating interorganisational tension and conflict through these conditions.

1.4.1 Research Setting: Contactless Payments Market Creation

For the purposes of this study, a new market, the contactless[3] payments industry has been chosen as the research setting for this study. Although the contactless payments industry is a new industry which only dates back to early 2000s, there has been a growth in the scale and scope of the interorganisational collaborations in this industry over the last decade (M'Chirgui, 2009). Contactless payments are distinguished from the contact payments (conventional credit, debit or ATM cards) through a radio frequency communication protocol, which is activated when the card is within proximity of a transmitter (Dewan and Chen, 2005).

Even when some of the market-creating actors are identifiable, they can be dispersed across several industries in this new industry. This makes traditional classifications or conceptions of 'industries' difficult to access. This new industry transcends various markets including vending machines, public transportation, receipt of welfare payments (e.g. unemployment and child support), payroll remittance, authentication and authorization for VIPs, parking, restaurants, taxicab and petrol stations (European Payments Council, 2010). Consequently, the contactless payments industry comprises a set of different firms such as financial

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[3] The term "contactless" is used interchangeably with "mobile" by the industry representatives (respondents).

organisations, mobile phone manufacturers, software, hardware and ICT[4] companies (Leiponen, 2008; Zhao et al., 2007). This wide industry scope gives rise to the need for collaborations in contactless payments industry (Leiponen, 2008; Zhao et al., 2007) .

In recent years, the contactless payments industry has become a global concept, following the initial developments in Asia, North America and Europe (Dewan and Chen, 2005; European Payments Council, 2010; Olsen, 2008; Sanders, 2008; Vrancart, 2007). Among these geographical continents, two countries with varying degrees of development may prove insightful, such as the U.K and Turkey. Turkey and the UK are, in fact, the market creators for contactless payment cards with some specific features, not only within Europe but also globally (Card Technology Today, 2007; Sanders, 2008). Both countries signify the existence of previous exemplars of established collaborations in payment cards businesses (see for example UK Cards and BKM websites). Furthermore, they both carry the characteristics of market creators through risk taking, innovativeness and the desire for achievement (Aktan and Bulut, 2008; Laursen and Salter, 2006).

1.5 THEORETICAL AND EMPIRICAL CONTRIBUTIONS OF THE STUDY

The contribution of this thesis rests in several areas in the literature, as identified below:

- First, it explores the social interactions in interorganisational collaborations during market creation in order to provide an insight into the dynamics of tension and conflict.

- Second, by developing a two-dimensional (productive and unproductive) interorganisational tension concept, this thesis explores the role of interorganisational tension and conflict and their impacts on market creation through a framework.

- Third, it theoretically expands and conceptualizes the interactions between the productive, unproductive interorganisational tension and functional, dysfunctional interorganisational conflict by offering a framework.

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[4] ICT stands for "Information, Communication Technologies"

- Finally, this research offers a typology of partnering organisations in collaborations through the interactions of productive, unproductive tension, and functional, dysfunctional conflict.

1.6   OUTLINE OF THE THESIS

The thesis is structured into seven chapters, including the present chapter.

Chapter One: this chapter is an introduction to the topic and the research study. The rationale and justification for the current study, research aim and objectives, research methodology, and research contributions are presented in this chapter.

Chapter Two: this chapter presents the literatures reviewed through a discussion on market creation literature, interorganisational collaborations, and tension, and conflict. The characteristics and theoretical developments in these fields are critically discussed in association with the current study. Research gaps that prepared the basis for this study are also outlined.

Chapter Three: the philosophical stance of the methodological approach to the study and data analyses techniques are covered in this chapter. The research design, sampling considerations, data collection and preparation techniques are also discussed in this chapter. This chapter also includes ethical considerations and procedures for the study.

Chapter Four: this chapter comprises the findings of the study. The thematic findings are presented in this chapter using a systematic approach.

Chapter Five: this chapter covers the conceptualization of the findings by introducing the two-dimensional international tension and conflict notion, a framework which explains the dynamics of international tension and conflict on market creation and a typology that portrays the partnering organisations based on international tension and conflict dimensions.

Chapter Six: This chapter elaborates general discussions on the study by integrating both phases through the existing theories to provide answers to the research objectives.

Chapter Seven: this final chapter presents the conclusions, research contributions, and implications. Finally, the limitations of the study are outlined, and following on from this, a number of recommendations for future research are presented.

1.7 CHAPTER SUMMARY

This chapter has contained a brief introduction to this study which investigates the interorganisational tension and conflict in market creation practice. The theoretical background and the rationale, as well as the research aims and objectives of the study have been discussed through the existing literature. This chapter covered the role of market creation in marketing, the importance of interorganisational collaborations and their relation to tension and conflict and market creation practice. This section was followed by a brief introduction of the research methodology and research setting. The selected research setting to investigate the research subject under question has been described as it provides the necessary bases for interorganisational tension and conflict in market creation practice. Finally, an outline of the planned theoretical contribution of the study is summarized.

2 CHAPTER TWO: LITERATURE REVIEW

CONTENTS

The purpose of this chapter is to provide an understanding of the current market creation literature and its relation to interorganisational collaborations, tension and conflict literatures. The chapter starts with a review of market creation literature by discussing its definition, various characteristics and the theoretical perspectives used to explain the phenomenon. The chapter continues with reviewing the literature on interorganisational collaborations through their several forms and definitions, theoretical perspectives applied in the area, and the process model approach to their evolution. This section also combines interorganisational collaborations to market creation. This is followed by interorganisational organisational tension and conflict and conflict literatures. The chapter concludes with a framework drawn from the reviewed literature that which explains the market creation mechanisms.

2.1 INTRODUCTION

This Chapter presents an overview of the literature underpinning the research study.   In the first section, the literature on market creation is reviewed through its definitions, characteristics and theoretical perspectives applied to explain the phenomenon. The next section is dedicated to interorganisational collaborations which also start with the definitions used to explain them. The literature on interorganisational collaborations continues with the theoretical developments in the area, and the process models approach used to investigate the phenomena. These are the main concepts identified from the review of the interorganisational collaborations literature. Through a brief discussion, interorganisational collaborations are conceptually linked to market creation. The chapter continues with a discussion on the interorganisational tension and conflict, and points out the two distinctive approaches in these areas. These distinctive approaches eventually form the need to provide insights in order to understand the constructive and destructive effects of both interorganisational tension and conflict and their relation to each other. The section on tension provides a detailed review of the organisational tension literature and extending it to interorganisational collaborations, while presenting the need for a two-dimensional (productive and unproductive) tension approach. In relation to the market creation, the role of interorganisational tension is also discussed here. Following this, organisational conflict literature is reviewed by visiting the functional and the dysfunctional dimensions of conflict

and examining and how conflict affects interorganisational collaborations. Interorganisational conflict is also demonstrated in relation to market creation. Drawing on these discussions a framework which describes the market creation mechanisms from the perspective of this study is demonstrated. In the final section of this chapter, a review on market-creating tasks (standardization protocols and mission statements) that are the research setting of this study are also presented. Figure 2-1 provides a structure of the chapter and each section will be discussed in turn.

Figure 2-1 Structure of the Chapter
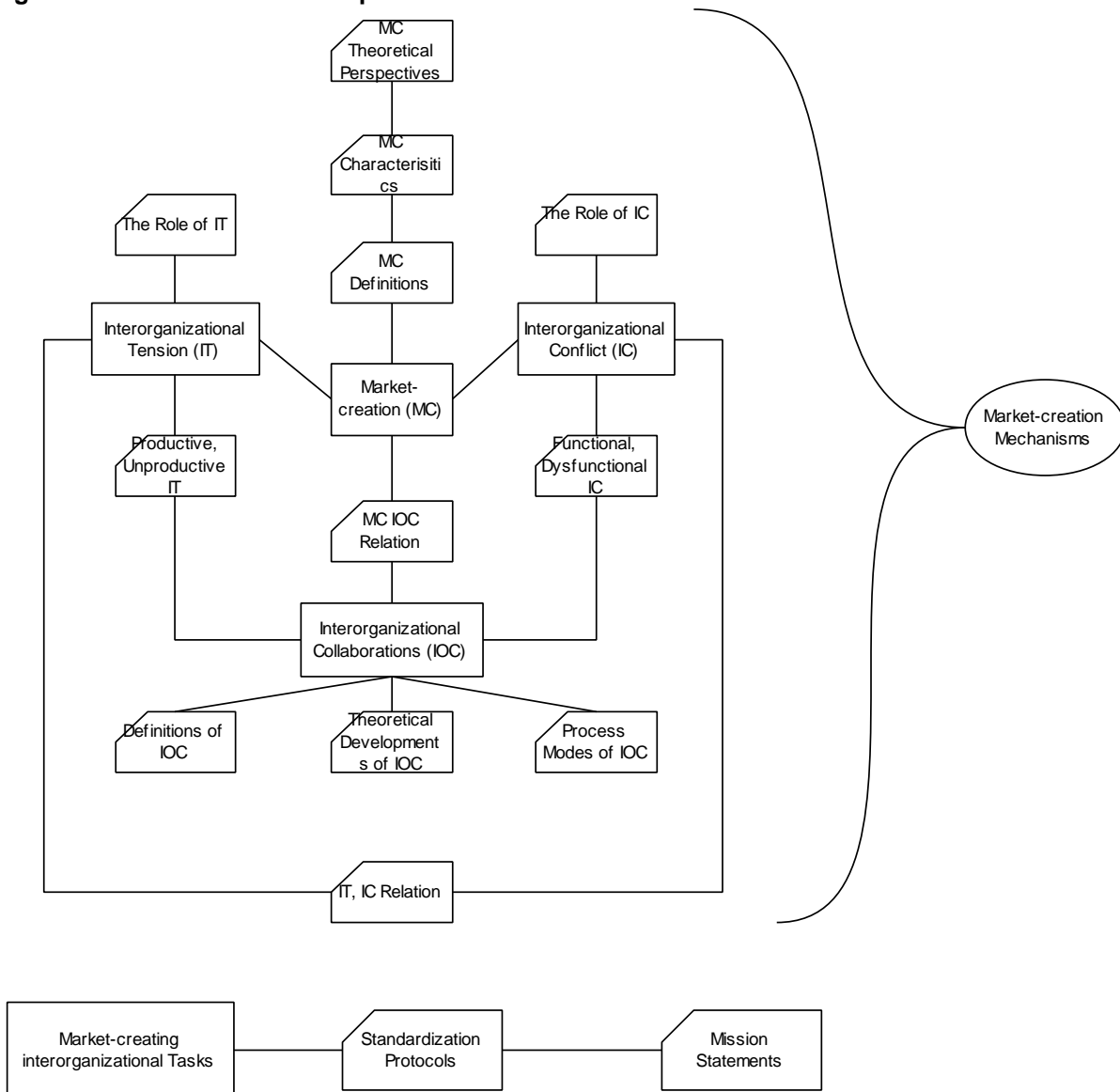
Source: Reviewed literature

2.2   MARKET CREATION

Markets and market creation has been the subject of many studies (Araujo, 2007; Araujo et al., 2008, 2010). There have been an increasing number studies explicitly addressing the topic published in a range of journals (see for ex. Teo et al., 2003), special journal issues (Dougherty, 1990), and dedicated conferences[5] as well as books (Araujo et al., 2010) , while other emerging areas of academic interest can be observed. New markets are business environments in an early stage of formation, often appearing in emerging "organisational fields" (Aldrich and Fiol, 1994; Santos and Eisenhardt, 2009). A new market is created when a firm or a group of firms introduce/s new and non-existent products or services and changes the existing structure of the industry or multiple industries (Darroch and Miles, 2011). They are in their pre-paradigmatic stage of development that allows dominant market makers to shape the strategic direction of the field.

In a pre-paradigmatic stage the market conditions are not settled and not shared, with many uncertainties, risks and opportunities (Aspers and Darr, 2011; Benner and Tripsas, 2012; Bryant, 1975; March and Shapira, 1987). Dougherty (1990) suggests that "*a new market is a multidimensional entity, and is defined by the configuration of a complex array of issues.*" (p. 75). That is, in established markets firms operate in organized conditions. However, during market creation the order or the conditions require to be constructed by the market-creators (Clegg et al., 2007). Academics have been attempting to conceptualise this practice and various theoretical approaches have been used to explain market creation practice and its characteristics. Before the following subsections critically discuss these perspectives, the definitions of market creation within the literature are initially reviewed.

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[5] http://www.cbd.int/programmes/socio-eco/incentives/indirect.shtml and
http://nordicworlds.net/2012/04/13/innovation-and-market creation-in-and-around-virtual-worlds-2/

2.2.1   Definitions of Market Creation

The first observation that can be discerned from this literature is that the concept of market creation is not clearly defined. Sarasvathy and Dew (2005) argue that, while it is easier to define existing markets through demand and supply (markets are places where there is a demand and supply equilibrium through institutions), the same is not true for the newly created markets where both demand and supply are scarce. According to this classical economic perspective, markets are created through the suppliers with a high potential for uncertainties stemming from market related projections (Dew et al., 2011).

Despite – or perhaps because of – this economic and macro perspective, another stream of research uses a more micro-driven approach to define market creation and associate it with its attributes (Sarasvathy and Dew, 2005). In this context, Teubal and Zuscovitch (1997) define market creation as "*the economy matches technology to needs*" (p. 267). Subsequently, technology (Aspers and Darr, 2011; King and Tucci, 2002), innovation (Darroch and Miles, 2011; Dougherty, 1990), product development (Lilien and Yoon, 1990) and product differentiation (Teubal and Zuscovitch, 1997) are observed as the most commonly used market creation attributes. However, more recent studies acknowledge the social perspective of the markets and apply this perspective to the description of new markets as Storbacka and Nenonen (2011) states:

> *"…there is no objectively given market. Markets are what actors make them to be. They are "socially constructed human artifacts [sic]" created by the actors who populate and link resources in a specific context. Markets are ideas and activities that exist because actors in the context seek to get access to new resources that they can integrate with their other socio- cultural resources in order to create value." (p.256)*

Building on this more social perspective, Storbacka and Nenonen (2011) define market creation as *"…configurations of value- creating elements in a network. Market configurations could be viewed as "business ecosystems" consisting of complementary and competing actors."* (p. 256). There are two important observations to be drawn from this definition pertinent to this study. First, the concept of value-creating elements is highlighted, and indeed it has been a central part of theory development in the fields of marketing and strategic management (Kenyon and Mathur, 2002; Storbacka and Nenonen, 2011). Moreover, there have been several significant papers in the field of marketing on this issue (see the special issue on value creation in IMM and the broader debate on SDL). Second, the idea that there are simultaneously complementary and competing actors connects to the

central ideas of this study – collaboration, tension and conflict – which emerge from the characteristics of market creation. These characteristics are further expanded upon in the next section.

2.2.2 Characteristics of Market Creation

When market creation literature is reviewed it is possible to observe a set of characteristics that underlie the market creation practice. These are: uncertainties, ambiguities, anti-leader positioning, market driving behaviours, alternative operational formations and its small number phenomenon. The following subsections comprise a brief discussion on these characteristics.

Uncertainties due to the newness of the market: Although theorists apply different theoretical perspectives to market creation, a common characteristic in all these studies is the uncertain conditions that challenge the market-creators (Santos and Eisenhardt, 2009). According to Beckman et al. (2004) uncertainty is;

> *"…the difficulty firms have in predicting the future, which comes from incomplete knowledge… individuals and organizations strive to reduce uncertainty because "certainty renders existence meaningful and confers confidence in how to behave and what to expect from the physical and social environment" (p. 260)*

As the rules of the market are not yet established, uncertainty emerges as a characteristic of market creation. These uncertainties are generated by three sources (Sarasvathy and Dew, 2005): i) the market uncertainty which stems from the lack of information regarding the market such as possible actors, products and services and market boundaries: ii) task or goal uncertainty which is closely associated to the market uncertainty as the attributes of market uncertainty inhibits the decision making processes of tasks and goals, iii) finally, "pre-rational" commitments to initiate the market creation. Organizations while creating a market attempt to 'settle down' these uncertainties through market standardizations, defining their buyer-seller characteristics and collaborating with other organizations (Aspers and Darr, 2011; Sarasvathy and Dew, 2005, 2005; Teubal and Zuscovitch, 1997). However, uncertainties are not limited to market creation conditions which are external to the firms. In effect, firms are also exposed to behavioural uncertainties that are firm-specific, such as entering into a new market, high levels of turnover or organisational change (Beckman et al., 2004).

Uncertainties inherent in market creation cannot be managed at the firm level (Beckman et al., 2004). Management of uncertainties often require the firms to collaborate. Yet, firms' attempts to stabilize the uncertainties associated with market creation through collaborations develop further behavioural uncertainties exclusive to the collaborations (Krishnan et al., 2006). For instance, understanding partners' strategic positioning and expectations are some of the behavioural uncertainties related to collaborations. Consequently, uncertainties experienced by market creators shape the patterns of the social relations in the new market (Aspers and Darr, 2011). In general these uncertainties form sources of tension and conflict in collaborative market-creating activities (Lewis et al., 2002).

Ambiguities associated to market creation: the second characteristic of market creation is ambiguity. Ambiguity is different from uncertainty. While uncertainty defines the inability to predict certain outcomes, ambiguity is the lack of clarity regarding the outcomes of particular conditions (Santos and Eisenhardt, 2009). During market creation, the expectations for the future are ambiguous because these expectations are based on ex-ante experiences. This poses issues related to market interpretation, hence establishing stable market conditions (Rindova et al., 2010). New markets are created if this ambiguity is tolerated (Acs, 2005; Baker, 2003; Stam et al., 2010). Hult (2011) denotes that organizations which create markets have a tendency of crossing boundaries (boundary spanning organizations and actors). These organizations are different from traditional organizations: they are less likely to have set boundaries and open to ambiguities. Subsequently, the tolerance of ambiguity plays a crucial role in the creation of new markets (Acs, 2005). However, as the level of ambiguity is high in new markets, the market-creators spend intensive effort to establish themselves in the market (Santos and Eisenhardt, 2009).

As a solution to this, Santos and Eisenhardt (2009) posit that firms need to trade ambiguity for uncertainty during the creation of new markets. This would enable them to deal with uncertainty rather than both ambiguity and uncertainty. To do this, they need to enter into collaborations (Rindova et al., 2010; Santos and Eisenhardt, 2009). By entering into collaborations firms would reduce the lack of clarity but increase the behavioural uncertainties based on interdependencies (Rindova et al., 2010; Santos and Eisenhardt, 2009). That is to say, collaborations help market-creating firms to deal with ambiguities rather than entering the market on their own (Humphreys, 2010). Yet, according to Acs (2005), ambiguity in market creation conditions causes competitive responses that lead to tensions. These tensions then facilitate higher market creation performance (Acs, 2005). In fact,

ambiguities related to market creation generate internal and external disruptions which, eventually, contribute to market creation. (Rosa et al., 1999).

Anti-leader Positioning: Santos and Eisenhardt (2009) note that one of the underlying characteristics of market creation is anti-leader positioning. In this context anti-leader positioning can be summarized as the collaborative activities of firms against a dominant leader to create an alternative market (Santos and Eisenhardt, 2009). In the leadership literature, it is possible to observe similar attitudes when team members feel injustice, disruptive and counterintuitive behaviours (Crellin, 2013). Furthermore, anti-leader attitudes can breed from dominating behaviours to establish the leader's "own" rules (Kerr and Jermier, 1978). In such cases, the current leadership becomes redundant and substitutes are inevitable. Substitute leaders are formed from the anti-leader positioning activities of the non-leaders (Manz and Sims, 1980). Market creation becomes a substitution for another market.

Leadership studies relate anti-leader activities to performance, tasks and organisational characteristics (Kerr and Jermier, 1978). That is to say, anti-leader positioning happens when subordinates feel pressure or uneasiness regarding these aspects of leadership. Consequently, this distress guides these individuals to a self-management mode (Manz and Sims, 1980). In a market creation context, firms do not have similar hierarchical structures to organizations. However, the dominant firms in the market are considered as the market leaders (Santos and Eisenhardt, 2009). Anti-leader positioning, therefore takes place when other firms in the market do not conform to the leaders. Similar to organisational psychological behaviour, firms form collaborations against the market leader which in turn facilitate entrepreneurial activities, hence market creation (Santos and Eisenhardt, 2009).

Institutional structures and new markets: Fligstein and Sweet (2002) suggest that one of the focal dimensions of institutional theory is the markets. They note that markets cannot exist without institutions and their associated norms, which are necessary to establish the relations among market actors. In fact, institutions comprise written and non-written rules as well as norms that are used to reduce the ambiguities and uncertainties in markets (North, 2005). Subsequently, by definition intuitionalism comprises stability which contradicts with the uncertainties and ambiguities of nascent markets. In terms of market creation, it is important to note that institutionalism has two dimensions: dynamic and static (Matthews, 1986). Market Creation, innovation or changes in market require the dynamic institutionalism or institutional change – the institutional work of creating of new institutions, maintaining

those institutions and also disrupting established institutions. Rapaczynski (1996) posit that in the creation of markets, it is the institutions that are created by the markets, not the institutions creating the markets. That is to say, market creation practice generates its own set of institutions by attempting to eliminate the uncertainties and ambiguities through the creation and establishment of rules and norms.

According to Matthews (1986), institutional change happens in an unplanned, collaborative manner using the dynamics of competition which generates market creation. In other words, market creation practice reflects the construction, deconstruction and reconstruction of institutional norms which create further opportunities for the nascent market (Acs, 2005). Subsequently, in new markets there are higher levels of structural holes (institutional voids), which generate uncertainties and ambiguities, than in established markets (Shi et al., 2012). Yet, institutional rules and norms are always needed to reduce these uncertainties and ambiguities of new markets (Fligstein and Sweet, 2002). Consequently, the attempt is always towards establishing the institutional rules and norms. The gap between the actual low institutional activity and the desire to establish higher levels of institutionalism generates tension and conflict among the market-creators (Fligstein and Sweet, 2002). At this stage interorganisational collaborations become an important organisational activity in the creation of new markets. Lawrence et al. (2002) assert that collaborations play a crucial role in institutional change as they can enable a wider implication field for the new institutional rules in market creation. Yet the competitive nature of collaborative activity sparks new tensions and conflicts during the creation and establishment of the institutional norms in market-creating practice (Araujo et al., 2008; Matthews, 1986). This demonstrates that collaborations, tension and conflict are indispensable for market creation Fligstein and Dauter (2007).

Market-driving Behaviour: another noteworthy characteristic of market creation is the market-driving behaviour. Jaworski et al. (2000) state that based on the business orientation of firms there are two types of market orientation: market-driven and market-driving.

> *Market driven... is based on understanding and reacting to the preferences and behaviors [sic] of players within a given market structure. Driving markets... influencing the structure of the market and/or the behavior(s) [sic] of market players in a direction that enhances the competitive position of the business.(Jaworski et al., 2000: p. 45)*

Carrillat (2004) define marketing as the art and the science of creating change that benefit firms or collaborations and disadvantage rivals. To achieve this change, hence an increase in organisational performance; firms need to actively influence the market (Carrillat, 2004). Thus, firms that have a market-driving orientation are more likely to change the market, compared to the firms that have a market-driven orientation (Kumar et al., 2000). According to Kumar et al. (2000), market driving firms have three characteristics: they create markets by triggering industry break points; they have visionary leaders or managers, and they tell the customers what they need rather than the conventional "listening to the customers' requirements perspective.

Building on this argument, it can be argued that market-creating practice is a market-driving behaviour as it alters, disrupts and reconfigures the existing market structure (Darroch and Miles, 2011). From this perspective, market-creating practice falls into the "constructivist approach" of the market-driving behaviour explained by Jaworski et al. (2000). This approach argues that either a whole new set of players are introduced to the market or a few new players are added. Tuominen et al. (2004) describe this in the following excerpt:

> "…a proactive attempt to alter the business environment involves discarding the present way of doing business and substituting the embedded theory-in- use with something fundamentally and radically new..." (p. 208)

Furthering this argument, Hills and Sarin (2003) posit that in technology intense markets, market-driving behaviour ensures the longevity of the market. This argument is supported by Mohr and Sarin (2009) and they add that collaborations become crucial because of compatibility and standardization issues (Mohr and Sarin, 2009). Effectively, market-driving behaviour not only generates innovative organizations, but also enables creativity and entrepreneurship which help to shape, reshape and create markets (O'Cass and Ngo, 2007). Another important aspect of market-driving behaviour is that firms develop customer preferences rather than responding to them (Johnson et al., 2003). This argument emphasizes the innovative and creative nature of market-driving behaviour which either result in breakthrough innovations or market creation (Kumar et al., 2000). Kumar et al. (2000) also emphasize the importance of visionaries in market-driving behaviour. They note that these visionaries, such as Jeff Bezos of Amazon.com, Richard Branson of Virgin or Steve Jobs of Apple see the world differently and produce goods and services that were previously non-existent. As Gaddefors and Anderson (2009) put it: vision is one of the key

aspects of market creation. Therefore, in order to create markets, firms need to adopt a market-driving position.

Alternative markets: another emergent characteristic of market creation is the creation of alternative market operations. The uncertainties and unstructured market conditions can affect market-creating practice strategically (Santos and Eisenhardt, 2009; Teubal and Zuscovitch, 1997). That is, to create a new market, market-creators need to find new and innovative ways to change the existing market structure and leading organizations; and subsequently, form a new set of rules that creates an alternative market (Hargadon and Douglas, 2001; Sarasvathy and Dew, 2005; Teubal and Zuscovitch, 1997), such as the open source software market opposing Microsoft's dominancy.

Levitt (1960), by asking the question "What business are you in?" started an argument regarding the short-sightedness of firms to their business areas. Naming this as marketing myopia, he posits that this short-sighted vision creates a burden for the firm's growth. That is, firms focus on the needs of the company rather than the market and their consumers. Taking a myopic view can be dangerous, as firms can overlook the strategic and marketing opportunities (Stock, 2002). Lings (1999) and Gummesson (1998), furthering this argument, suggest that focusing solely on satisfying customer needs is as myopic as marketing myopia. Alternatively, Fodness (2005) states that in order to be innovative and create new markets, firms need to challenge this orthodox marketing approach. He notes that while firms can look inside the company and analyse their approach to marketing, they need to exercise new techniques and methods; try to develop their services and products, and act on information. This is reflected to the below quotation by Lumpkin and Dess (1996):

> *"...organisational tradition rarely contribute to new-entry activities in existing firms. Instead, it requires the exercise of autonomy by strong leaders, unfettered teams or creative individuals who are disengaged from organisational constraints to lead to new entry." (p. 140)*

Consequently, firms that are not myopic follow the alternative paths and actually create markets (Sarasvathy and Dew, 2005).

Small Number Phenomenon: the last characteristic of market creation that is worth mentioning is the "small number phenomenon". In other words, due to the newness and unsettled conditions, the number of actors that can be found in a new market is scarce. Katz and Gartner (1988) argue that current research is limited in its ability to provide appropriate

definitions or answers when there is a "non-existence" criterion. The emerging fields suffer from newness, institutional norms, and legitimacy (Hite and Hesterly, 2001). In these latent conditions, firms are desperately seeking legitimacy and this is often conferred via more actors pursuing the opportunities within. When new field activities and events are forming or are in their "in-creation" period, questions of legitimacy arise. For researchers, question marks also arise as to how and where researchers should investigate these fields (Busenitz et al., 2003). Small number phenomenon also applies to the knowledge accumulation in emerging fields which would accumulate as the field matures (Cooper et al., 1994).

Moreover, small number phenomenon produces restrictions on the sample sizes. The reason for this is twofold: the scarcity of organizations in the field (Katz and Gartner, 1988) and the tendency of new organizations to fail and disappear from the field (Amburgey and Rao, 1996). Consequently, in addition to the limited number of organisational existence, in uncertain and ambiguous conditions (Santos and Eisenhardt, 2009) resources will be limited; therefore the experimentation of new strategies will be also hampered (Lumpkin and Dess, 1996). Collaborations are used by firms to avoid these limitations and increase their chances of survival (Liao and Welsch, 2008). However, Hite and Hesterly (2001) posit that during the "in-creation" period, similar issues can be observed in collaborations. The small number phenomenon of market creation, therefore, produces significant limitations to research.

In this section the major characteristics of market creation have been outlined. Theorists from different disciplines use various theoretical perspectives to explain the characteristics and dynamics of market creation which are discussed in the next section.

2.2.3 Theoretical Perspectives Underlying Market Creation

Studies on the creation of new markets have followed a number of theoretical perspectives such as economic, social, strategic-technical and financial. For instance, from an economic perspective, Matthews (1986) acknowledges market creation practice as the source of growth. From a strategy perspective, Swaminathan (1998) investigates market creation through industrial disruption. Studies interested in financial market creation also form another stream of research in this area (Foucault et al. (2003). These theoretical underpinnings are discussed in more detail in the next subsections.

Economic Perspective: one of the most dominant perspectives in market creation literature is the industrial economic perspective. This perspective stems from the neo-classical

economic theory, which assumes that markets emerge spontaneously from the confluence of relevant supply and demand – the so-called market instantiation hypothesis. In this perspective, agents are supposed to develop expectations of the new market, where supply and demand has a general equilibrium which is rebalanced with every new entry to the market. The cost-benefit calculations of agents depend on this balance (Murrell, 1991). Studies framed in economic theory note that the other important factors in the creation of new markets are location, optimal variety and monopolist competition (Teubal and Zuscovitch, 1997). Subsequently, in this understanding, consumers are price-takers, and market makers are the profit maximizers (Leland, 1997).

Over the years, economic thought has evolved considerably. Thanks to the ideas introduced by Chamberlin (1953) (markets as local monopolies), by Coase (1937) (the existence of transaction costs in markets), by Austrian economists such as Leland (1997) (markets as processes of discovery of efficient designs), or by evolutionary economists, for example Teubal and Zuscovitch (1997) (the market as influencing innovation) were broadly regarded as heterodoxies. In an example of the evolutionary approach "matching of technological innovation to needs is acknowledged as market creation: *"…economists need to increase the emphasize [sic] on the process by which the economy matches technology to needs and this is what we mean by market creation."* (Teubal and Zuscovitch, 1997: p. 267). According to this perspective, firms try to settle the uncertainties by creating a new market, then monopolising it. However, these attempts are challenged by the uncertainties associated with market creation activities (Leland, 1997). Economic perspective reduces market creation to abstract mechanisms (supply and demand model), stylised facts and a social activity. That is, the economic theory uses the representative-agent-standardized-goods framework to explain the new market creation where no standardization exist (Araujo, 2007; Teubal and Zuscovitch, 1997), which, in fact, limits the to explanation of the phenomenon. This approach is advanced in the strategic and technological perspective which is now discussed.

Strategic and Technological Perspective: this largely firm-centric theoretical perspective focuses on product innovation (Atuahene-Gima, 1995); firms' resource investment (Bowman and Hurry, 1993), or value creation through resource and capability sharing (Sarkar et al., 2001). Here, a product or a firm is able to create a market by fulfilling an unmet need or by developing a new technology (Atuahene-Gima and Ko, 2001; von Zedtwitz and Gassmann, 2002). Darroch and Miles (2011) comment that;

> *"Market creation occurs when a firm develops an innovation that lacks close product substitutes. Once the new product is launched, a new market is created. By creating a new market, the market-creating innovation alters the existing product–market structure of an industry" (p. 723)*

Consequently, in order to create markets, firms need to access to necessary skills, knowledge and resources (Anderson et al., 2010). That is, the "newness" of the market requires new knowledge and skills (Cui and O'Connor, 2012). Swaminathan (1998) suggests three attributes to the creation of new markets. First, new technological developments offer better performing applications that are not met by existing product designs. Second, changes in standards or procedures help develop new consumption expectations. Finally, shifts in consumer expectations by the introduction of innovative products and services create new demands for new markets. The characteristics of the innovative process correspond to the development of the firm's technological and strategic moves which facilitate market creation for competition and growth (King and Tucci, 2002). Yet, the uncertainties regarding the market have an impeding effect on firms' or collaborations' strategic movements (Santos and Eisenhardt, 2009). Therefore, the creation of markets supports firms entering into collaborations (Funk and Methe, 2001). While the strategic-technological perspective provides explanations of market creation through innovation, knowledge and resource requirements, it ignores the social aspects of markets (Humphreys, 2010). That is, the practice of market creation is seen as a social theoretical issue which is addressed in the social economic perspective. This is now discussed.

Socio-economic Perspective: Allaire (2010) notes that *"Economic sociology has developed in recent decades as a separated academic field to propose a theory of markets, arguing that markets cannot exist without authoritative rules to regulate exchange"*. (p. 168). The socio-economic perspective, therefore, acknowledges the social dynamics of markets and suggests that in order for firms to operate in markets they need market orders to be established. These market orders are created and established through the involvement of market actors. Fligstein and Dauter (2007), amongst others, argue that "*markets are social structures characterized by extensive social relationships between firms, workers, suppliers, customers, and governments.*" (p. 105). The consideration of markets as social structures and processes focuses attention on both individual calculation and collective action. According to Araujo (2007), "*the construction of markets is an accomplishment that depends on the mobilization of varying bodies of expertise and calculative agencies, including marketing practices.*" (p. 212). That is, the new products and services introduced to the

market need to be bound and limited by these boundaries. Consequently, the market uses a set of calculations and tools to set the prices for these new products and services (Morgan, 2008). Further actions are implemented if necessary to avoid imperfections or mismatches in the framework.

According to Dimara et al. (2003), the adoption of innovative policy measures are the outcomes of socio-economic decision processes which in turn lead to a wider socio-economic and institutional change and allow actors to form a competitive market. The studies that embrace the socio-economic approach argue that *"... all forms of economic interaction were centred in social relations... the embeddedness of markets."* (Fligstein, 1996: p. 656). Therefore, in order to create new markets the involvement of heterogenic agents and their collaboration are required (Araujo, 2007; Aspers and Darr, 2011). The socio-economic consideration of market creation notes the competition and collaboration issues that challenge the stability and duration of new markets (Aspers and Darr, 2011; Bowman and Hurry, 1993). However, Fligstein and Sweet (2002) argue that markets can be built on stabilized rules. Therefore, economic activity is developed when rule structures, governments, actors and standards in a market are settled. This argument has been challenged in recent years. In fact, the new developments in this area suggest a "performative" approach to markets, and point out to the social exchanges among actors which both create new markets, and also "problematize" them (Araujo et al., 2008). Thus, markets are "ever changing" performances rather than stabilized entities. The harmonizing and balancing aspects of market creation underlines the role of the socio-cognitive perspective which is now discussed.

Socio-cognitive Perspective: a different theoretical way to address the question of "how are markets created?" is to consider its socio-cognitive nature, one which is affected by individuals and groups (Garud and Rappa, 1994). Fligstein and Dauter (2007) argue that other theoretical perspectives, such as networks, institutionalism and performativity, focusing on the social aspects of markets, are omitting some important social characteristics. Market creation is a cognitive process in which the creator organizations need to understand the dynamics of the innovative process and the actors of the new market (Howells, 1997). In other words, during market creation practice, to be innovative and creative, socio-cognitive dynamics become important (using previous tacit and explicit knowledge to innovate) (Howells, 1995).

Socio-cognitive perspective attempts to reconcile the socio-economic perspective through a cognitive approach (Munshi, 2006). In this view, for markets to be created, producers and consumers must come to certain shared interpretations and understandings of what is being exchanged and why (Fligstein, 1996). Kjellberg and Helgesson (2007) argue that in a social exchange process a "translation" occurs. That is the knowledge, information, resources, rules, and texts are spread across time and place. The actors who pick any of these concepts interpret them, and therefore a "translation" occurs.

2.2.4 Summary of Market Creation Literature

In all these approaches, it is clear that new markets are uncertain environments and strategic action is affected by this uncertainty (Santos and Eisenhardt, 2009). Moreover, firms that are creating new markets have a tendency of stabilizing these uncertain conditions (Fligstein and Sweet, 2002). However, stabilization is not one of the characteristics of new markets, where the market has not been established and tension and conflict are the natural outcomes of these instable conditions. Subsequently, firms use collaborations to achieve market creation and stabilization (Araujo, 2007; Aspers and Darr, 2011). Therefore, another significant concept emerging from these discussions is interorganisational collaborations and their impacts on market creation (Levitt et al., 1999; Santos and Eisenhardt, 2009). It can be concluded that market creation depends on three mechanisms that form the basis of social interactions. These three mechanisms will be explained through the relevant literature starting first with interorganisational collaborations.

2.3 INTERORGANISATIONAL COLLABORATIONS

Whenever interorganisational collaborations literature is reviewed, it reveals a number of observations. First, the variety of definitions refers to a wide range of organisational relationships, such as consortia, joint ventures, contracting agreements, licensing and strategic alliances. Second, various theoretical approaches have been employed to explain the interorganisational collaborations from several perspectives (as discussed in section 2.3.2). Another emerging characteristic of interorganisational collaborations literature is that studies have three major concepts: formation, evolution, and dissolution of collaborations which focus on the motivations of organizations to form/enter, operate, work with or exit from collaborations. These research patterns also encompass some characteristics in investigating the subject in relation to the theoretical paradigms employed, such as partner selection process (Geringer, 1991; Hitt et al., 2000; Shah and Swaminathan, 2008),

complementary capabilities (Colombo, 2003; Gulati, 1999; Kale and Singh, 2007; Kale et al., 2002), governance structure (Contractor and Woodley, 2009; Dacin et al., 2007; Osborn and Baughn, 1990), competitive advantage (Barney, 1991; Goerzen, 2005; Jonghoon and Gargiulo, 2004), and embeddedness (Gimeno, 2004; Meuleman et al., 2010). The fourth observation is the increasing interest in tension and conflict in order to explain the interorganisational phenomena.

The key studies on strategic alliances reflecting these characteristics are reviewed critically.

2.3.1 Definitions of Interorganisational Collaborations

In the multi-disciplinary interorganisational collaborations area there is no universal agreement on a single definition that explains these collaborations. There are two main reasons for this multiple approach. First the organisational variances regarding the interorganisational collaborations make it difficult to group them under one definition. For example, there are collaborations between dyads or more firms, or there are horizontal or vertical collaborations, or a combination of both. Second, the collaboration purposes are at variance and this leads academics to different definitions in relation to their research. Some of these are R&D collaborations, international joint ventures, and equity-based alliances.

The complexity in distinguishing and assigning a separate definition to interorganisational collaborations arises from two factors. First, the growth of interorganisational collaborations and the various advantages they provide to firms result in different organisational structures, leading to a variation in the definitions (Gulati, 1998). Second, the utilization of any of these terms and definitions are not exclusive in the literature. Researchers use different terms to label firms' collaborative activities, such as interfirm collaborations (Dyer, 1997; Lawrence et al., 2002), strategic alliances (Gulati, 1995; Parkhe, 1993b), joint ventures (Barkema et al., 1997; Madhavan and Prescott, 1995), alliance networks (Baum et al., 2000; Goerzen, 2007), associations (Barnett et al., 2000), round tables (Lawrence et al., 2002), (Barringer and Harrison, 2000; Gulati and Higgins, 2003) interorganisational relationships, and portfolios (Ozcan and Eisenhardt, 2009). Table 2-1 provides a list of different definitions and terms used to identify interorganisational collaborations.

Table 2-1 Definitions used for Interorganisational Collaborations.

Author	Definition
Wren (1967)	Interface: "…The interface is the contact point between relatively autonomous organizations which are nevertheless interdependent and interacting as they seek to cooperate to achieve some larger system objective…"(p. 71)
Habib (1987)	Multinational joint ventures: "…which are entities formed by two or more firms of different nationalities for profit seeking purposes, each partner holds some share of equity, has some control and shares in the risk of the undertaking…"(pp. 808, 809)
Osborn and Baughn (1990)	Joint venture: "…legal entity with full status as a corporate entity in which both parents share equity…"(p. 505)
Koh and Venkatraman (1991)	Hybrid organisational arrangements: "…Such arrangements involve mechanisms like joint ventures, technology licensing, and cooperative R&D and marketing…"(p. 869)
Parkhe (1991)	Global Strategic alliances: "…are the relatively enduring interfirm cooperative arrangements involving cross-border flows and linkages that utilize resources and/or governance structures from autonomous organizations headquartered in two or more countries for the joint accomplishment of individual goals linked to the corporate mission of each sponsoring firm."(p. 581)
Parkhe (1993b)	Strategic alliances: "…are the "relatively enduring interfirm cooperative arrangements, involving flows and linkages that utilize resources and/or governance structures from autonomous organizations, for the joint accomplishment of individual goals linked to the corporate mission of each sponsoring firm" (p. 795)
Gulati (1995)	Interfirm strategic alliances: "… two or more firms agree to pool their resources to pursue specific market opportunities. These agreements include joint ventures, joint R&D agreements, technology exchange, direct investment, licensing, and a host of other arrangements."(p. 85)
Madhavan and Prescott (1995)	Joint ventures: "…are collaborative interfirm arrangements involving either equity participation by the partners in a new entity, one firm's taking an equity position in another, or joint on-going manufacturing or marketing activity…"(p. 900)
Dussauge and Garrette (1995)	Strategic alliances: "…collaborative projects implemented by firms operating in the same industry."(p. 506)
Singh (1997)	Alliances: "…refer to formal non-equity arrangements between independent firms."(p. 342)
Sakakibara (1997b)	Cooperative R&D: "…is defined as an agreement among a group of firms to share the costs and results of an R&D project prior to the execution of that project. Cooperative R&D can be executed in many forms, including R&D contracts, R&D consortia, and research joint ventures."(p. 447)
Dussauge et al. (2000)	Strategic alliances: "… arrangements between two or more independent companies that choose to carry out a project or operate in a specific business area by coordinating the necessary skills and resources jointly rather than either operating on their own or merging their operations. This definition of alliances includes equity joint ventures as well as partnerships that did not entail the creation of a separate legal entity."(p. 99)

Author	Definition
Doz et al. (2000)	R&D consortia: "…legal entity established by two or more organizations that pool resources and share decision making for cooperative research and development activities."(p. 240)
(Park et al., 2002)	Strategic alliances: "… among competitors … a type organisational adjustment to market uncertainties and opportunities."(p. 528)
Silverman and Baum (2002)	Downstream alliances: "…link firms in a technology based industry to sources of complementary assets, commercialization knowledge, and capital outside of the existing industry boundaries. Upstream alliances: "…link technology-based firms to sources of research knowledge." Horizontal alliances: "…link firms to other firms in the same industry. In contrast to vertical alliances, such links between potential competitors do not tap resources outside of the focal industry."(p. 793)
Gimeno (2004)	Horizontal alliances: "… represent voluntary interfirm agreements involving the exchange, sharing, or co-development of products, technologies, or services among firms engaged at the same stage in the value chain." (p. 822)
Hoang and Rothaermel (2005)	Strategic alliances: "…are voluntary arrangements between firms to exchange and share knowledge as well as resources with the intent of developing processes, products, or services…"(p. 332)
Ring et al. (2005)	R&D consortia: "When multiple firms collaborate with each other on R&D (at times joined by governmental agencies, NGOs, national labs, and university researchers), the "alliance" is frequently called an R&D consortium."… "…An R&D alliance, as we use the term, simply involves two firms collaborating on a discrete R&D project." (p. 137)
Krishnan et al. (2006)	Strategic alliances: "…any extended cooperative agreement intended to jointly develop, manufacture, and/or distribute products…"(p. 895)
Sampson (2007)	Interfirm R&D collaboration: "…represents …whereby firms may gain access to complementary capabilities, reap economies of scale in R&D, and shorten development time while spreading the risk and cost of such new developments…"(p. 364)
Ozcan and Eisenhardt (2009)	Portfolios: "… (which can also be termed an "egocentric network") as a firm's set of direct ties…" (p. 246)

Source: Literature reviewed for the study

Despite the variety in the terms and definitions used to refer to interorganisational collaborations, they also carry some general characteristics which can be summarized in six categories. First, interorganisational collaborations are the aggregation of two or more autonomous firms which are different from mergers and acquisitions (Habib, 1987; Parkhe, 1993b). Second, firms generally collaborate to achieve joint aims and goals, such as sharing resources, knowledge, technology, risks and costs, entering to new markets, developing new products and services, as well as gaining competitive advantage (Gulati, 1995, 1998). Third, collaborations can be single industry or multi-industry collaborations (Dussauge and Garrette, 1995; Ring et al., 2005). Fourth, the structure of collaborations can be horizontal, vertical or both (Gimeno, 2004; Silverman and Baum, 2002). Fifth, the equity structure of these collaborations relies on the projected joint aim. They can be equity based or non-equity based (Madhavan and Prescott, 1995; Singh, 1997) (Madhavan and Prescott, 1995; Singh, 1997). Finally, due to their multi-party environment and differences in individual and collaborative expectations they bear tension and conflict (Barringer and Harrison, 2000; Parkhe, 1993b).

This study uses Parkhe's (1993b) definition for interorganisational collaborations (see Chapter One, Section 1.2, p. 12 and in Table 2-1, p. 42). The reason for this is twofold: i) it has a more general understanding of collaborations than structural (e.g. horizontal, vertical, dyadic collaborations) limitations, and ii) it has a broader understanding of collaborative tasks and missions than purposeful collaborative tasks such as R&D tasks.

2.3.2 Theoretical Developments in Interorganisational Collaborations Field

The increase in the number of collaborations is often accompanied by their unexpected dissolutions which attracted a growing number of theoretical paradigms to explain the phenomena (Young-Ybarra and Margarethe, 1999). While early studies investigated the collaborations through the organisational theory or strategic behaviour, they identified tension and conflict as the source of instabilities (see for ex. Czepiel, 1975; Gullander, 1976; Schermerhorn, 1975). However, it was not until late 1990s that researchers started to acknowledge tension and conflict as theoretical perspectives in order to examine the dynamics in interorganisational collaborations (see for ex. Amaldoss et al., 2000; Das and Teng, 2000; Khanna et al., 1998; Morris and Cadogan, 2001). Indeed, the development of organisational conflict studies facilitated the use of conflict theory in interorganisational collaborations field (see Section 2.5.1). Before moving to these studies it is important to

review the other theoretical perspectives used to explain the challenges in interorganisational collaborations. Now, these are discussed briefly in turn. Moreover, at the end of this section, Table 2-2 demonstrates a sample list of studies using the theoretical perspectives discussed above. The implicit or explicit inferences to tension and conflict are also noted in the table.

Transaction-cost perspective: several studies used transaction-cost perspective to explain interorganisational collaborations (Gulati, 1995; Hennart, 1988; Khanna et al., 1998; Kogut, 1988). This perspective assumes that firms collaborate to control their transaction costs by benefitting from a range of products and services offered by other partners. Consequently, the motive behind the collaboration is determined by the trade-off between costs and benefits (Schermerhorn, 1975). The transaction-cost perspective is criticized because of its limited approach which ignores other strategic advantages from which the collaboration would benefit, such as knowledge appropriation, market entry and creation of legitimacy (Eisenhardt and Schoonhoven, 1996). Moreover, the contrasting expectations of partners implicitly or explicitly generate tension and conflict that cannot be explained through transaction-cost perspective (Parkhe, 1993b). This criticism led researchers to expand their theoretical approach by adopting a combination of theoretical perspectives together with transaction-costs, such as organization theory and international corporate strategy (Osborn and Baughn, 1990), game theory (Parkhe, 1993b), and internationalization, control, and resource bargaining power (Mjoen and Tallman, 1997). Although these attempts are well appreciated, they underestimate the social interactions that lead to tension and conflict among the partners (Gulati, 1995).

Resource-based view: Eisenhardt and Schoonhoven (1996) applied the resourced-based view to the interorganisational collaborations field. This approach stems from partner firms' strategic requirements and opportunistic needs. According to this perspective, collaborating with other firms allows single firms to acquire competitive and strategic advantages. Subsequently, this perspective builds on transaction-cost perspectives, and argues that the motive for collaborations is not only limited to better management of transaction-costs, but also acquiring strategic benefits such as resource sharing and entering new markets (Eisenhardt and Schoonhoven, 1996; Park et al., 2002). Although this view is based on resource and competency-sharing among partners, the appropriation needs of partner firms produce conflictive challenges which are not explained by the resource-based view.

In order to provide better insights to the concept of interorganisational collaborations, studies used several other theoretical concepts in connection with the resource-based view such as organisational economics (Combs and Ketchen, 1999), social network theory (Ahuja, 2000), organisational learning (Hitt and Tyler, 1991) and knowledge transfer (Mesquita et al., 2008; Park et al., 2002). The resource-based view is not sufficient to explain why organizations choose to enter into collaborations instead of acquiring other methods to accomplish their resource deficits. Mesquita et al. (2008) argue that unless the resource sharing is exclusive to collaborations, the competitive advantage expectation cannot be realized. That is, if the partner firms allow other firms to use their resources or competencies, the collaboration cannot benefit from a competitive advantage. Furthermore, the opportunistic approaches of partners implicitly or explicitly create imbalances that lead to tension and conflict (Greve et al., 2010; Parkhe, 1993a).

Game theory: another stream of studies examined the subject from a game theory perspective and realized the existence of contrasting expectations of the firms, leading to tensions and conflicts. For instance, firms' own aims and objectives that differ from the joint aims and objectives of collaborations cause tension and conflict to arise. These studies viewed the situation from the prisoner's dilemma (Binenbaum, 2008; Larsson et al., 1998; Parkhe, 1993a, 1993b). Although game theory takes into consideration contrasting dynamics in interorganisational collaborations, the zero-sum approach ignores the collaborative and cooperative dynamics that lead firms to collaborate (Barringer and Harrison, 2000). For instance, Parkhe (1993b) uses both game theory and transaction-cost theory to explain both the opportunistic and cooperative nature of collaborations. Although these studies are similar to the other theoretical perspectives explained earlier, they are far from being able to explain the social aspect of collaborations. Therefore, despite the attempts to explain the phenomenon, the tension and conflict that lie in the centre of these instabilities remain unexplained.

Social network theory: is another noteworthy theoretical approach in investigating interorganisational collaborations. The inadequacy of other perspectives, especially from a social perspective, led theorists to use social network theory, as they argued that interorganisational collaborations had more complicated social structures than simple organisational formations (Das and Teng, 2002). These studies considered the horizontal and vertical social ties of the collaborating firms (Gulati and Gargiulo, 1999; Kraatz, 1998; Madhavan et al., 1998; Shan et al., 1994). Although followers of this perspective attempt to

explain social interactions among the partners, they produce another limitation by considering the network from the focal firm's perspective (Gulati and Gargiulo, 1999). However, in interorganisational collaborations it is possible to observe partner firms having equal characteristics (no central firm exists) and having multiple networking relationships, an observation which is ignored by the social network perspective (Das and Teng, 2002). Thus, despite attempts to understand the instabilities generated by tension and conflict, social network theory remained insufficient due to its limitations.

Institutional theory: the evolution of the theoretical paradigms employed in strategic alliances literature illustrates a shift from economic perspectives to more social approaches (Dacin et al., 2007; Pache and Santos, 2010). An institutional approach assumes that institutional fields are generated through a process of structuration. Structuration is the pattern of social actions that generates tension and conflict, leading in turn to the emergence of an institutional field (Lawrence et al., 2002). Consequently, a set of common norms and understandings are developed through this instutionalization process. Luo (2002) argues that once institutional norms are settled they reduce the conflict. However, according to Pache and Santos (2010), the need to respond to multiple and competing demands challenges this balance and produces tension and conflict. Kraatz and Block (2008) suggest that "institutional pluralism" occurs when organizations try to eliminate, balance and actively "deal" with the implicit or explicit tension and conflict. While this perspective acknowledges tension and conflict, it tries to actively "deal" with them. However, the implicit nature of tension and conflict makes it difficult to understand. Therefore their active management depends on better understanding of these notions. Yet, the one-dimensional approach to both tension and conflict (which are detrimental to the collaboration) limits this perspective, leading to its attempts to actively manage tension and conflict.

Table 2-2 List of interorganisational collaboration studies based on theoretical perspectives employed

Theoretical Perspective	Authors	Tension and Conflict	
		Implicit	Explicit
Resource-based-view (resource-based view)	Eisenhardt and Schoonhoven (1996)	Resource appropriation of partners produce disadvantages and conflict	
	Gimeno (2004)	Collaborating with conflicting network partners	
	Lavie and Rosenkopf (2006)		
	Khanna et al. (1998)		Inherent tension between inertia and absorptive capacity Tension between cooperation and competition
Transaction-cost perspective	Kogut (1988)		Destabilizing source of conflict The risks versus revenues of partnering with prior partners forms the tensions
	Li et al. (2008)		Continuous power causes dysfunctional conflict
	Young-Ybarra and Margarethe (1999)		Conflict causes instabilities
	Park (1996)		
Game theory	Parkhe (1993b)		Conflict is related to the time spent in the collaboration (less conflict in longer relations)
	Binenbaum (2008)	Tensions generate from the expectations of the partners	Several sources of tension has been identified
	Parkhe (1993a)		
Social network theory	Gulati (1998)		Conflicting demands of partners
	Gould (1993)	Competing influence of networking Opportunistic behaviours are hazardous	
	Gulati and Gargiulo (1999)		

Theoretical Perspective	Authors	Tension and Conflict	
		Implicit	Explicit
Institutional theory	Hitt et al. (2004) Dacin et al. (2007) Bunduchi et al. (2005) Teo et al. (2003)	Developing a suitable collaboration design, and managing the endgame appropriately The competing expectations of firms need to be balanced Coercive pressures	Tensions shaping the emergence of standard bodies

Source: Developed from the literature reviewed for the study

The theoretical perspectives discussed above are limited in fully understanding interorganisational tension and conflict. While some studies explicitly highlight these notions, most studies implicitly outline them (see Table 2-2, p. 48). Only after Das and Teng (2000) pointed out the instabilities in interorganisational studies from a tension focus did studies which centred around tension and conflict start to emerge (Amaldoss et al., 2000; Nordin, 2006; Pantelia and Sockalingam, 2005). Before discussing tension and conflict in the context of interorganisational collaborations, it is important to visit another remarkable conceptualization of studies framed around process models.

2.3.3 Process Models of Interorganisational Collaborations

The previous section detailed a primary classification of theories used to investigate interorganisational collaborations. As mentioned earlier, interorganisational collaborations research has developed in particular process models which are now discussed around the following styles: formation, evolution and dissolution.

Formation: firms have several motivations to form interorganisational collaborations, such as entry to new markets (García-Canal et al., 2002; Osborn and Baughn, 1990), acquiring complementary skills and resources, (Belderbos, 2003; Branstetter and Sakakibara, 1998; Colombo, 2003; Daniel et al., 2002; Hagedoorn, 1993; Sakakibara, 1997a), and reducing costs as well as risks (Lei and Slocum, 1991; Sakakibara, 1997a). Despite motivations to form collaborations, individual expectations and opportunistic behaviours of partners explicitly or implicitly lead to tension, conflict and instabilities, even in the formation stage (Aloysius, 1999; Koza and Lewin, 1999; Lavie and Rosenkopf, 2006). An explanation for this is that firms choose their partners from their rivals or even rivals' rivals in order to acquire a competitive advantage (Gimeno, 2004; Guidice et al., 2003). This strategy, naturally, creates competition among the partners that eventually grow into tension and conflict.

Evolution: evolution literature is generally interested in the duration and success of interorganisational collaborations. In this category, research focus has intensified in four subjects: new technologies and innovation (Powell et al., 1996; Teo et al., 2003), appropriation of compatible resources (Doz, 1996; Gulati and Singh, 1998), new market entry (Barkema et al., 1996; Shrader, 2001) and interorganisational performance (Kandemir et al., 2006; Krishnan et al., 2006). As the literature suggests, longevity and success of collaborations are directly affected by their competitive and conflictive nature (Doz, 1996; Zeng and Chen, 2003). Inkpen and Beamish (1997) argue that the successful and stable

interorganisational collaborations only represent 50 percent of total collaborations due to their opportunistic and competitive behaviours that lead to implicit tension and conflict. However, these characteristics also exist in the successful other half (Inkpen, 2000). While the interorganisational collaborations literature investigates the dynamics behind the successful collaborations (Khanna et al., 1998), they disregard the other consequences of tension and conflict that lead to productive outcomes (Park and Ungson, 2001).

Dissolution: as cited above, instability is a characteristic of strategic alliances (Borys and Jemison, 1989) which results in unplanned dissolutions (Das and Teng, 2000; Dussauge et al., 2000; Inkpen, 2000). According to Das and Teng (2000), these instabilities and unplanned dissolutions of strategic alliances are caused by conflicting and competitive forces that create tensions. For instance, the imbalanced appropriation expectations and the satisfaction of the private and common benefits of the partnering firms generate disagreements among partners (Khanna, 1998; Larsson et al., 1998). These opportunistic approaches of the practitioners in the partnering firms, and the internal and external uncertainties overshadow the success of strategic alliances (Borys and Jemison, 1989). Similar to the studies that are centred in the formation and evolution of collaborations, research on dissolution of collaborations acknowledges the concepts of both tension and conflict as the cause of these dissolutions. They ignore, however the positive impacts of both factors. Therefore, future research is required to extend their approach into other concepts, such as the evolution of the cooperative relationship over time that leads to the success or failure of collaborations (Park et al., 2002).

In summary, process models point out explicit or implicit tension and conflict (specifically dissolutions literature) (see Table 2-3). However, their approach to both concepts comes from a negative perspective. That is, they are limited to associating both tension and conflict to collaboration failures and dissolutions. On the other hand, tension and conflict literatures suggest the positive organisational outcomes of both concepts as early as second half of the 1960s (Litterer, 1966; Pondy, 1967). Recent studies on organisational tension and conflict more explicitly demonstrate the effects of tension and conflict on collaborations. Section 2.6 provides a discussion on these studies.

Table 2-3 List of Process model perspectives on Interorganisational collaborations

Process Model	Authors	Tension and Conflict	
		Implicit	Explicit
Formation	Doz et al. (2000)		Several conflicting areas have been noted
	Ring et al. (2005)	Triggering entities help to resolve conflicts	
	Guidice et al. (2003)		
			Rivalry among partners represent the competitive tension
			Conflictive nature of organizations have been mentioned
	Oliver (1990)		
Evolution	Kale et al. (2002)	Conflictive situations need to be settled in the collaboration	
	Amaldoss et al. (2000)		Intra-alliance conflict related to competition
	Gill and Butler (2003)		Alliance instability linked to conflict
			Alliance relationship conflicts
	Kauser (2007)		Learning in Tensions
			Partner conflict
	Hermens (2001)		
	Morris and Cadogan (2001)	Access to information with minimum conflict	
	Baum et al. (2000)		
Dissolution	Park and Ungson (1997)		Conflict leads to dissolutions
			Rivalry causes conflict and dissolution
	Park and Ungson (2001)		Competitive conflicts lead to instabilities
			A tension perspective to instabilities
	Kogut (1989)		
	Das and Teng (2000)		

Source: Developed from the literature reviewed for the study

2.3.4 Market Creation and Interorganisational Collaborations Relationship

Firms in a new market attempt to settle the uncertainties by standardizing the market through rules and policies (Humphreys, 2010; Prashantham and McNaughton, 2006). A means to achieve this lies in interorganisational collaborations. However, this brings into the play the collaboration of competitors. Bjork and Magnusson (2009) noted that: "*...Ideas are created by individuals, but the knowledge of individuals is a result of their being part of a social context, interacting with other individuals in this specific context...*" (p. 662). Consistent with this view, Garud (2008) suggests that firms collaborate to create markets where they share resources which generate "translations". Therefore, market creation comprises a set of pre-paradigmatic conditions that make it difficult for firms to align their common and individual expectations. According to Garud (2008), at this point it is important to investigate the "pre-formation" processes of a new market through the actors and "entanglements". Araujo (2007) explains this as *"the construction of other market forms requires more distributed and heterogeneous sets of practices and bodies of expertise."* (p. 218). However, collaboration is often accompanied by competition in interorganisational relationships which are driven by tension and conflict and can be detrimental (Hibbard et al., 2001). In fact, uncertainties and environmental ambiguities drive these dynamics (Li and Li, 2009). Consequently, the attribute of "newness" increases the vulnerability of the market (Aldrich and Fiol, 1994). Building on this argument, Aldrich and Fiol (1994) also note that:

> *"In addition to the normal pressures facing any new organizations, they also must carve out a new market, raise capital from skeptical [sic] sources… and cope with other difficulties stemming from their nascent status." (p. 645)*

These difficulties generate tension and conflict among partners (McInerney, 2006), and add up to the already existing ones (Das and Teng, 2000). This does not stop firms from various industries embracing opportunities to collaborate in order to create new markets, as can be observed in industries such as telecommunications, computer hardware and software, entertainment, creative content, news distribution and financial services (Ozcan and Eisenhardt, 2009). In fact, McInerney (2006) note that;

> *"Coordinating heterogeneity presents organizations with a set of problems that must be overcome if the organization is to be effective. However, the activity also presents leaders with opportunities to innovate as they can take advantage of competing value claims of actors within their purview." (p. 1)*

According to Lichtenstein et al. (2007), tension and conflict dynamics can be used to establish stability in new markets as they both can generate positive actions. These positive actions are created through opportunities or aspirations to create markets. Thus, the dynamics of tension and conflict during market creation deserves more attention to understand the arguments regarding the instabilities and the will to establish stability in the creation of new markets through collaborations.

2.4   ORGANISATIONAL TENSION

In social contexts, such as organizations, the challenges and contradicting goals and activities of heterogeneous actors produce tension (Dodd, 1939; McInerney, 2006). That is, the difference between the individual and social expectations needs to be balanced. If this balance changes to favour either the individual or the social expectations, it generates tension (Dodd, 1939; Hermens, 2001). Therefore, tension is important for market creation as it facilitates change, productivity, innovation and creativity (McDermott and O'Connor, 2002).

Tension research can be observed through multidisciplinary studies, such as marketing (Hermens, 2001; Kelly et al., 1981; McKay and Tate, 1999), sociology (Dodd, 1939; Lohan, 2000; Lottier, 1942), physics and mathematics (Chen et al., 2007), as well as organisational and business studies (Autio, 2005; Chang et al., 2007; Huxham and Beech, 2003; Taylor, 1968). In all this research activity, studies that focus on organizations investigate tension from the perspectives of the actors' and organizations' successes or failures. For instance, studies have investigated the role of tension in relation to role ambiguity, conflict, and work overload (Bedeian and Armenakis, 1981; McKay and Tate, 1999), as well as role conflict, job clarity, and job satisfaction (Kelly and Hise, 1980). Other studies have investigated tension from an organisational perspective. These studies conceptualized the tension between the contradicting factors in organizations, such as standardization and flexibility (Hanseth et al., 1996), resource efficiency and creativity (Perez-freije and Enkel, 2007), and method and lived experience (Avital, 2000). Most, however, either acknowledge tension from an unproductive perspective (see for ex. Kelly and Hise, 1980) or from a single productive perspective (see for ex. Perez-freije and Enkel, 2007). That is, these studies do not consider both aspects of tension and leave the investigation of tension from a two-dimensional approach under-researched.

From the market creation perspective, a limited number of studies address the importance of tension in the creation of markets. These studies associate tension with the uncertainties and

ambiguities of market creation practice and suggest a role for tension to facilitate market creation (Acs, 2005; Aspers and Darr, 2011; Bowman and Hurry, 1993). Another stream of research which is interested in the innovation and creativity dimensions of market creation point out the importance of tension in innovation and creativity (Isaksen and Ekvall, 2010; McInerney, 2006; Perez-freije and Enkel, 2007). In general, tension studies in market creation literature are limited to the productive impacts of tension, ignoring its unproductive impacts.

2.4.1 The Role of Interorganisational Tension in Market Creation Practice

According to Hardy and Phillips (1998), despite the common understanding that "*collaborations are built to cease uncertainties and challenges through shared goals and expectations*", they often overlook the competitive and exploitative approaches of the partners, and the asymmetries among them. Consequently, Das and Teng (2000) argue that these dynamics in collaborations are caused by internal tensions. Studies that focused on the concept of tension in collaborations centred on the collaborative and competitive forces in collaborations (Khanna et al., 1998; Meuleman et al., 2010; Mudambi and Swift, 2009; Zeng and Chen, 2003). It is important to note that until recently, interorganisational tension studies were either conceptual (Das and Teng, 2000; Mudambi and Swift, 2009; Zeng and Chen, 2003), or measured through the conceptualization of the balance of opposing concepts, such as cooperation and collaboration (Beckman et al., 2004), or resource utilization and exploitation (Kale et al., 2000). That is, these studies define tension in the form of these opposing concepts and measure tension indirectly.

Table 2-4 shows the studies that examine interorganisational tension. It can be observed that in most of these studies, tension is indirectly examined (e.g. through the use of concepts such as cooperation and competition). Subsequently, the studies that test tension directly utilized various measures to test tension. This observation suggests that there is no universal agreement on the subject of tension in interorganisational collaborations literature. Another noteworthy observation from Table 2-4 is the lack of empirical tests that comprise tension and market creation dimensions.

Table 2-4 Empirical studies that examine tension directly or indirectly

Study	Authors	Theoretical Background	Variables	
Trust-Opportunism Paradox, Relationalism, and Performance In Interfirm Relationships: Evidence From The Retail Industry	Lado et al. (2008)	Agency theory	Trust, Opportunism,	Dependents Performance Relationalism
Interorganisational Relationships: Patterns and Motivations	Schmidt and Kochan (1977)	Exchange and power dependency	Benefits from interaction, Formalization of agreements, Setting terms of interaction, Extent of tension, Influence of other organizations, Extent of conflict, Importance of other organizations, Compatibility of goals, Bargaining in relationship	<u>Dependent</u> Frequency of interaction
Behavioral Transition: A Framework for the Construction Conflict–Tension Relationship	Tak Wing and Sai On (2007)	Catastrophe theory	Tension level, Behavioural flexibility	<u>Dependent</u> Construction conflict
Tension and trust in international business negotiations: American executives negotiating with Chinese executives	Lee et al. (2006)	Business negotiations, trust and agreement	Atmosphere of cooperation, Tension felt, Agreement reached, Attractiveness of other team	<u>Dependents</u> Trustworthiness of other team Atmosphere of cooperation
Balancing exploration and exploitation in alliance formation	Lavie and Rosenkopf (2006)	Absorptive capacity, decision making, path dependency, exploration, exploitation	Firms' accumulated exploration experience, Exploration in alternative domains	Dependents Time Function exploration, Structure exploration, Attribute exploration

Study	Authors	Theoretical Background	Variables	
When does trust matter to alliance performance?	Krishnan et al. (2006)	Trust, performance, behavioural uncertainty, environmental uncertainty	Trust, Interdependence, Interpartner competition, Environmental instability, Environmental unpredictability	<u>Dependent</u> Alliance Performance (dependent)
Built to last but falling apart: cohesion, friction, and withdrawal from interfirm alliances	Greve et al. (2010)	Alliance network dynamics	Relationship level, Network level, Market level	<u>Dependent</u> Member withdrawal from an alliance (dependent)
Competitive tension: the awareness-motivation-capability perspective	Chen et al. (2007)	Competitive dynamics, awareness-motivation-capability perspective	Relative scale, Rival's attack volume, Rival's capability to contest, Perceived competitive tension	Dependent Volume of attack on rival (dependent)
The impact of organisational climate and strategic fit on firm performance	Burton et al. (2004)	Organisational strategy, conflict, tension, organisational environment	Capital requirement, Product innovation, Knowledge of production methods, Concern for quality, Price level, Trust, Morale, Rewards equitability, Leader credibility, Conflict, Scapegoating, Resistance to change	Dependent Return on assets (ROA) (dependent)

Source: Developed from the literature reviewed for the study

Recent studies on tension point out its social aspects. For instance, Zeng and Chen (2003) argue that the tension in collaborations is related to the complex social interactions among partners, and keeping a balance requires further understanding of these relations. Building on this perspective Rond and Bouchikhi (2004), outline the role of social interactions in collaborations which are the bases for tension:

> *"…organizations are socially complex organisms, comprising concrete individuals and groups whose mindsets, dynamics, and interests are likely to shape an alliance at least as much as explicit organisational goals and strategies…" (p.59)*

Furthermore, Rond and Bouchikhi (2004) disagree with the argument brought by Das and Teng (2000) that tension has productive and unproductive effects. They posit that tension does not have any directions. However, recent studies that approach interorganisational tension from a social perspective outline its productive and unproductive effects on interorganisational outcomes (see for ex. Huxham and Beech, 2003; Mudambi and Swift, 2009). Studies not only acknowledge the productive and unproductive effects of tension, but also suggest that tension is necessary for market creating interorganisational collaborations. (McDermott and O'Connor, 2002), as explained by O'Mahony and Bechky (2008):

> *" the easiest way to forge collaboration is to tailor the object in such a way that it caters [to] people's explicit interests, as this creates a tension that enables actors to choose elements that meet their goals."(p. 426)*

While in general, tension is acknowledged as a negative concept in collaborations, in a limited number of studies, market creation literature refers to tension as an essential concept for the actual creation of a market (Garud, 2008). Acs (2005) notes that ambiguity in market creation conditions causes competitive responses that lead to tensions which facilitate higher market creation performance (Acs, 2005). According to Lichtenstein et al. (2007), tension is created by the motive to create the market, and this tension increases the market creation speed. These studies, particularly, talk about the productive impacts of tension on the creation of new markets (Garud, 2008; Lichtenstein et al., 2007). Subsequently, to investigate the concept, a two-dimensional approach to tension, which captures both the productive and unproductive effects, is necessary.

2.4.2 Productive and Unproductive Impacts of Tension:

Tension has different impacts and outcomes according to different disciplines. For example, in marketing literature, tension represents a competitive strain (Moore, 1992; Voss et al.,

2000), which can be either positive or negative but conflict literature argues that tension has negative impacts on organisational outcomes that are hazardous to organizations (Edmondson and Smith, 2006; Jehn et al., 1999; Medina et al., 2005; Pelled et al., 1999). According to Chen et al. (2007), tension affects a firm's future positioning to competition and to its rivals. In market-creating conditions, collaborations as heterogeneous organizations (Sakakibara, 1997a), the likelihood of tension is very high, and this has impacts on both rivals and partners (Jones et al., 1998). This is mainly because tension between a focal firm and a rival prepares the grounds for the firm to attack the rival using the under-developed conditions of the market which may lead to the unplanned dissolution of the collaboration (Chen et al., 2007). In established markets; this unproductive effect of tension is reflected in interorganisational collaborations literature, where market invasion of partners is observed (Goiri et al., 2000; Koza and Lewin, 1999).

Despite this negative approach to tension, studies in sociology and strategy fields argue that tension fosters creativity, innovation, and hence market creation (Ghemawat and Costa, 1993; Lichtenstein et al., 2007; McInerney, 2006). Isaksen and Ekvall (2010) explain the relationship between tension and creativity:

> *"Creativity is often conceived as relating to something that is new, novel or original; and useful, relevant and valuable. Useful newness implies a conceptual overlay that often includes a synthesis of opposites and a resolution of creative tension."(p. 73).*

According to Ghemawat and Costa (1993), tension is essential for competitive advantage and innovative strategies. Consistent with this, McInerney (2006) suggests that firms need to create collaborations that are exposed to tension, enabling organizations to balance the potential conflicts while fostering innovation. The following quotation from Douglas and Judge (2001) points to the same argument: *"…organizations need to maintain a creative tension… to handle the knowable and the spontaneity necessary to handle the unknowable" (p. 159)*. Similarly, Cameron (1986) notes the importance of tension and warns that without tension between opposites, organizations will fall into a dysfunctional state. Others also argue along similar lines. For example, Huxham and Beech (2003) highlight the need for productive tension and suggest the practical uses of it in organizations. Furthermore, Levitt et al. (1999) talk about the use and the requirement of productive tension in creative and innovative organizations. For instance, in market creation conditions, firms use the productive and unproductive effects of tension to stabilize the market (Garud, 2008). Yet, these efforts of market-creating firms generate more uncertainties. To resolve these uncertainties and

achieve the creation of markets, firms utilize interorganisational collaborations. Interorganisational collaborations; then, become significant strategic activities in market creation practice through their synergetic approach that stabilizes and standardizes the new markets along with their challenges (Fligstein, 1996). Consequently, new markets facilitate collaborations and "problems" (competition among partners that generate both productive and unproductive tensions) along with them (Araujo et al., 2008). That is, ambiguities in market creation conditions, causes competitive responses among partners that lead to further productive and unproductive tensions (Acs, 2005). Thus, Levitt et al. (1999) underline the importance of interorganisational collaborations in market creation and call for further research to understand the dynamics of productive and unproductive tensions. On the other hand, studies, either theoretically confound the concept of tension with conflict, or they treat tension as a component of dysfunctional conflict. Therefore, it is necessary to review the literature on organisational conflict in order to theoretically delineate between these two concepts.

2.5 ORGANISATIONAL CONFLICT

Studies on market creation argue that the creation and change processes comprise conflictive nature (Teubal and Zuscovitch, 1997). In other words, the uncertainties and instabilities associated with the emergence of markets generate conflict. This conflict results from the trade-off between the current and changing conditions of the new market (McAdam, 2005). Thus, conflict becomes inevitable for market creation (Janssen et al., 1999). Yet it is also vital for organisational development and market creation (Goldman, 1966; Janssen et al., 1999; Parkhe, 1991).

Organisational conflict has been the subject of studies as early as late 1950s (see for ex. Mack and Snyder, 1957) and it is acknowledged as a vital concept of cooperation and organisational development (Goldman, 1966). Organisational conflict can exist among individuals (Aubert, 1963), inter and intra groups (DeChurch and Marks, 2001; Litterer, 1966) as well as in strategic decision making processes (Medina et al., 2005). According to this view, two contrasting functions of conflict exist. The first one is destructive and deteriorates the relationships. The second one is constructive, which activates a search for change and improves the conflictive situations, leading to innovation (Litterer, 1966). This complex relationship led theorists to introduce a two-dimensional conflict perspective identified as functional and dysfunctional conflict (Jehn, 1995). The multidimensional approach to conflict,

in summary, argues that functional conflict is beneficial (based on the grounds of task type, group norms and task interdependence) and facilitates group performance, whereas dysfunctional conflict is hazardous to intra-group relations and must be avoided.

2.5.1 The Role of Interorganisational Conflict in Market Creation

Unlike tension, conflict is a well-established concept and a wide range of conflict studies in literature focus on interorganisational collaborations (see Table 2-5, p. 62). Theorists argue that due to their organisational and multi-party structures, interorganisational collaborations have a higher conflict tendency compared to single firms (Baum et al., 2000; Mohr and Spekman, 1994; Steensma and Lyles, 2000). That is, based on their multi-party structure they are exposed to more disagreements, and therefore more conflict (Moye and Langfred, 2004). Nordin (2006) emphasises that interorganisational conflict has functional and dysfunctional effects on interorganisational outcomes. The functional or dysfunctional effects of conflict either foster innovation (therefore market creation) and success in collaborations or result in failures. Baum et al. (2000) note that:

> *"…conflict can have two opposing effects. To a point, it can increase flexibility, foster innovation and ensure security... But it can also fragment the network as partners' competing interests pull in different directions, members fail to reach sufficient scale or returns to invest in the alliance, and appropriation concerns derail cooperative efforts...", (p. 270).*

However, recent studies demonstrate that the functional and dysfunctional effects of conflict are entwined, and this complicates the prediction of their directions (DeChurch et al., 2007; De Dreu and Weingart, 2003; De Dreu, 2006; Tekleab et al., 2009). Furthermore, De Dreu and Weingart (2003) point out that there is no global agreement on the effects of functional conflict which does not always facilitate functional outcomes and has negative impacts from time to time. These curvilinear relationships and ambiguous results suggest that it is hard to distinguish the functional and dysfunctional effects of conflict (Henley and Price, 2004; Tidd et al., 2004). Subsequently, the importance of conflict in collaborations led researchers to investigate other factors together with conflict in order to understand these effects better. Table 2-5 lists the main studies and the other concepts that were researched to provide insights to the effects of interorganisational conflict.

Table 2-5 Empirical studies that examine conflict directly or indirectly

Study	Authors	Theoretical Background	Variables	
Role Stress and Effectiveness in Horizontal Alliances	Nygaard and Dahlstrom (2002)	Channel effectiveness	Transaction-specific assets, Communication modality, Competence, Customer satisfaction, Contributions to sales, Coordinated bargaining efforts	Dependent Role stress
Managing conflict to improve the effectiveness of retail networks	Bradford et al. (2004)	Channel relationships network management conflict	Types of conflict, Conflict management behaviours,	Dependents Satisfaction, Network performance
Characteristics of Partnership Success: Partnership Attributes, Communication Behavior, and Conflict Resolution Techniques	Mohr and Spekman (1994)	Conflict resolution, coordination, alliance formation	Trust, Commitment, Coordination, Interdependence, Communication quality, Participation, Information sharing, Joint problem solving, Persuasion, Smoothing, Arbitration, Severe resolution	Dependents Dyadic sales, Satisfaction with support, Satisfaction with profit
Interorganisational Routines and Performance in Strategic Alliances	Zollo et al. (2002)	Economics, influence, knowledge accumulation	Intercept, Equity, Alliance relevance, Division of labour Coordination committee, R&D, Contract alterations, Monitoring changes, General collaborative experience, Technology-specific experience, Partner-specific experience	Dependent Alliance Performance

Study	Authors	Theoretical Background	Variables	
Partner Symmetries, Partner Conflict and the Quality of Joint Venture Marketing Strategy: An Empirical Investigation	Morris and Cadogan (2001)	Conflict	Functional conflict, Dysfunctional conflict, JV autonomy, Partner fit, Power symmetry, Partner commitment, Mutual trust, Opportunistic behaviour, Collaborative communication	Dependent Quality of JV marketing strategy
The independent and interactive roles of procedural, distributive, and interactional justice in strategic alliances	Luo (2007)	Justice, strategic alliances	Procedural justice, Distributive justice, Interactional justice, Asset turnover, Goal difference, Cultural distance, Strategic alliance type (equity), Strategic alliance location, Industry growth, Strategic alliance size Strategic alliance age	Dependent Performance
National and Organisational Culture Differences and International Joint Venture Performance	Pothukuchi et al. (2002)	Cultural differences, JV performance	Individualism, Uncertainty avoidance, Masculinity, Power distance, Normative vs. pragmatic org. culture, Loose vs. tight control, Open vs. closed system, Parochial vs. professional, Employee vs. job, Process vs. result	Dependents Efficiency, Competitiveness, Satisfaction with JVs
Measures of Manifest Conflict In International Joint Ventures	Habib (1987)	Psychometric paradigm to develop measures	The overall level of frequency of expressed disagreements, The overall level of the intensity of expressed disagreements	

Study	Authors	Theoretical Background	Variables	
An exploratory study of conflict and coordination in interorganisational service delivery systems	Alter (1990)	Conflict and coordination, service delivery systems	Conflict, Task integration, Administrative Coordination, Scope, Intensity, Client's volitional status, Centrality, Differentiation, Complexity	
Interorganisational task and emotional conflict with international channels of distribution	Rose and Shoham (2004)	Interorganisational collaborations, conflict	Team spirit, Interdepartmental connectedness, Emotional conflict, Task conflict, Low strategy quality,	Dependents Absolute performance, Poor performance relative to competitors, Satisfaction
Behavioural relations in across-culture distribution systems: influence, control and conflict in U.S.-Japanese marketing channels	Johnson et al. (1990)	Distribution channels, influence	Mediated influence, Nonmediated influence, Duration of the relationship Control	Dependent Conflict
Maximizing Cross-Functional New Product Teams' Innovativeness and Constraint Adherence: A Conflict Communications Perspective	Lovelace et al. (2001)	Team diversity, conflict, new product teams	Technological change, Cross-functional diversity, Intrateam disagreements, Leadership, Freedom to express doubts, Collaborative communications, Contentious communications	Dependents Innovativeness, Constraint adherence

Study	Authors	Theoretical Background	Variables	
Alliance Relationship Dynamics: Conflict, Structure and Control	Kauser (2007)	Alliance formation and management	Degree of Conflict Conflict resolution avoid issue smooth over issue assertive and dominant persuasion joint problem solving outside arbitration Frequency of conflict Bases of conflict poor communication distrust conflicting goals personality conflicts cultural misunderstandings language difficulties Formalisation detailed tasks and activities contact through managers joint decision making Complexity complex hierarchical flexible	Dependents Coordination (dependent) Co-ordination between partner firms Interdependence Dependency on marketing capabilities Dependency on administrative support Dependency on management skills Commitment (dependent) Commitment to alliance goals Commitment to alliance by obligation Commitment to stay in relationship Trust (dependent) Trust in partner Communication (dependent) Information quality Participation Information sharing

Source: Developed from the literature reviewed for the study

Table 5-2 Tension & Tension Interaction Outcomes demonstrates the importance of conflict and the rich variety of concepts that are involved in interorganisational collaborations. Although, researchers have different arguments regarding the functional and dysfunctional effects of conflict, they agree that it is essential for collaborations, and that it enhances collaborative development, cooperation, as well as providing better performance through stimulating creativity and divergent thought processes in collaborations (Balasubramanian and Bhardwaj, 2004; Bradley et al., 2007; De Wit and Greer, 2008). In this perspective, particularly, the social interactions of partners gain importance (Gamero et al., 2008; Kurtzberg and Mueller, 2005). Although, these studies note the importance of conflict on creativity, conflict literature is limited when it comes to market creation. Thus, studies cite the need for further research to provide better understanding of the interorganisational conflict, specifically from a market creation perspective (Kor, 2006; Leiponen, 2008; Vaara et al., 2004; Zhao et al., 2007).

2.5.2 Functional and Dysfunctional Impacts of Conflict

The distinction between conflict types increased the number of conflict studies that turned to investigating the dynamics in organizations and interorganisational settings. For instance, studies investigated the effects of the conflict types through different concepts and variables, such as routine and non-routine tasks (Jehn, 1995), task-role fit (Dickson, 1996), task and relationship conflicts and process control (Jehn, 1997), inter-correlation of functional and dysfunctional conflicts (Edmondson and Smith, 2006; Henley and Price, 2004; Simons and Peterson, 2000), as well as cohesion and team effectiveness (Tekleab et al., 2009). Although the majority of these studies agree that dysfunctional conflict is hazardous, Pelled et al. (1999) argue that this effect can be insignificant depending on the task type with which the conflict is examined. On the other hand, an alternative argument regarding the results of functional conflict has emerged. While some studies were able to find that functional conflict facilitates positive outcomes, other studies either found no relationship or very weak relationships which are insignificant (DeChurch et al., 2007; De Dreu and Weingart, 2003; De Dreu, 2006; Pelled et al., 1999). Subsequently, Henley and Price (2004) and De Dreu (2006) pointed out the interdependency between functional and dysfunctional conflict types.

The effects of functional and dysfunctional conflicts are assessed by their impacts on team, organisational or interorganisational tasks. De Dreu and Weingart (2003) argue that complex tasks, which are non-routine and difficult to solve, are positively related to functional conflict;

whereas routine tasks, which have established procedures are negatively related to functional conflict, contradicts the previous results in relation to functional conflict (Rose and Shoham, 2004). Although other studies also note the dependency of task complexity in relation to functional and dysfunctional conflict, the results of the studies are far from conclusive (Kankanhalli et al., 2006; Pelled et al., 1999; De Wit and Greer, 2008). According to De Dreu and Weingart (2003), these findings were the results of a curvilinear relationship between functional and dysfunctional conflict which was appreciated by other researchers and demarcated the conflict field (DeChurch et al., 2007; Hinds and Mortensen, 2005; Moye and Langfred, 2004; Simons and Peterson, 2000).

In general, firms performing in market creation conditions face higher levels of ambiguity and uncertainty (Benner and Tripsas, 2012; Rindova et al., 2010). Furthermore, due to the "newness" of the market, the tasks associated with the creation practice are classified as complex. Rindova et al. (2010) argue that firms acting in these conditions use functional and dysfunctional conflicts to achieve competitive advantage. As Levitt et al. (1999) point out; firms tend to use collaborations to settle the uncertainties associated with the market creation. However, partner related conflicts that are aimed at obtaining competitive advantage through the newness of the market bring along further challenges in these unsettled market conditions (Aldrich and Fiol, 1994).

2.6 INTERORGANISATIONAL TENSION AND CONFLICT RELATION

Organisational activities are shaped by the actors' cognitive activities, such as the understanding of the market, environment, social interactions, rivals and collaborations (Porac et al., 1989). Even basic activities such as competition and cooperation are shaped through the cognitive processes of the actors. Cognitive apprehension of the market, competition and cooperation generate tension and conflict (Dhami and Olsson, 2008). To provide a better understanding of interorganisational tension and conflict relation, it is necessary to look into previous studies and how they have associated these to concepts.

In the preceding sections, it was demonstrated that in majority of the studies on tension and conflict, these two concepts are investigated separately or the terms tension and conflict are used interchangeably (see for ex. Persson et al., 2005; Rosenwald, 2008). Recently, another stream of research that focuses on tension and conflict neither offer a clear definition for each concept nor state their differences. Furthermore, often they approach to tension and concept from a uni-dimensional perspective. Examples of these are John et al.'s (2009) study

which looks at tension and its relation to conflict that can have developmental impacts on group work, and Burton et al.'s (2004) study that examines organisational climate through tension and conflict, as well as resistance to change and suggest that a combination of these concepts have negative impacts on organisational outcomes.

In this regard, early work-psychology literature provides clearer evidence to the relationship of tension and conflict. Scholars examined the existence of job tension and different types of conflicts, such as role conflict (Bedeian and Armenakis, 1981; Kelly and Hise, 1980; Kelly et al., 1981; McKay and Tate, 1999), and work-family conflict (Greenhaus and Beutell, 1985; McKay and Tate, 1999). Findings of the studies indicate that tension-related conflict exists when the goals, tasks and the performance of a person is affected through tension (Greenhaus and Beutell, 1985). In interorganisational collaborations, tension and conflict are generated from similar factors. For example, the opportunistic behaviours of partners, rivalry actions, and opposing forces generate tension (Das and Teng, 2000) which in turn develops into a dynamic state (Chen et al., 2007) and incorporates conflict (Burton et al., 2004). However, the relationship between tension and conflict is not always explicit (De Dreu, 2006; Friedman et al., 2000). With the introduction of the two dimensional conflict by Jehn (1995), more recent studies identify tension as a component of conflict (Proudford and Smith, 2003) and place tension as a conflict-generating factor in their examinations (Tak Wing and Sai On, 2007). In fact, these studies assume that tension is a part of relationship conflict which almost always produces negative results.

In market creation conditions, lack of legal frameworks, shortage of skilled people, and absence of key infrastructures cause "institutional voids" (Anderson et al., 2010). Subsequently these institutional voids generate uncertainties and ambiguities, and hence tension and conflict (Anderson et al., 2010). In other words, the complexity of the environment due to the uncertainties and ambiguities, as well as the instabilities produces encumbrances for the collective activity (Aldrich and Fiol, 1994). The competitive actions among partners become more visible in such unsettled environments (Aldrich and Fiol, 1994). On the other hand, firms acting in such conditions use tension and conflict to achieve competitive advantage (Rindova et al., 2010). As Levitt et al. (1999) point out; firms tend to use collaborations to settle the uncertainties associated with market creation. However, partner related tensions and conflicts call for further challenges in these unsettled market conditions (Aldrich and Fiol, 1994). In such uncertain and risky environments, Lichtenstein et al. (2007) posit that market creation can be realised through achieving positive results from

both tension and conflict. However, the lack of standards, effective legislations and legitimacy issues lead further complications and tension and conflict among market creators (Aldrich and Fiol, 1994). Taken together, the various approaches to tension and conflict relation (uni-dimensional, positive or negative implications) suggest that this relationship is still under researched, specifically from a market creation perspective. More clearly, how markets are created through tension and conflict remains under-researched (Rindova et al., 2010).

2.7 MARKET-CREATION MECHANISMS FRAMEWORK

The previous sections provided discussions on the literatures of market creation, interorganisational collaborations, tension and conflict, as well as their relation to each other. From the reviewed literatures, it can be concluded that based on a social interactions perspective, market creation has three mechanisms: collaborations, tension and conflict. To provide a better understanding and combine the literatures reviewed in this chapter, a framework which comprises these three mechanisms has been developed from the literature reviewed.

Figure 2-2 Market Creation Mechanisms
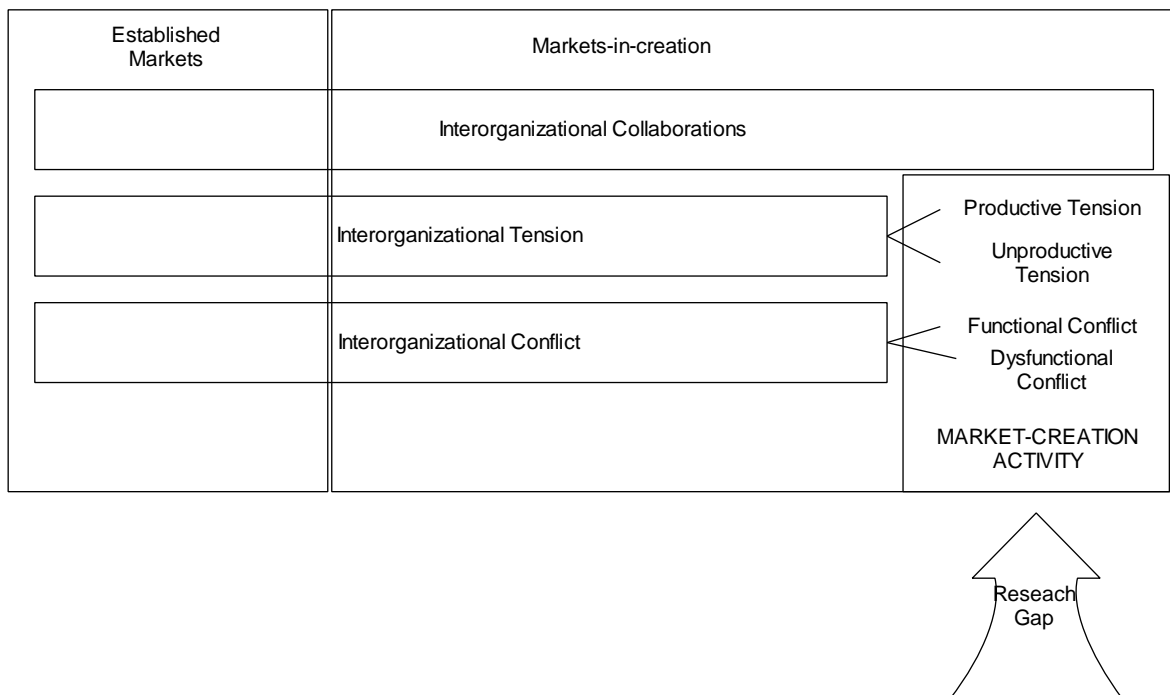
Source: Developed from the reviewed literature

The framework portrays the position of collaborations, tension and conflict according to markets and market creation as these three concepts are not exclusive to market creation.

Yet, the framework in Figure 2-2 does not represent a proportionate demonstration of established markets versus markets in creation to emphasize the focal point of this study. Therefore, the framework needs to be taken with caution. In the framework, collaborations, tension and conflict are spread across both established markets and markets-in-creation.

Collaborations: in established markets collaborations are significant mechanisms to extract more benefits (Shah and Swaminathan, 2008), power and value from markets (Eisenhardt and Schoonhoven, 1996; Shah and Swaminathan, 2008). On the other hand, collaborations are also used to create new markets (Dacin et al., 2007). In effect, the uncertainties stemming from the creation of new markets facilitate collaborations among competitors as collaborations have a capacity to reduce market related uncertainties (Lee and Paruchuri, 2008). As Araujo (2007) notes, market creation practice needs more distributed and heterogeneous sets of practices and bodies of expertise, such as interorganisational collaborations. That is, market creation generates new profitable business opportunities that require the collaboration of firms from various industries (Russo, 2001; Sarkar et al., 2001). Yet, by collaborating, market-creating firms expose themselves to partner related issues such as tension and conflict (Santos and Eisenhardt, 2009).

Tension: as explained previously, in social contexts, challenges, uncertainties, and ambiguities produce tension in organizations and collaborations (Dodd, 1939; McInerney, 2006). Tension is common in almost all contemporary organizations, but it is particularly significant in collaborations (Mudambi and Swift, 2009). In established market conditions, literature on collaborations is divided between the productive and unproductive impacts of tension. While one stream of literature considers tension as a detrimental concept (Das and Teng, 2000; Khanna et al., 1998), another stream of research focuses on the productive outcomes of tension (Dyer and Song, 1998; Huxham and Beech, 2003). The latter focuses on the creativity and innovation impacts of tension. When market creation literature is reviewed, studies that take a socio-economic perspective mention that tension is necessary for institutional development and market creation practice (Araujo et al., 2008; Leland, 1997). Others, approach market creation from a more micro perspective using new product development, innovation and creativity, and assert that productive tension is crucial for market creation practice (Isaksen and Ekvall, 2010; Lichtenstein et al., 2007). In all these research activities, studies are limited in addressing the productive and unproductive impacts of tension. In particular, when the importance of tension is considered on innovation and

creativity, and hence market creation, the two-dimensional aspect of tension remains under-researched.

Conflict: conflict is a well-established subject not only in conflict literature (Ayoko et al., 2008; Jehn and Chatman, 2000; Weider-Hatfield and Hatfield, 1995), but also in collaborations literature (Bradford et al., 2004; Hardy and Phillips, 1998; Kumar and Dissel, 1996; Shrum et al., 2001). Another characteristic of conflict literature is that these studies often discuss the established markets. Moreover, research has distinguished functional conflict from dysfunctional conflict (Jehn, 1995). While functional conflict improves group outcomes and performance (Tekleab et al., 2009), dysfunctional conflict is hazardous (Jehn, 1995) . However, the impacts of both functional and dysfunctional conflict do not propose a universal agreement among conflict theorists. Some studies found that functional conflict facilitates positive outcomes; others either found no relationship or very weak relationships which are insignificant (DeChurch et al., 2007; De Dreu and Weingart, 2003; De Dreu, 2006; Pelled et al., 1999).

From a market creation perspective, despite the scarcity of studies talking about conflict (usually interchangeably used with tension) the complexity of changing environment, uncertainties and ambiguities associated with the creation of a new market, and the social exchanges among the market-creating actors prepare the necessary grounds for conflict (Teubal and Zuscovitch, 1997). In essence, both functional and dysfunctional effects of conflict on market creation are under-theorized and under-researched.

In Figure 2-2, the area, that shows where the productive, unproductive impacts of tension and functional, dysfunctional impacts of conflict, is specifically highlighted. Literature on market creation often talks about the productive impacts of tension (Isaksen and Ekvall, 2010; Lichtenstein et al., 2007), while less attention has been given to conflict and its functional and dysfunctional impacts. Although the importance and the existence of both tension and conflict are mentioned (Teubal and Zuscovitch, 1997), in market creation conditions both tension and conflict and their combined effects remain under-researched. Bird (1988) suggests that it is crucial for organizations to engage in close focus to tension and conflict, specifically under market creation conditions, to benefit from them. Building on this perspective, this study investigates interorganisational tension and conflict through market-creating tasks. That is to say, the narrowing of attention onto a set of strategic tasks ensures that opportunities are monitored more closely and that there is an opportunity

alertness and involvement in the nature of that change. To understand the dynamics in this process, a deeper look into the practice, such as exploring the market-creating tasks, is required. Building on this perspective, this study investigates interorganisational tension and conflict through market-creating tasks. For this purpose the standardization protocols and mission statements were chosen to provide a deeper insight to the dynamics of market creation practice.

2.8   Interorganisational Market-creating Tasks

The social interactions among partners while creating markets are reflected to the market creation activities, such as standardization protocols and mission statements. Tasks are material activities of organizations where processes occur regarding their physical outcomes (Porac et al., 1989). The narrowing of attention onto a set of tasks means that the material level of strategic activities can be undertaken and monitored more closely to cope with the uncertainty of the nature of the market exchanges. Market exchanges function at two different levels of analysis (Porac et al., 1989). Actual resource exchanges occur at the material or technical level where decisions are being made about which technology is employed, which distribution channels to develop, and what customer groups to target as part of the market-creating exchanges. At the material level, market creation practice can be analysed in terms of the actual interorganisational tasks. Interorganisational tasks are material processes that may include, for example a vision statement, a standardization protocol, or a schedule of events and meetings. That is to say, strategic tasks are critical triggers of institutional market creation (Fligstein, 1990), and the focus of attention that invited collective action (Daniel et al., 2002) to control information flows, to develop a market-creating agenda and to steer the strategic direction of the market.

These studies show how the material tasks shape interpretations of the environment and subsequent strategic actions. In this interorganisational task activity, convergence and divergence can cause institutional tensions and conflicts between individual firms which can act as the basis for market driving behaviours (McDermott and O'Connor, 2002); market visions and trajectories (Balkundi and Harrison, 2006), and other market-making practice (Carlos, 2005). In this view, tasks are the mirrored reflections of the cognitive activities that are strongly related to interorganisational tension and conflict. Essentially, the task is a connecting process between the actions of partners and the social collaborative structures.

That is to say, tasks are at the centre of interorganisational collaborations, and are at the same time an inseparable part of market creation.

Studies demonstrate that the nature of the market-creating tasks is affected by the actions and interactions, through the dialogues and practice of the partners (Kor, 2006). For example, competitive concerns among members create tension and conflict in market standardization tasks (Axelrod et al., 1995). Therefore, tasks provide the basis for understanding tension and conflict, and how they are utilized in the creation of new markets. Indeed, several authors in the collaborations literature have argued along similar lines (Kor, 2006; Leiponen, 2008; Vaara et al., 2004; Zhao et al., 2007). Yet, as Langley (1999) pointed out, investigation of tasks, as market creating procedures bears several challenges, such as pre-conceptualization. This issue is increased when the subject of research is a field with unidentified characteristics; in this case an unborn market raises concerns among researchers (Shane and Venkataraman, 2000). Through these methodological challenges, this study focuses on the emergence of the standardization protocols and mission statements, not least because a number of studies point to their critical market-creating attributes (Axelrod et al., 1995) which are discussed below.

2.8.1 Standardization Protocols

Market Creation is closely related to market standardization activity as Teubal and Zuscovitch (1997) posit: *"…standardization provide [sic] a central building block to market creation analysis."* (p. 265). Fligstein and Sweet (2002) explain that in order to avoid the uncertainties associated with the creation of new markets, firms attempt to stabilize and routinize them via standardization activities. Therefore, standardization is seen as an important activity in aligning the market practice through rules and procedures to a more uniform platform by balancing the conflict of interests (Bunduchi et al., 2005; McGaughey, 1998; Rodriguez and Loomis, 2007). As market standardization is crucial for market creation practice, studies applied several theoretical perspectives to investigate standardization process. For example, networks (Weitzel et al., 2006), institutionalization (Garud, 2008) and collective action (Markus et al., 2006).

According to McGaughey (1998), there are two types of market standardization: de facto and de jure. De facto standards-setting means that the demand identifies which standard will remain in the new market. On the other hand, in de jure conditions a standardization body (government, or an incumbent firm or collaboration) sets the standards for the new market.

For instance, firms in the ICT industry form interorganisational collaborations either to standardize products which are interdependent and complementary (Ozcan and Eisenhardt, 2009), or to increase the interoperability and market acceptance (Zhao et al., 2007). However, market standardization activities bear internal and external challenges, such as persuasion of collaboration partners along with external consumers (Manning and Von Hagen, 2010). Partners fall into disagreements, because during market standardization it is not possible to share an equal gain which creates implicit and explicit tension and conflict among firms. Genschel (1997) explains this aspect of standardization;

> "All actors are better off if they agree on a standard than if they adopt incompatible solutions. Nevertheless, they disagree on which standard is best. Superimposed on the joint interest in a standard is a distributive conflict which makes agreement on a standard inherently difficult." (p. 613)

One of the reasons for these disagreements is the interpretation differences among the partners (Walters, 1986). Yet, in a pre-paradigmatic stage of market creation it is difficult to align the expectations and common goals, because not all partners will gain the same share (Weitzel et al., 2006). Thus, standardization protocols provide the convenient base for investigating tension and conflict, specifically in interorganisational collaborations.

2.8.2 Mission Statements

Mission statements are critical strategic tools which represent the organizations' purpose of existence, goals and organisational positioning (Bart et al., 2001; Kohli, 1989; Leuthesser and Kohli, 1997). They link the organisational values to the values of the stakeholders, and motivate them through structuring their interactions with the organization (Leuthesser and Kohli, 1997). Mission statements differentiate firms from others by comprising various characteristics, such as customer satisfaction, organisational aims and goals, clear business boundaries, profitability, products and services as well as values (Sufi and Lyons, 2003). Literature on mission statements often discusses their impacts on organisational performance (Mullane, 2002; Weiss and Piderit, 1999). According to Williams (2008);

> "In addition to conveying a corporation's nature and reason for being, this statement may also outline where a firm is headed; how it plans to get there; what its priorities, values, and beliefs are; and how it is distinctive" (p.96)

Therefore, the market creation intention of organizations can be pursued from their mission statements. However, mission statements can also be used incorrectly (Mullane, 2002). The misinterpretation of missions, specifically aiming at future tasks can cause the partners to fall

into disagreements which then generate tension and conflict (Marks et al., 2001). That is, the significance of developing and deploying a mission statement increases together with the individual expectations of partners in market-driving interorganisational collaborations. Thus, considerable leadership is required to establish the common mission (Ring et al., 2005). However, the uncertainties associated with the market creation, the ever changing conditions, in fact, affect the development process of the common mission. Furthermore, the gap between the common missions and individual missions also generate tension and conflict. Therefore, the content of mission statements provides extensive information about the partners and the collaborations through their market creation missions.

2.9   CHAPTER SUMMARY

This chapter provided a broad overview of the critical literature on market creation, interorganisational collaborations, tension and conflict. The definitions, key characteristics of market creation and the theoretical perspectives to explain it are identified and discussed. This was followed by the interorganisational collaborations literature, its definitions, process modes and theoretical concepts that are used to explain collaborations. Moreover, the studies falling into each category are discussed from the tension and conflict perspective. The key research gaps with regards to this research are also identified. The chapter continued with the review of organisational tension and conflict. The one-sided perspective of tension (either productive or unproductive) is discussed through a critical approach. The role of interorganisational tension in market creation is also presented. The review of tension studies showed a need for a deeper understanding of interorganisational tension, specifically investigating the productive and unproductive effects on market creation. Following this, a review on organisational conflict studies was provided. These studies demonstrated that interorganisational collaborations are subject to conflicts that can be functional or dysfunctional. However, conflict is necessary for their progress, and to create-markets. Finally, through a brief discussion, studies that discuss interorganisational tension and conflict are presented. The limited number of studies and their approach to tension as a component of conflict is also identified. The next chapter (Chapter Three) provides the methodology used in this study.

3   CHAPTER THREE: RESEARCH METHODOLOGY AND ANALYSIS PROCEDURES

CONTENTS

This chapter provides an overview of the research methodology employed in this study. First, this chapter revisits the research paradigms, then defines and justifies the qualitative research design for this research in relation to the literature. The research setting and sampling considerations are discussed in order to provide an understanding of the challenges emerging from the "market creation" nature of the research. Then, the data collection techniques and the analysis procedures used in this research are presented. Finally, ethical considerations are outlined.

3.1   INTRODUCTION

This chapter considers the ontological and epistemological stance of the research while investigating the tension and conflict in interorganisational collaborations. In Chapter Two, market creation practice, its mechanisms (interorganisational collaborations, interorganisational tension and conflict), and the relations between market creation and these mechanisms were reviewed through the literature. Literatures of market creation, interorganisational collaborations and conflict point out methodological issues and call for future research to use different research techniques, such as qualitative techniques, to provide further insights to the phenomena. Furthermore, eight preliminary interviews conducted before starting this research also indicated the requirement for a deeper investigation, especially on the area of interorganisational tension. Thus, this research employs a grounded theory research approach which is appropriate based on the reviewed literature and research question.

This chapter starts with a review of methodological paradigms. After this section a discussion on method justification is provided and the research setting for the study is then presented. This is followed by the research design used in the study which comprises the qualitative techniques used to investigate the research question. The data analysis procedures of the study are then discussed. The chapter concludes with the ethical considerations applied to this study.

3.2 METHODOLOGICAL PARADIGMS: POSITIVISM AND INTERPRETIVISM

All academic researches start with ontology and are followed by the researchers' epistemological and methodological views (Grix, 2002). However, the terminology drawn from ancient Greek causes confusions specifically between the pairs of ontology and epistemology, as well as epistemology and methodology (Onwuegbuzie and Leech, 2005). According to Healy and Perry (2000);

> *"...ontology is the "reality" that researchers investigate, epistemology is the relationship between that reality and the researcher, and methodology is the technique used by the researcher to investigate that reality."(p. 119)*

Figure 3-1 The interrelationship between the building blocks of research

Ontology	Epistemology	Methodology	Methods	Sources
What is there that can be known about?	What is the nature of the relationship between the knower and what can be known?	How can the researher go about to find out what s/he belives can be known?	Which precise procedures can be used to acquire the unknown?	Which data can be collected?
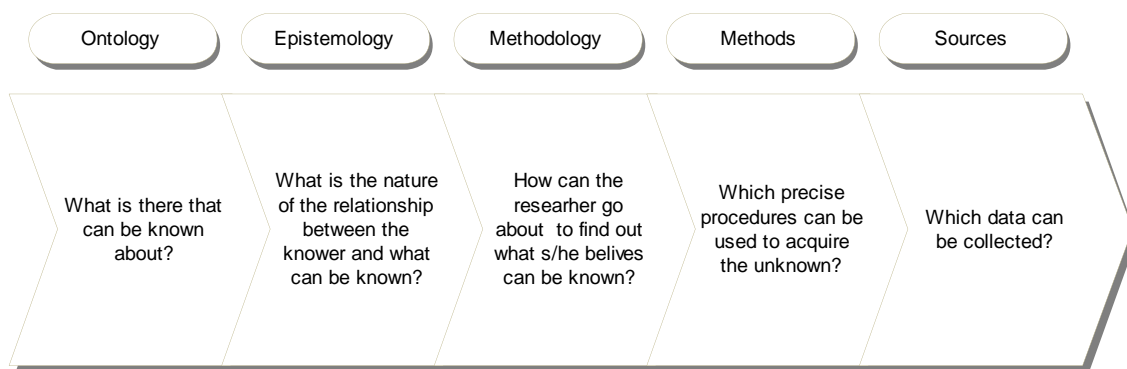
Source: Modified from Grix (2002; 1994) and Guba and Lincoln (1994)

In other words, methodology is a combination of techniques which comprise the description, explanation and justification of the studied methods (Kaplan, 2004) (see Figure 3-1). The utilization of these techniques and methodological fit is a major question to be answered before the commencement of the data collection. In Chapter One, the research methodology for this study was identified as interpretivist which uses qualitative techniques. The discussions about the adequacy of research methods in social sciences have long been the subject of methodological debates. In particular, after the 1970s, the methods derived from the natural sciences have been unsatisfactory as a basis for social research (Morgan and Smircich, 1980). Therefore, systematic attention has been devoted to the search for effective alternatives (Jick, 1979). When these discussions are considered, two main paradigms emerge: positivist and interpretivist. In the literature, these two approaches are usually opposed (Lee, 1991). That is, positivism and interpretivism represent two different streams of thought to investigate social beings and their world (see Table 3-1). Thus, before explaining the background of the methodology applied in this research, it is necessary to take a look at these debates which will provide the rationale for the selection of the research method for this study.

Table 3-1 Positivist vs. interpretivist research processes.

	Positivist Approach	Interpretivist Approach
Ontology	Reality is "real" and apprehensible	Reality is virtual or real but imperfect and it is shaped by the social, political, cultural, economic, values.
Epistemology	Objectivist, reality exists beyond human mind	Subjectivist, created through lived experiences
General Objectives	Examines the causalities through hypotheses	Explores and identifies the phenomena
	Analytic and categorical process	Flexible and iterative process
	Quantifies the variation	Identifies the variation
Tools	Highly structured tools like experiments or survey questionnaires	Unstructured or semi-structured tools, such as interviews or observations
Data	Numeric	Text
Study process	Subject to statistical conditions and is stable	Highly flexible, respondents and their answers affect the flow of research

Source: Modified from Bryman (2008), Crotty (2003), Healy and Perry (2000) and Heron and Reason (1997)

3.2.1   Positivist Approach

According to Orlikowski and Baroudi (1991); "*Positivist studies are premised on the existence of a priori fixed relationships within phenomena... Such studies serve primarily to test theory…*" (p. 5).

To understand the positivist view, it is important to look into its philosophical stance.

Ontology: positivism assumes that the truth is an objective reality that exists external to the human perception (Tashakkori and Teddlie, 2003). Therefore, the truth cannot be affected by the researcher and can be studied objectively (Guba and Lincoln, 1994: p. 110). In other words, positivism proposes that theory can be observed from nature, and that the role of scientific research is to identify law-like generalizations that account for what was observed (Leitch et al., 2010). This paradigm underpins the causes of social behaviour through information in the form of numbers which can be quantified and summarized (Golafshani, 2003). That is, quantitative methodologies test theory deductively from existing knowledge, through developing hypothesized relationships and proposed outcomes of study.

Epistemology: Orlikowski and Baroudi (1991) describe the positivist approach as studies that are postulated on the existence of a-priori fixed relationships within phenomena. Such studies serve primarily to test theory in an attempt to increase the predictive understanding of phenomena, in general through the use of structured instrumentation (Morgan and Smircich, 1980; Orlikowski and Baroudi, 1991). Often, mathematical functions are used for analysing

the data where the outcome is presented through statistical techniques (Golafshani, 2003). Supporters of this method assume that epistemologically, quantitative methods provide generalizability (Bryman, 1984). This assumption relies on large sample sizes, analysis methods, and the replicability of the outcomes (Denzin and Lincoln, 1994). Lee (1991) summarizes the positivist approach as;

> *"... the positivist approach involves the manipulation of theoretical propositions using the rules of formal logic and the rules of hypothetico-deductive [sic] logic, so that the theoretical propositions satisfy the four requirements of falsifiability, logical consistency, relative explanatory power, and survival." (pp. 343-344)*

Methodology: typical analysis methods used in this paradigm are the inferential statistics, hypothesis testing, mathematical simulations, experimental and quasi-experimental designs (Lee, 1991). In order to achieve the generalizability of the results, the measures and scales used in positivist methods require passing the validity and reliability tests (Golafshani, 2003). In positivist approaches, three types of reliability exist: i) the degree to which a measurement, given repeatedly, remains the same, ii) the stability of a measurement over time and iii) the similarity of measurements within a given time period (Golafshani, 2003). On the other hand, although there is no universal consensus on the definition of validity, in general it refers to the accuracy of the measures that attempt to assess the phenomena (Winter, 2000). However, Lee (1991) argues that scientific propositions are resistant to testing by direct observations as they typically posit the existence of entities, phenomena, or relationships that are not directly observable.

The limitations of positivist approaches are not constrained to this (Gummesson, 2001; Johnson and Onwuegbuzie, 2004). The arguments related to the parting of human nature from the phenomena are regarded as another weakness of positivist paradigm (Bryman, 2008: pp. 159, 160; Milliken, 2001). Moreover, the researcher has limited control over the environment and the subject. That is, the researcher's categories that are used may not reflect local constituencies' understandings. Johnson and Onwuegbuzie (2004) add that the focus on theory or hypothesis testing may lead to the researcher miss out on phenomena occurring (called the confirmation bias). They further argue that knowledge produced may be too abstract and general for direct application to specific local situations, contexts, and individuals.

3.2.2   Interpretivist Approach

Interpretive studies assume that researchers create and associate their own subjective and inter-subjective meanings, and attempt to understand the phenomena through accessing these meanings (Orlikowski and Baroudi, 1991).

Ontology: in contrast to positivism, the interpretive paradigm, which is based on qualitative methods (Denzin and Lincoln, 1994; Tashakkori and Teddlie, 2003), assumes that there are multiple ontological truths based on one's construction of reality (Newman and Benz, 1998). Van Maanen (1979) explains this paradigm as:

> *"…interpretive techniques which seek to describe, decode, translate, and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world. To operate in a qualitative mode is to trade in linguistic symbols and, by so doing, attempt to reduce the distance between indicated and indicator, between theory and data, between context and action." (p. 520)*

The interpretivist approach proposes that reality lies in the perceptions of the subjects (Morgan and Smircich, 1980). According to Leitch et al. (2010), interpretation is necessary to develop an understanding of the social world. That is, the interpretivist approach moves from deterministic (*erklaren*) perspectives to understanding (*versthen*) and capturing the "actual meanings". Interpretvist research, therefore, attempts to explain the complex and dynamic quality of the social world and allows the researcher to investigate a social research question holistically (Leitch et al., 2010).

Epistemology: in interpretivist approaches, the researcher and the researched are not two separate entities. Therefore, epistemologically, the findings of research are linked to the researcher as much as they are linked to the subject area (Guba and Lincoln, 1994; Newman and Benz, 1998). According to Bryman (1984), interpretivist methodology attempts to see the social world from the point of view of the actor which, in turn, requires the closer involvement of the researcher. Subsequently, the interpretivist approach is more concerned with the understanding (*verstehen*) (Bryman, 1984; Firestone, 1987). In other words, the interpretivist approach seeks for meanings in the processes where samples do not necessarily represent large populations. Ambert et al. (1995) argue that the interpretivist paradigm seeks depth rather than breadth about a smaller group of persons. They posit that the purpose of this paradigm is to learn about how and why people behave, think, and make meaning as they do, rather than focusing on what people do or believe on a large scale. In order to investigate the social world, epistemologically, interpretivist methods allow an insider view to the

people's lived experiences (Bryman, 1984). In doing so, researchers gather in-depth information about the phenomena. The inductive approach that involves an iterative process between the data and the existing theory facilitates the generation of new theories (Glaser and Strauss, 1967).

Methodology: the representation of the significance of the sample defines the sample size (Neuman, 2006). Subsequently, the ethnographic, hermeneutic, and phenomenological designs are regarded as interpretivist research designs (Lee, 1991) which tend to understand the unfolding of social processes rather than the social structures that are often the focus of positivism (Van Maanen, 1979). As mentioned in the positivist paradigm, all methods have associated limitations (Gummesson, 2001; Johnson and Onwuegbuzie, 2004). The weaknesses in generalization, replication and in some cases, the lack of transparency in qualitative research, are highly criticized (Bryman, 2008: pp. 391, 392). Furthermore, it is difficult to make quantitative predictions through interpretivist methods, and it is also more difficult to test hypotheses and theories (Johnson and Onwuegbuzie, 2004). Thus, supporters of the positivist paradigm argue that interpretivist approaches may have lower credibility (Firestone, 1987). Moreover, when compared to quantitative research, data collection and analysis take more time (Johnson and Onwuegbuzie, 2004).

Howe and Eisenhart (1990) conclude these discussions about the paradigms by saying:

> *"In particular, rather than being judged in terms of qualitative versus quantitative paradigms, logics in use... are judged in terms of their success in investigating... problems deemed important." (p. 2)*

That is, it is the research question at hand that will guide the researcher to the most appropriate approach.

3.3   JUSTIFICATION OF THE METHODOLOGY

According to Strauss and Corbin (1990), researchers have different motives for selecting the appropriate research methods, such as previous experience in the method employed, belonging to a discipline where a certain methodology is salient, and finally, the nature of the research problem. Newman and Benz (1998) support this view, and add that the consistency between the question and design is the criterion for rigorous and reliable research. Based on these discussions, first a literature review on interorganisational collaborations across disciplines was conducted. Concurrent to this stage, the existence of interorganisational tension and conflict during market creation has been investigated through a set of pilot

interviews (See Table 3-3, p. 88). The methodological approaches employed in each discipline and the pilot study is discussed next.

3.3.1 Research on Interorganisational Collaborations Area

The concept of interorganisational collaborations spans a multidisciplinary arena which comprises marketing (Agarwal et al., 2003; Atuahene-Gima, 1996; Gatignon and Xuereb, 1997), strategic management (Ahuja, 2000; Mortehan and De La Potterie, 2007), organisational behaviour (Inkpen and Dinur, 1998), and conflict literatures (Alter, 1990; Bradford et al., 2004; DeChurch and Marks, 2001). Traditionally, positivist studies that employ quantitative techniques dominate all these disciplines when interorganisational collaborations are researched (see APPENDIX V, p. 286). However, theorists working on interorganisational collaborations increasingly criticize this approach through methodological discussions within their fields and call for future research to use other perspectives (Gummesson, 2001; Hunt, 1994; Milliken, 2001).

Marketing. According to Alam (2005), positivism became the popular paradigm in the marketing discipline as early marketing studies tended to borrow theories from other disciplines. In effect, in the early days, to establish rapport in a rather recent field, this approach was preferable for some researchers (Milliken, 2001). Therefore, examining causalities and theory testing through surveys and experiments were the dominant techniques used in the marketing field, which in turn allowed rigour and generalizability in the results (Bazely, 2004). However, theorists in this field have long been encouraging the employment of other methods which would significantly contribute to the field (Gummesson, 2001, 2003; Hirschman, 1986). Hirschman (1986) criticises the positivist approaches used in the marketing field and suggests that;

> *"Marketing now is viewed as a socially constructed enterprise. Thus, what is needed are inputs from the humanistic modes of inquiry developed specifically to address socially constructed phenomena." (p.238)*

The social aspect of marketing facilitated the need for using qualitative techniques to develop marketing theories through observing emerging social themes (Alam, 2005). Subsequently, the field of marketing has long been utilized and also suggested the utilization of qualitative methods in marketing research (Calder, 1977; Milliken, 2001; Rust and Cooil, 1994).

Market creation. Interorganisational collaborations in market creation practice are an under-researched area, despite the emphasised importance of collaborations in market creation

practice (Dacin et al., 2007). Dimara et al. (2003) discuss three levels of analysis options which have impacts on the social interactions during market creation (see Figure 3-2): i) macro level which deals with the global or regional application of the creation process (e.g. existing legislations and norms, ii) meso level is the national or industrial response to the creation of the new market that deals with local changes, and iii) micro level is interested in the social interactions among the market-creating actors.

Figure 3-2 A Social Interaction Multi-Level Market creation Model
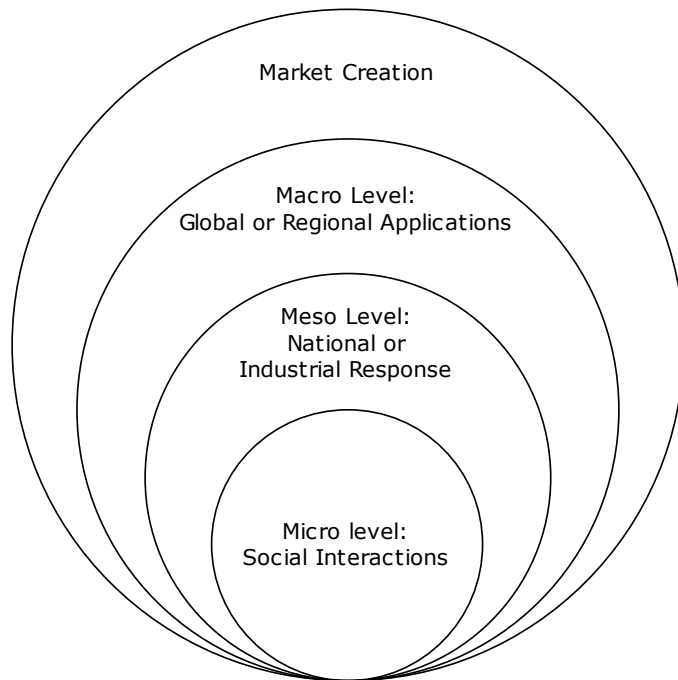
Source: Developed from Dimara et al.'s (2003) study

Katz and Gartner (1988), while discussing the challenges regarding the research of nascent fields, argue that to understand the dynamics in market creation, a micro approach is required. Consequently, macro perspectives which are used in strategy, organisation and management fields might not be adequate to explore the market creation practice. That is because the researcher investigating the micro relations would like to look closer at these social interactions and explore the phenomenon more deeply. As a result, researchers who attempt to investigate nascent fields, in this case market creation, need to adopt qualitative techniques which would help to explore the micro environment (Aspers and Darr, 2011).

With regards to interorganisational market creation practice, it is possible to review some studies, such as Santos and Eisenhardt (2009), Ozcan and Eisenhardt (2009), and Anand and Jones (2008). The common characteristic of these studies is the qualitative methods they applied which supports Katz and Gartner's (1988) argument.

Strategic management. Most studies which have significantly influenced strategic management field are based on positivist assumptions (see for ex. Anand and Delios, 2002; Atuahene-Gima and De Luca, 2008; Binenbaum, 2008). These positivist perspectives have added substantially to the strategic theories of markets and firms. Among these are transaction cost economics (Chi and McGuire, 1996; Dyer, 1997; Martin and Eisenhardt, 2010), social network theory (Capaldo, 2007; Carpenter and Westphal, 2001), and resource-based view (Eisenhardt and Schoonhoven, 1996; Hitt et al., 1997). Despite this positivist approach to studies in strategy field, some authors argue that new methodologies would bring new insights to the field (Mir and Watson, 2000). Furthermore, in recent years, a successfully developed and driven research agenda focusing on micro strategic management practice has been developed (Chia and Holt, 2006; Chia and MacKay, 2007, 2007; Jarzabkowski et al., 2007; Johnson et al., 2003). Theorists working on this area of strategy name the subfield as strategy-as-practice and utilize interpretivist research methods to understand and explore the details of the strategic management practice. Application of qualitative methods in the strategy field is not limited to strategy-as-practice researches. This turn has started in the strategy field in the 1990s (see for ex. Bowman and Hurry, 1993; Greckhamer et al., 2008; Hoon, 2007).

Organisational Management. Despite the predominant positivist approaches in the organisational management field (Strati, 2000), similar to other fields, interpretivist research studies are increasing (Aken, 2004; Tranfield and Starkey, 1998). Evidently, the call for a special issue of Administrative Science Quarterly (December 1979) helped to form methodological debates surrounding the field. For example, the editor, Van Maanen (1979), in this issue, underpins the importance of qualitative studies:

> *"To operate in a qualitative mode is to trade in linguistic symbols and, by so doing, attempt to reduce the distance between indicated and indicator, between theory and data, between context and action. The raw materials of qualitative study are therefore generated in vivo, close to the point of origin."(p. 520)*

Consequently, starting from this early call for interpretivist research, it is not surprising to find increasing interest in qualitative methods in organisational management research activity. For instance, Eisenhardt and her followers, frequently use qualitative techniques, such as in-depth interviews and qualitative case study methods (see for ex. Davis and Eisenhardt, 2011; Eisenhardt, 1989; Eisenhardt et al., 2010; Santos and Eisenhardt, 2009). Among others (Alter, 1990), (Anand et al., 2007), (Huxham and Vangen, 2000), (Madjar et al., 2002),

and (Martin and Eisenhardt, 2010) can be named as the supporters of qualitative methods in this field.

Tension and conflict. Here the methodological discussion takes a different turn as interorganisational tension is not an established field. Therefore, it is difficult to generalize the methodological approaches. The seminal work of (Das and Teng, 2000), which introduced the interorganisational tensions into the collaborations field, is a conceptual study. In fact, the debates following this study have followed a similar approach and conceptually developed the context of interorganisational tension, such as the studies of Gill and Butler (2003), Rond and Bouchikhi (2004) and Barringer and Harrison (2000). However, a more recent study by Chen et al. (2007) which presents the concept of competitive tension in interorganisational collaborations prefers a quantitative technique.

While the quantitative, qualitative methodological applications for tension favour qualitative studies in the literature, the same argument cannot be made for the interorganisational conflict. Traditionally, conflict studies employ quantitative methods (see for ex. Ayoko et al., 2008; Bradford et al., 2004; Janssen et al., 1999; Jehn and Chatman, 2000). On the other hand, qualitative studies are not rare in the extant conflict literature, specifically when the aim has been to expand the theory rather than investigate the causal relations (Jehn, 1997; Kankanhalli et al., 2006; Keaveney, 2008).

3.3.2 Philosophical Remarks on the Interorganisational Collaborations Field

Building on the observations above, it is possible to argue that given the social considerations of the field, when a theoretical concept is still emerging, the preferred methodological approach is the interpretivist perspectives (Figure 3-3). Linking this to the philosophical stance, when the researchers are concerned more about exploring and understanding (*versthen*) the phenomenon, they prefer interpretivist perspectives that allow them to investigate how the social interactions evolve. Thus, the methodological approaches preferred are the qualitative techniques that allow grounding of the theory (Morgan and Smircich, 1980).

Yet Tinsley (1997) suggest that;

> *"The focus of many writers on "which method is best" type of arguments has obscured the fact that dustbowl empiricism, introspection, and many qualitative approaches share a common underlying belief, that is, that true findings, minus the biasing influences of the experimenter and epistemology, can emerge from a theoretical analysis of raw data."(p. 575)*

In the light of these arguments, given the scarcity of studies on market creation and interorganisational tension, as well as the research calls for expanding the interorganisational tension and conflict concepts through qualitative methods (Kale et al., 2000; Kor, 2006; Tiwana, 2008), this study chooses qualitative techniques as its methodological approach. Consequently, by conducting a pilot study (interviews) first explores the existence of interorganisational tension during market creation which will be explained in the next subsection.

Figure 3-3 The choice of method based on theoretical concept
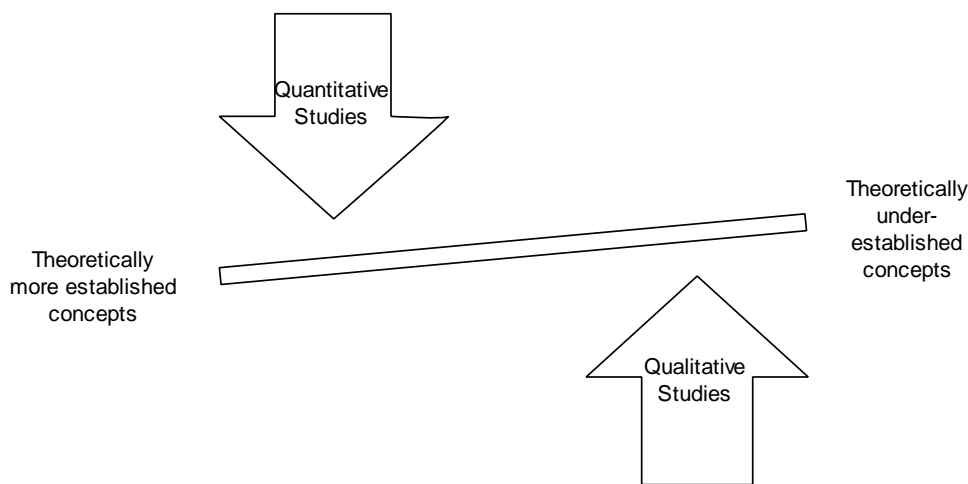
Source: Developed from the reviewed literature.

3.3.3   Pilot Interviews

Pilot studies are crucial elements of research designs and are used for several reasons. Among these are developing and testing research instruments, assessing the feasibility of a study, identifying logistical problems, and developing a research question and a research plan (van Teijlingen and Hundley, 2001). Considering the limited number of studies on interorganisational tension and the difficulties associated with researching the market creation concept (see Section 3.5.1, p.93), a pilot study, which comprised unstructured interviews, was conducted. The aim of the pilot study was twofold: i) to explore the existence of tension and conflict in interorganisational collaborations, ii) to evaluate the issues associated with researching an unestablished market.

The respondent selection process comprised of two phases. First, the researcher approached two people she knew from her previous experiences. These people were involved in collaborations, and specifically in market creation projects (such as wide

establishment of debit cards in Turkey in 1990s). Both have been in the business for over 20 years, with executive management experiences. In the second phase of the respondent selection process, the researcher used the snowballing technique to reach to the pilot interview respondents. The initial respondents were identified through the first two respondents and further respondents were identified from their suggestions (see Table 3-2).

Table 3-2 Pilot interview respondent characteristics

Industry	Position	Experience in industry	Experience in collaborations
Payment Systems Provider	1 CEO	25 years	15 years
Payment Systems Consortium	1 Vice President	22 years	7 years
Software and Hardware Companies	2 Managers 2 Project Managers	7 years and 5 years 8 years and 5 years	10 years and 5 years 5 years and 4 years
Consultant Firm	2 Consultants	15 years and 8 years	15 years and 8 years

Source: Field data

The pilot interview findings suggested that in market creation conditions, partner related issues exist in interorganisational collaborations which create tension and conflict. Moreover, these interviews also showed that due to the social nature of the partner interactions, the impacts of tension and conflict on collaborative tasks are complex and they require in-depth exploration of the phenomenon. Peshkin (1993) says "*Sometimes the more measurable drives out the more important*" explaining the need for interpretative approaches in relation to under-developed concepts (see Table 3-2).

Table 3-3 Pilot Interviews

Question: What types of issues arise in the accomplishment of market creating alliance tasks? How do these issues make you feel?	
P1	"Changes in product or service lines have been quite dramatic. A strong emphasis on R&D technological leadership and innovations. How to capitalise on outcomes to advantage of my company and make sure former partners don't "steal the show"."
P2	"A trade-off between short-term individual partner accomplishments against long-tern alliance group accomplishments as a whole. Frustrating to balance individual concerns against group expectations and promises."
P3	"The first issue is one of trust between new partners who have not worked together before. This is especially important in hi tech projects between parties who may be competitors in other areas. Personally I am a trusting person, so if I know the representative of the potential partner or their close colleagues and there is a common. When a number of companies are working in partnership on a common project, the main problems can be large differences in the way each company implements different versions of the same solution. This is frustrating, but understandable."
P4	"Business sharing - Find a win-to-win business model Intellectual property for a "common" patent Responsibility - Who is responsible when a deal is lost? The issue is to find a balanced alliance where each company can work and live from its work. The balance of power is important for a lasting alliance in good conditions. The main factor is then the capacity of managers to balance everyday this relationship for the success of the group and not for his own success... all the opposite of normal comportment."
P5	"If we consider alliance between companies doing the same product but selling it to different targets, the risk that may be is to steal targets each other's (in case of marketing decline). If you consider alliance between companies doing complementary products, the risk could be to foreclose market areas (and other companies with complementary products)."
P6	"Adjusting the priorities of already busy people to the desired aim of the project. Inevitably frustrated as initiatives tend to be passed down from more senior management and delivered to those who are expected to deliver with little research as to the real value and little attempt to get "buy in" to the project"
P7	"The most important issue is to agree in creating innovative products and services with all partners. Satisfaction of all partners regarding their interests is not easy business. That is why finding the most appropriate partner is critical. Balance between the partners' perspectives for responsibility is not at the same level. This may cause problems in the project implementation process. These make me feel that I have to find the best partner which matches my company vision and mission."
P8	"My organisation's alliance tasks are geared to changing the market for many of the members of the alliance. Some members of the alliance are clearly in support of the changed our tasks will enable. Other members are only 'at the table' to keep an eye on our progress because they actually do NOT want the task to be completed because it would aversely impact their businesses which depend on preserving the near monopolies they have in their line of business. This leads to a second issue - these 'impacted' alliance partners tend to do things to delay the alliance's progress, like engage in misinformation and disinformation efforts. These efforts lead to the mis-impression that the Alliance is 'in it' just to cause issues, when in fact, the rationale for the Alliance is really to improve the business environment for all stakeholders, including the suppliers of products and services and those who procure and deploy them."

Source: Pilot field data

Tinsley (1997) suggest that when the aim is to explore the phenomenon in depth to develop theory, qualitative designs are preferred. Consequently, combining the pilot study outcomes with general research methods followed by the interorganisational collaborations field, specifically when a research subject is still under-development, it is understood that the interpretivist research perspective is suitable for this research. The details of the chosen research design are explained in the following sections.

3.4   RESEARCH DESIGN

The research design displayed in Figure 3-4 comprises an interpretivist (qualitative) approach where an iterative process between the theory and data analysis phases takes place (Santos and Eisenhardt, 2009). This approach is suggested specifically when investigating market creation conditions (Dougherty, 1990). This is because the research design ensures that the evidence obtained enables the researchers to answer the research question (De Vaus, 2001: p. 9).

Research design is different from methodology, in which a logical problem is the focal concern of a research design rather than logistics (Yin, 1989: p. 29). It is interested in the rigour, validity and the reliability of the research (De Vaus, 2001). According to Greene et al. (1989), studies which try to add breadth and scope to a project are classified as "expansion". The "newness" of the market, the scarcity of tension studies in the multidisciplinary interorganisational literature as explained in Chapter Two, and the preliminary interviews revealed that interorganisational tension, its dimensions and its relation to interorganisational conflict, requires deeper investigation. Consequently, this study follows Palakshappa and Gordon's (2006) reasons for selecting qualitative research techniques. Palakshappa and Gordon (2006) explain this in the following quotation:

> *"A qualitative methodology was therefore selected based on its ability to increase our understanding of the dynamics and outcomes of collaborative relationships. In particular, a methodology that was open to the "new and unexpected" was essential as was a methodology that would enable us to delve deeper into each collaborative relationship since the main goal of the study was to step back and examine collaborative relationships from a fresh perspective"(p. 392)*

Thus, by applying a qualitative approach, this study attempts to expand the knowledge of interorganisational tension and conflict, and links productive and unproductive tension to functional and dysfunctional conflict types. First, it seeks depth rather than breadth. Second, it explores how and why interorganisational tension and conflict affect market creation. Third, a qualitative approach frequently falls within the context of discovery rather than verification

(Tinsley, 1997). Therefore, new information may reflect new practices or behaviours in the market creation process. Gummesson (2006) argue that the research requirement is to make each concept, model and theory progressively denser with knowledge though searching for concepts that absorb the core of a phenomenon. This is primarily achieved through qualitative research, specifically through grounded theory approach (Gummesson, 2006). Thus, in this study, to investigate the core of tension and conflict in market creation conditions, a grounded theory approach is adopted.

Figure 3-4 Research Design for the Current Study.

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┌─────────────────────────────────────────────────────────┐
│  AN EMPIRICAL STUDY OF INTERORGANIZATIONAL TENSION AND   │
│         CONFLICT IN MARKET-CREATION ACTIVITY             │
└─────────────────────────────────────────────────────────┘

                    ┌──────────────┐
                    │  Grounded    │
                    │   Theory     │
                    └──────────────┘

  ┌──────────────┐                    ┌──────────────┐
  │ Interviews in │◄──────────────►  │  Industrial  │
  │ Turkey and the│                   │  Conference  │
  │    U.K.      │                    │ Observations │
  └──────────────┘                    └──────────────┘

  ┌──────────────┐                    ┌──────────────┐
  │ Virtual/Online│◄──────────────►  │   Mission    │
  │ Data Sources │                    │  Statements, │
  │              │                    │Standardization│
  └──────────────┘                    │  Protocols   │
                                      └──────────────┘

                    ┌──────────────┐
                    │   CAQDAS[1]   │
                    └──────────────┘

                    ┌──────────────┐
                    │   Findings   │
                    └──────────────┘

                    ┌──────────────┐
                    │ Theorizing and│
                    │Conceptualization│
                    └──────────────┘
```
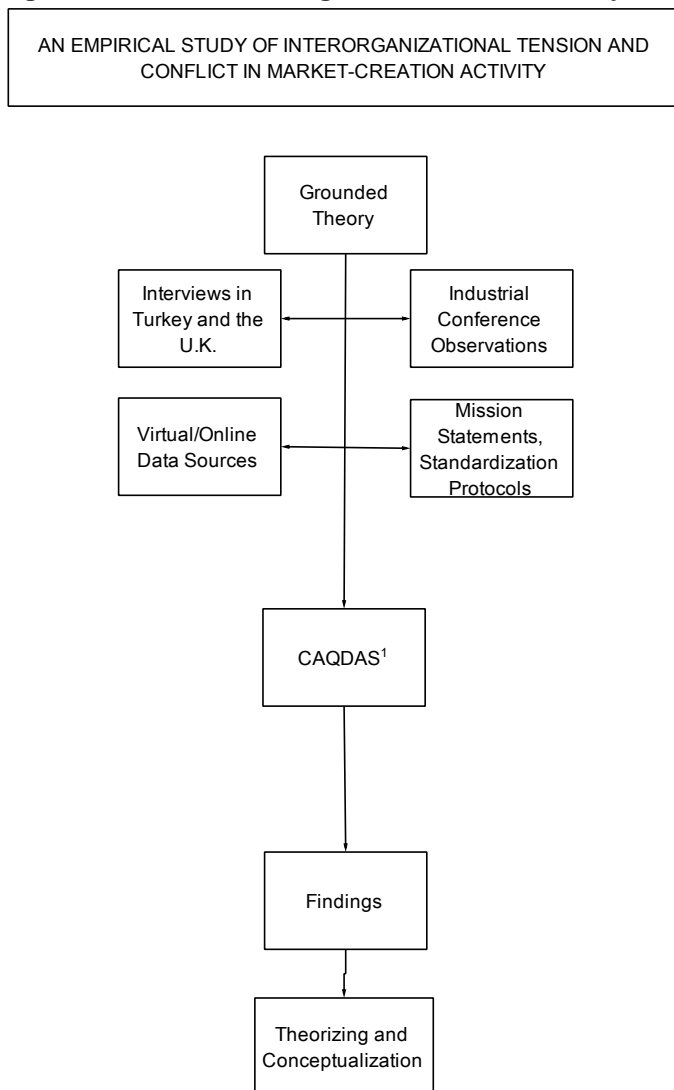
1 Computer Assited Qualitative Data Analysis Software

Source: Adopted from Greene et al. (1989), and Howe and Eisenhart (1990).

3.4.1 Grounded Theory Approach

Grounded theory is an interpretivist methodology which helps to construct knowledge by using the underlying philosophies, practices, and methods of interpretation. According to Goulding (1999);

> *"Within the interpretivist paradigm there are numerous methodologies for constructing knowledge, each of which have [sic] their own underlying philosophies, practices, and methods of interpretation. Grounded theory is one such methodology. (p. 3)*

Pragmatism and symbolic interactionism forms the basis for grounded theory, although the researcher does not necessarily have to subscribe to any of these philosophical orientations (Corbin and Strauss, 1990). Grounded theory borrows two important principles from these philosophical orientations: i) change; the phenomena are not static, and are subject to continuous change to adapt to the developing conditions. ii) determinism; both strict determinism and non-determinism are rejected as actors control their own destinies (Corbin and Strauss, 1990). Therefore, grounded theory tries to investigate not only the phenomena, but also the changing conditions, and the actors' responses to these conditions.

Grounded theory is a systematic collection of data, analysis and interpretation methodology where an inductive approach takes place which engages in simultaneous data collection and analysis processes (Charmaz, 2006). It is one of the commonly used methods in social sciences. Gummesson (2003) argues that marketing discipline can benefit from grounded theory approach through a recycling between the theory and the field data as this method provides rich field information which, in turn, develops into intensive knowledge. He adds by suggesting that researchers in the field of marketing need to delve into the phenomenon:

> *"B2B researchers should not be bureaucrats and administrators of regulated research rituals. They should be entrepreneurs and their priority should be to find market treasures and to solve marketing mysteries."(Gummesson, 2003: p. 491).*

In line with this argument, Daft and Lewin (1993) suggest that interorganisational research can benefit from the grounded theory approach as the researchers develop new theories through incorporating existing theories and new insights.

The grounded theory approach uses systematic and structured steps to develop the theory (Corbin and Strauss, 1990). It starts with the systematic comparison of small units of data and gradually develops into a system of "categories" that describe the phenomena being

91

observed (Langley, 1999). From these categories, subcategories emerge and finally the analyses advance into core themes where the theory is grounded by the field data and the recycling of existing theories (Glaser, 1978; Langley, 1999; Strauss and Corbin, 1990). Consequently, theory is a set of relationships and a set of concepts that shows how and why a phenomenon occurs (Corley and Gioia, 2011; Goulding, 1999). Theorizing is the process of developing alternative explanations to the phenomenon, until a best fit occurs (Goulding, 1999).

This study follows Glaser's (1978) school which suggests the use of existing theory when beginning a study rather than Corbin and Strauss's (1990) "blank page" perspective that ignores the previous theories until end of the analytical process. Glaser (1978) suggests that knowledge and theory are inseparable, and theory should be used as if it is another informant. According to Goulding (1999):

> *"This is vital, for without this grounding in extant knowledge, pattern recognition would be limited to the obvious and the superficial, depriving the analyst of the conceptual leverage from which to develop theory. Therefore, contrary to popular belief, grounded theory research is not 'a theoretical' but requires an understanding of related theory and empirical work in order to enhance theoretical sensitivity." (p. 7)*

Although interviews are acknowledged as the main data collection technique in grounded theory (Charmaz, 2003), other data collection methods can also be used, such as focus groups, observations, informal conversation, group feedback analysis, or any other individual or group activity which yields data (Charmaz, 2006; Gummesson, 2001). Subsequently, this study uses interviews, event observations and online and secondary data sources through data triangulation.

3.5   RESEARCH SETTING AND SAMPLING

In order to investigate the interorganisational tension and conflict in market creation, this study focuses on a new market: the mobile payments industry in which partners complement each other's products and services, such as digital "app" providers, handset providers and wireless carriers (Ozcan and Eisenhardt's, 2009). Contactless payments technologies are simply defined as payments through radio frequency (RF) or near field communication (NFC) enabled devices, such as mobile phones (European Payments Council, 2010), proximity credit and debit cards, and key fobs.

Interorganisational collaborations in this new and growing industry are appropriate for this study for several reasons. First, the contactless payments industry is a new market, only

dating back to early 2000s[6], which reflects the characteristics of market creation. Second, interorganisational collaborations in the contactless payments industry is comprised of several types of multi-party and cross industry firms, often autonomous but interdependent[7] which are exposed to interorganisational tension and conflict (e.g. Samsung, Apple, Visa, MasterCard) (Fock et al., 2005). Third, the individual expectations and goals of the partners are different from their joint aims and expectations, creating tension and conflict (See Table 3-3, p. 88) Fourth, interorganisational collaborations in the contactless payments industry encompass a wide range of characteristics, such as the development of new products and services, innovation, gaining a competitive advantage through market standardization, and other market driving activities that provide vast information on partner relationships. Fifth, firms use collaborations to create markets specifically in high-tech industries, such as contactless payments (M'Chirgui, 2009). Sixth, the contactless payments industry is a highly regulated industry (Aysan and Lerzan, 2006) which amplifies the collaboration challenges. In sum, this study focuses on interorganisational collaborations in the contactless payments industry, which provide an opportunity to investigate interorganisational tension and conflict, specifically, in a new and uncertain market.

3.5.1   Sampling Considerations

According to Reynolds et al. (2003), focusing on market creation involves a significant requirement regarding the "sampling fit" on the subject that is investigated. This makes traditional classifications or conceptions of 'industries' difficult to access. One of the most obvious points to make regarding the selection of firms and interorganisational collaborations in a new market is the "small number" phenomenon, because of the number of emerging nature of the firms involved. That is to say, the market is still in its infancy and 'the players' are not easily identifiable (Katz and Gartner, 1988). Consequently, there is no specific Standard Industrial Code (SIC) listing of 'the market' to sample. The difficulties in obtaining data and the lack of established theoretical understanding are the major characteristics that discourage studies on market creation (Shane and Venkataraman, 2000). The challenges associated with the characteristics of market creation, the redundant and sketchy nature of

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[6] Patricia A Murphy. (2001, May). Wireless payment technology spreads from gas pump to store. Stores, 83(5), 74-76.
[7] http://www.nfc-forum.org/home

collaborations' database which has been used in a number of collaboration-based studies in this context, as well as non-existent SIC database and other popular industry listings suggest that a range of new approaches is required to research this phenomenon. For instance, the use of business conferences and attendance lists are recommended methods of sampling utilized by researchers (Garud, 2008; Katz and Gartner, 1988; Ozcan and Eisenhardt, 2009). The actors in these new markets are seeking legitimacy, resources and information at industry conferences where they share ideas and develop trajectories. Moreover, they are arenas where organisations share experiences, and offer opportunities for further interorganisational arrangements (Garud, 2008). They also provide perfect opportunities for observations, as the researcher can notice the actual interactions among the participants (Oliver and Montgomery, 2008). This approach has been used by Anand and Jones (2008), Garud (2008), and Oliver and Montgomery (2008). Another useful tool to reach the targeted groups is the use of online resources, such as social networks (Fielding, 2008).

Considering these challenges in the market creation concept, the sampling method used in this study is chosen as "purposeful sampling". According to Palakshappa and Gordon (2006), purposeful sampling is a method used in qualitative studies and they allow"...*the researcher to examine the issues that are integral to the research by selecting information-rich cases.*" (p. 392). Purposeful sampling is used when the researcher wants to achieve representativeness or comparability, special or unique cases, sequential sampling or multiple purposive techniques (Teddlie and Yu, 2007). Therefore, in this study a multiple purposeful sampling is employed which comprises theoretical, opportunistic (emergent) and snowball sampling (Onwuegbuzie and Leech, 2007; Teddlie and Yu, 2007).

In the recent years, the contactless payments industry has spread to a global level with the leadership of Asia, North America and Europe (Olsen, 2008; Smartcard Alliance, 2006, 2007). Reynolds et al. (2003) argue that global markets research does not look for comparisons or similarities, but attempts to develop an understanding across countries. Therefore, the difference between two countries with varying degrees of development may prove to be insightful: for example, the U.K and Turkey. Setting the research in these two countries has several motives. Primarily, niche selection of research setting is encouraged when additional characters are found in the sample, although these characters may differ across populations (McKelvey and Aldrich, 1983). Secondly, innovative, entrepreneurial market creation involves joint action and collaboration of the firms (Shane and Venkataraman, 2000). Thirdly, the previous market experiences such as maturity, innovativeness and leadership facilitates the creation of markets. Finally, creating a new

market requires tolerance and expectation of ambiguity, innovativeness as well as a lust for achievement (Carland et al., 1984; Stewart et al., 1999). Consequently, in this example Turkey and the UK are the market creators for contactless payment cards not only within Europe but also globally, with some specific features (Card Technology Today, 2007). Both countries signify the existence of previous exemplars of established collaborations in payment cards businesses (see for example UK Cards and BKM websites). Furthermore, they both carry the characteristics of market creators through risk taking, innovativeness and desire for achievement (Aktan and Bulut, 2008; Laursen and Salter, 2006).

Figure 3-5 Industrial coverage of respondent organisations.
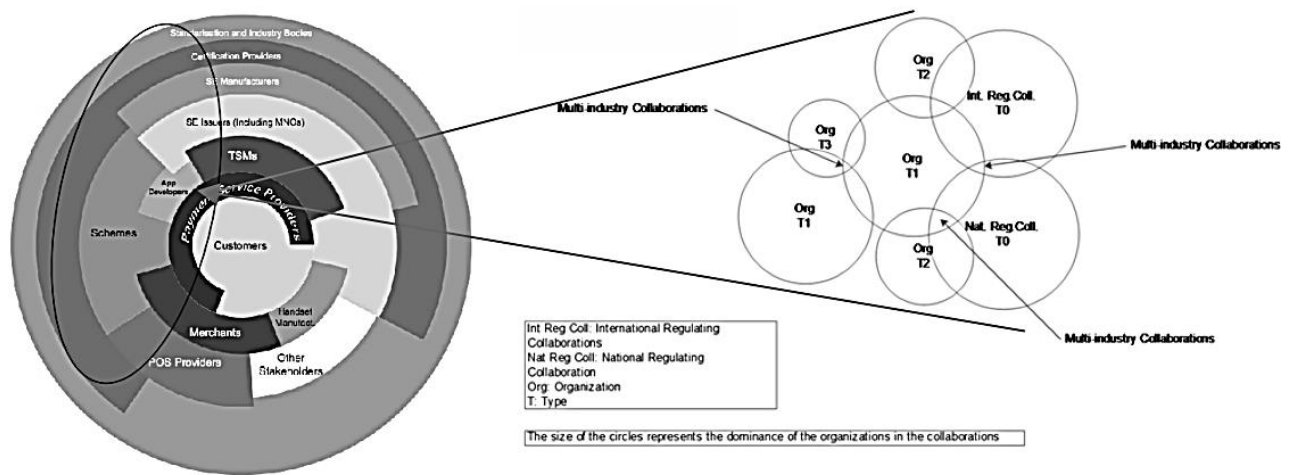
SE: Secure Element
MNO: Mobile Network Operators
TSM: Trusted Service Managers
POS: Point of Sale

Source: Mobile Payments Ecosystem (European Payments Council, 2010) and field data

Figure 3-5 demonstrates the industrial coverage of organisations within contactless payments industry as defined by the European Payments Council (2010). When designing the sampling strategy, the aim is to cover all types of organisations within this definition, as well as the external links that are not included in European Payments Council's (2010) definition, such as transportation companies (see Table 3-4, p. 98).

3.6   DATA COLLECTION, TRIANGULATION AND ANALYSIS

In this section, the four data sources and the data collection and analysis procedures are explained. The data collection is focused on two main characteristics: tension and conflict in interorganisational collaborations in market creation practice.

3.6.1 Interviews

To investigate the research question, the research is designed to use two separate interview protocols. It is planned to follow Palmer and Quinn's (2005) interviewing method which suggests starting with unstructured interviews that are followed by semi-structured interviews as more insights are evolved during the data collection process. Interviews are acknowledged as relatively loosely structured (compared to questionnaires) data collection techniques that are open to the interviewee's understanding of the question under research (Alvesson, 2003). They allow the coverage of both the meaning and factual levels of the phenomena (Kvale, 1996: p. 4). Interviewing is particularly useful in exploring the story behind a respondent's experiences where in-depth information around the topic can be investigated (Charmaz, 2003: p. 312; Rubin and Rubin, 2005: pp. 2,3). The number of interviews in a research is decided when the "theoretical saturation" is reached (Rubin and Rubin, 2005). That is, when there is no new information emerging, and therefore sufficient interviews have been carried out, and therefore further data collection becomes redundant. There are several advantages of interviewing, such as personal communication between the researcher and respondents provides a clear explanation of the purpose of the research and answers questions to help motivate the interviewees. Moreover, interviews allow exploration of respondents' reasons for behaving in certain ways, or of their interpretations of events (Palmer and Quinn, 2005; Truong et al., 2011).

As with other research methods, there are also disadvantages of interviewing which a research process needs to handle. The main criticism of interviewing is the subjectivity of the process which leads to an unreliable work that might undermine any research, although Kvale (1996) suggests that subjectivity is the strength of interviewing which brings into the play the perspectivity (p. 212). Another weakness of interviewing is that it is a time consuming process; not only in carrying out the interviews but also in arranging them, travelling to do them with potential delays and post-interview transcription and analysis of the data. Furthermore, interviews on personal and intimate subjects can evoke strong feelings and need to be handled with great sensitivity. However, these weaknesses can be eliminated by a well-designed theory-based interview process, and turned into advantages for the research as reflected in Alvesson's (2003) lines:

> *"Social and linguistic complexities should not be seen as just sources of bias. The interview as a complex social event calls for a theoretical understanding or, rather, a reflexive approach in which a set of various theoretical viewpoints can be considered…" (p. 14).*

For the in-depth interviews within the designated markets, this study focused on two countries (see Section 3.5.1, p. 93) and attempted to provide comprehensive understanding of the phenomenon, as such a method allows a multi-perspective analysis (Zachariassen, 2008): the U.K., as an established market, and Turkey, as an emerging market, with their first-to-market applications (Card Technology Today, 2007; Sanders, 2008). The institutional setting of the interorganisational collaborations in these markets is the critical factor in understanding the effects of tension on market creation. This is mainly because, the interorganisational collaborations in the contactless payments industry can be defined as both multi and cross-industry collaborations (European Payments Council, 2010). Following this path, unstructured and semi-structured interviews were planned with a wide range of organisations.

The institutional formation of Trade Associations and other industry representative 'voices' were identified and communicated to elicit participation in the study. The 30 in-depth interviews that were conducted both in Turkey (18) and in the UK (12) were among the interorganisational collaborations that are illustrated in Figure 3-5. In both countries, the subject organisations comprised of interorganisational collaborations of financial institutions such as banks, software, hardware companies, transportation companies, GSM (Global System for Mobile Communications) operators, intermediary project managers (TSMs) and payment associations.

Participants: individuals from the partners of interorganisational collaborations were the target interview participants from Turkey and the UK. Participant characteristics included experience in achieving common collaboration tasks, participation in the market-creating projects, and contribution to the collaborations' strategic decision making process (see Table 3-5, p. 99, and Table 3-6, p. 100). In both countries the participants from the collaborations were selected through several analytical methods utilized in purposeful sampling procedure (Katz and Gartner, 1988; Palakshappa and Gordon, 2006). In Turkey, organisations were selected from the database of the market regulator and interchange house BKM (Interbank Cards Association) with a set of criteria, such as board representation, market share, contactless practice, and finally market-creating behaviours (see Table 3-4, p. 99).

Table 3-4 Characteristics of Participating Organisations

	Market experience		Payment System experience		International Experience		Market Size	
	Nascent	Established	Yes	No	Yes	No	Big	Small
Financial Institutions	√	√	√		√		√	√
Software/Hardware Companies	√	√	√	√	√	√	√	√
National Regulatory Collaborations	√	√	√		√		√	
International Regulatory Collaborations	√	√	√		√		√	
GSM Companies	√	√	√		√		√	
Transportation Companies	√	√		√		√	√	
TSMs	√	√	√	√	√	√		√

Source: Field data

Contact details were obtained from BKM, and e-mails were sent to these organisations to provide respondents with collaborative market creation experiences within the contactless payments practice. Second, organisations with no contactless experience were also selected in order to see the existence of any variances. Third, following the initial stages, a combination of snowballing and pyramiding methodologies were utilized to identify respondents. In snowballing, respondents are asked to provide other respondents with similar characteristics (Erickson, 1979; Kalton and Anderson, 1986; Stremersch and Dyck, 2009). Snowballing is an efficient method, specifically when researching rare populations (Kalton and Anderson, 1986). Pyramiding, which is appropriate especially when respondents with intensive experience are required, is similar to snowballing methodology. However, it assumes that every respondent will provide a new respondent with an extended knowledge compared to him/herself (Hippel et al., 2009). These selection processes yielded 18 respondents in Turkey and the theoretical saturation point was then reached (Flick et al., 2004) (see Table 3-5). Although, there is no universal agreement in the definition of "theoretical saturation point", it is suggested that the data collection can be ceased when the new interviewees do not generate new information (Flick et al., 2004; Guest et al., 2006). Moreover, previous research suggests that if the heterogeneity can be achieved in a sample, the sample size can be as small as 12 to 18 (Guest et al., 2006). Given the "small number" phenomenon in nascent markets and the use of purposeful sampling that allows heterogeneity in the sample, 18 interviews were accepted as sufficient.

Table 3-5 Characteristics of Interview Respondents in Turkey

	Number of Organisations	Number of respondents and their roles in the organisation	Respondents' Experience in Payment Cards Industry
Financial Institutions	9	1 Vice President 1 Point of Sale Relations Director 1 Payment Systems Director 2 Department Managers 1 Assistant Manager* 1 Point of Sales Business Relations Manager 1 Contactless Cards Department Manager 2 Project Managers 1 Assistant Project Manager*	Over 25 years Over 10 years Over 5 years Over 15 years and over 25 years 4 years 7 years 5 years 4 years and 3 years 3 years
Software/Hardware Companies	2	1 CEO/Owner 2 Marketing Director	Over 25 years Over 10 years and 5 years
National Regulatory Collaborations	1	1 Information Technologies Executive Director	6 years
International Regulatory Collaborations	2	1 Innovative Products Regional Director 1 Contactless Products Country Manager	Over 20 years 3 years
GSM Companies	2	1 Financial Products Director 1 Project Manager	10 years 4 years
Transportation Companies	1	1 General Manager/Partner	Over 15 years
TSMs	1	3 Project Managers**	4 years, 5 years and 4 years

*These respondents were invited to the interviews to provide further information by the primary respondents
** The respondent from one GSM company was also acting as a TSM.
Source: Field Data

After these unstructured interviews, using the initial themes emerging from these interviews, a new set of semi-structured questions was prepared to delve into the phenomenon and provide more insights (see, APPENDIX II, p. 275). The purpose of these questions was to ask the respondents what they think about these emergent themes in the context of market creation. Thus, the interviews in Turkey were followed by 12 more interviews in the UK. Once again, a combination of snowballing, pyramiding and event configuring participations were used to reach the interviewees. The participating organisations differed from global service provider SMEs to market-leading institutions, with participants from mid to upper management, CEOs and company owners. Also, some of the interviews were conducted over the telephone due to the limited time available to the respondents and geographical difficulties (Kalton and Anderson, 1986; Linnarson, 2005; Teddlie and Yu, 2007). The interviewing process was ceased after the new information from the interviewees stopped. Moreover, "small number" phenomenon produces challenges to attain larger samples in nascent markets. As argued in the preceding paragraph 12 interviews are acknowledged as sufficient for heterogeneous samples (Guest et al., 2006). The variety in the experiences of

the participants helped to gather sufficient data on the contactless payments industry, as well as similar payment industries that are not novel to the market, such as gift cards (see Table 3-6). Although the main market for the participants was the UK, their global coverage provided extra information on European and other markets around the world.

Table 3-6 Characteristics of Interview Respondents in the UK

	Number of Organisations	Number of respondents and their roles in the organisation	Respondents' Experience in Payment Cards Industry
Financial Institutions	3	2 Payment Systems Vice Presidents 1 Director	8 years and 5 years 22 years
Software/Hardware Companies	2	1 CEO/Owner 2 Marketing Director	Over 25 years Over 10 years and 5 years
National Regulatory Collaborations	2	1 Director 1 Manager	12 years 8 years
International Regulatory Collaborations	1	1 Innovative Products Regional Director	5 years
Private Application Partner (Univerisity)	1	1 Project Manager	3 years
TSMs	3	3 Consultants	18 years, 7 years and 12 years

Source: Field data

Several common characteristics of respondents were observed from the 30 interviews conducted in both countries. For instance, high levels of education (high school and higher) and multilingualism were the characteristics of the participating organisations that reflected the international features of the collaborations. Furthermore, almost all participating organisations had international joint ventures. Chatman and Spataro (2005) suggest that while similarities in demographics among groups do not change the collaboration levels, dissimilarities negatively affect the cooperation. Moreover, all the participant organisations had long been in the payment cards industry, and each representative had played an active role in the collaboration. Consequently, while some organisations had previous collaboration experience; some others were new to the collaboration.

Implementation of interviews: Throughout the interviews, a partial ethnographic interviewing methodology was employed, to capture the native culture as suggested by Spradley (1979). For instance, the interviews took place either in the offices of the respondents or a nearby coffee shop as per their request to ensure the comfort of the respondents. That is, the interview site itself produces several advantages regarding where social interactions take place. Thus, the researcher can benefit and produce more insights

with respect to the research question through the careful observation and analysis of the people, activities, and interactions that constitute these spaces (Elwood and Martin, 2000). In some of the cases, the respondents wanted to include their colleagues to provide better information. Although the practice of multiple respondents during a single interview is not common practice in this type of research, it is also not unprecedented (see for ex. Lederer and Mendelow, 1988). Alvesson (2003) argues that "*In qualitative research (e.g., grounded theory) it is common to assume that data may guide the researcher to understand specific phenomena and develop theory.*" (pp. 13). Therefore, in order to enrich the information collected, as in Lederer and Mendelow's (1988) approach, the additional respondents' contributions were kept during the transcription phase.

The first set of unstructured interviews varied from one hour to one and a half hours, depending on the respondents' schedule. Among the 18 interviews, only three of them were not recorded in audio due to the respondents' request. The interview notes were sent back to some of the respondents for a review after the interview. Since the interviews were designed as unstructured and open-ended questions, an interview guide that was prepared before was rarely followed. Consequently, sample questions asked during the interview are:

- How do you manage interorganisational relationships?
- What are the issues originating from a multi-party environment and how do you manage them? In majority, do they lead to positive or negative outcomes?
- What are the partners' reactions to issues arising from the accomplishment of market-creating common tasks?
- How do these issues affect the accomplishment of market-creating common tasks?

The interviews conducted in the U.K were semi-structured (see APPENDIX II, p. 275) for the questions). The questions for these interviews were based on the previous interviews. During the interviews (both in Turkey and the UK) the questions were modified according to the answers of the respondent in order to acquire more information. Charmaz (2003) argues that grounded theory complements symbolic interactionism. That is to say, in qualitative settings the research goes beyond the actual snap shot of the phenomena. The researcher by observing, analysing, and interpreting the situation through the informants' symbolic behaviours and responses, aims to learn the participants' implicit meanings. Thus, during the interviews, Charmaz's (2003) suggestions were followed to capture the implicit meanings by observations and reanalysis of interview transcriptions. In Chapter Four, these symbolic identifiers are used to demonstrate the true meanings of the respondents' implications. To

establish rapport and to enable the implicit meanings, interview transcriptions followed a verbatim transcription method, even capturing the non-literal exclamations (such as "Oh, Ah!, "ehem"), and body language for symbolic meanings. Moreover, throughout the first set of interviews, which were unstructured, the words "tension" and "conflict" are intentionally not used to avoid any researcher bias. During the semi-structured interviews this rule was followed until the very end of the interview, and then the respondent was given the words "tension" and "conflict" and asked if s/he would like to add anything else. Firstly, this process enabled the researcher to capture the respondents' native approaches to the research question. Secondly, it provided stronger evidence when respondents used the words "tension and conflict" without prior information. Thirdly, by revealing these words at the end of the semi-structured interviews, the respondents were helped to identify if they had omitted anything. Finally, the meanings of tension and conflict were left to the respondents' understanding to avoid researcher bias.

Transcription process: In general, transcriptions can be conducted in two ways: naturalism and de-naturalism. In the former, every detail is transcribed; in the latter the idiosyncratic elements of the speech, such as staggering, and pauses are removed (Oliver et al., 2005). A verbatim transcription method using naturalist approach has been adopted in this research. As the interviews followed a partial ethnographic approach, they were conducted in the local language of the participants (Turkish and English). The interview protocol, was first developed in English and then translated into Turkish using a direct translation method. The same approach was employed in transcribing the interviews. Half of the translations from Turkish to English were carried out using a professional translator and the other half were carried out by the researcher. A cross-check was then performed between the translator and the researcher. Finally, some of the translations were sent to the respondents for a further check. Due to confidentiality legislation surrounding the financial services both in Turkey and the UK, as well as the sensitivity of the data, respondents were only able to review their own interview transcriptions.

3.6.2 Event Observations:

Research suggests that market creation can be observed through industrial conferences, because conferences are important platforms, particularly when the actors of the market are not clear (Anand and Jones, 2008; Oliver and Montgomery, 2008). Conferences provide convenient stages for event observations as they provide a forum for the actors to meet, interact, and exchange experiences (Garud, 2008; Oliver and Montgomery, 2008).

Furthermore, conferences are platforms where it is possible to observe the tension and conflict among the actors (Garud, 2008). In effect, according to Drury and Stott (2001), observation is one of the most insightful methodological approaches used to research group interactions. Therefore, in addition to the interviews conducted in this study, three industrial conferences are observed.

Observation is another method frequently used in social sciences (Hall and Rist, 1999) which enables a close relationship with the intended research (Eisenhardt, 1989; Snow and Thomas, 1994). In their early study Becker and Geer (1957) suggest that observations are significant part of research as they provide "completeness" to the data collection process. Observation is a research method where the researcher either overtly or covertly observes the subjects in their natural environment to understand the things that are happening, listens to what is said and questions this information through the analysis process (Becker and Geer, 1957; Jackson, 1983; Manis and Meltzer, 1978; Schwartz and Schwartz, 1955). Subsequently, the observation process is not limited to the data collection phase of the research; it extends to the analysis phase (Jackson, 1983; Manis and Meltzer, 1978; Platt, 1983). That is, the researcher keeps observing the phenomenon under investigation while analysing the data through generating meanings as Snow and Thomas (1994) mention: "*Direct observation can generate meanings and perspectives not attainable by most other research methods*" (p. 459).

Angrosino and Mays dePerez (2003) posit that there are three different processes to conduct observations. The first one is a descriptive observation where the researcher observes everything as if s/he has no previous knowledge on the phenomenon. While this observation type provides intensive information, it might mislead the researcher by spending his/her time observing details that are not necessary. The second type of observations is called focused observations. These types of observations are supported by interviews. Thus, the researcher's interpretations are guided by the interviews. This necessity limits the information that can be collected from the observations. The third and the final type of observations is called elective observation, which uses a systematic approach focusing on different types of activities to help delineate the differences in those activities. Although, this observation type is suggested by Angrosino and Mays dePerez (2003) as it is more systematic than the other types, both Angrosino and Mays dePerez (2003) and DeWalt and DeWalt (2010) argue that there is no universally agreed procedure for observations, and the process of observing depends on the researcher and the phenomenon.

Consequently, the advantages and disadvantages of observations apply to these three processes. For instance, observations require less effort than the other qualitative data collection methods and allow the researcher to see a particular behaviour and the reactions to it in its natural setting (Hall and Rist, 1999). On the other hand, the risk of not understanding the subjects' behaviour challenges the observation method as a single data collection tool. Therefore, utilization of multiple data collection tools is suggested, such as interviews and secondary data (Hall and Rist, 1999). In this study, a structured observation process has been adopted to maximize the efficiency and minimize researcher bias as suggested by (Angrosino and Mays dePerez, 2003) to provide consistency and objectivity. This consistency and objectivity occurs when there is a mutual agreement between the researcher and the participants regarding the research in question. Therefore, this method is best applied when the researcher's identity is open to the participants.

Based on the researcher's involvement into the observed phenomenon, observation can be achieved in three levels (DeWalt and DeWalt, 2010): the first is, pure participation, where the researcher stays away from the observed participants (external observation). This technique is generally used in anthropology, geography and experiments. Spradley (1979) refers to this level as "going native". However, Drury and Stott (2001) argue that while researching tension and conflict, pure participation would result in bias as the researcher would be taking sides. The second level is moderate participation, in which the participation of the researcher is an inactive status, such as taking notes and recording. In studies, which investigate tension and conflict, moderate participation *"…enables access to a far greater amount and finer quality of data than do other frameworks* (Drury and Stott, 2001: p. 47). Finally, in the third level, the researcher uses active participation by asking questions and using guidance. The degree of participation is decided by the research design as this will have an impact on the phenomenon investigated (DeWalt and DeWalt, 2010; Spradley, 1979). From these three levels of participations, in this research a moderate participation was employed as advocated by DeWalt and DeWalt (2010) and Angrosino and Mays dePerez (2003). That is because, in social sciences, except certain research methods, such as action research, moderate participation is suggested, as this decreases the risk of researcher's manipulation, and hence the bias (Angrosino and Mays dePerez, 2003).

Selection Process: the aforementioned three industry conferences were selected from a range of conferences designed to take place every year. The aim of the selection process, which is similar to the interviews, is to reach the firms that are defined by the European Payments Council (2010) as the actors of contactless payments industry. The internet and

the interviewee references were used to access to the related industrial conference information. In order to reach to these conferences, first, internet search engines were used (such as Google, Yahoo, and Bing). After this step, the events were picked from a list of conferences according to their relevance and coverage (based on participant organisations' characteristics and their relations to contactless payments industry). Consequently, an interview respondent was consulted to confirm the selection.

Conference 1: the first conference observed was held in Manchester, UK. It was an annual one day conference which comprised a wide range of industry actors. Among these were financial institutions, service elements, councils, TSMs, software and hardware providers see (see Figure 3-6). The number of attendees was approximately 170 (based on the size of the venue and arrangements). The researcher attended the conference as a delegate with an open identity. The conference organizers and the delegates were made aware of the research. However, as with the interviews, the real research question was not communicated. Throughout the conference the aim was to observe the relations among partners, specifically their interaction with their collaboration partners, including during lunch and coffee breaks. In conjunction with this, the presentations provided further information. That is, the presentation subjects and contents were showing the conflictive areas among partners as they were bringing these issues to the concern of the delegates.

Figure 3-6 Illustration of conference delegate companies.

Delegates from the following organisations regularly attend Purchasing Card News Information Exchange conferences held in Manchester

* Denotes Public Sector Organisation

Aberdeenshire Council *
Adflex Ltd
Aggregate Industries UK Ltd
AIB Bank
American Express
Anchor Homes
Anchor Trust
Anderson Zaks
APACS
APECA France: European Purchasing Card Professional Association *
Argyll/Bute Council *
Arval PHH Business Solutions
ATOS Consulting Ltd
British Airport Authority
Bank Card Company Belgium
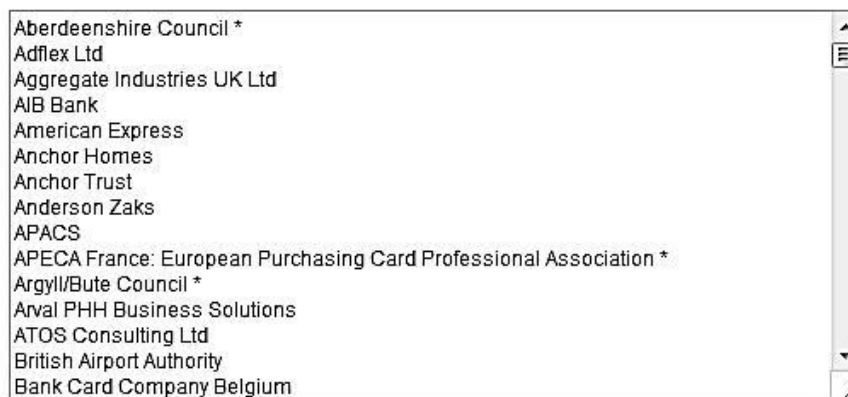
Source: http://www.purchasingcardnews.co.uk/conference/2010/prev_delegates.php

Conference 2: a three day European level conference held in Brussels[8] with participants from around the Europe. The participants consisted of mainly the financial institutions, software and hardware companies, service elements and TSMs. Also, the attendance from the European Council was interesting as their influence produces further interesting interactions. The attendance was approximately 200 delegates based on the size of the venue. The aim of the observation was similar to the first conference. Once again the identity of the researcher was known by the attendees. The researcher attended as a delegate and observed all three days, including social times arranged for the delegates. Presentations from the delegates and the questions-answers sessions provided further information regarding the tension and conflict during contactless payments card market creation across Europe.

Conference 3: a three day world-wide conference held in Paris, every year. It is accepted as one of the biggest events in the field (ref: conference web site and respondents' acknowledgement). There were over 1500 attendees to the conference[9] from all identified field actors based on European Payments Council (2010) classification (see Table 3-7). Throughout the event several concurrent conferences were running in different venues. Therefore, the researcher was able to attend to only one conference at a time. The researcher attended the conference as a delegate similar to the other two conferences. Although her identity was open to the conference organisers, it was not possible to make every attendee aware of her presence (not all registered delegates were in one particular place at any one particular moment). The researcher applied the same objectives as in the previous two conferences by observing the delegates in their natural interactions during the conference sessions, lunches, social events, coffee breaks and industrial fair visits. Moreover, she chose to attend to appropriate conference sessions which have topics related to market creation and possible tension and conflict issues. Although the complexity of the event provided some difficulties, such as conference topic selection, the homogeneity or heterogeneity of attendees to a particular session, the conference provided extensive information.

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[8] Next Generation cards and Payments, 2010, Brussels (http://www.mobeyforum.org/Conferences-Meetings/External-Events/NEXT-GENERATION-CARDS-PAYMENTS)
[9] http://www.cartes.com/The-conferences/Overview-2010/Conference-Delegates-in-2010

Table 3-7 Geographic and positional distribution of conference delegates.

Source: http://www.cartes.com/The-conferences/Overview-2010/Conference-Delegates-in-2010

<u>Observation process:</u> as explained above the observations were made by the researcher participating in the conferences as a delegate. The researcher's identity was open. However, as the observations followed the focused and moderate participation process as suggested by Angrosino and Mays dePerez (2003), the researcher had no influence on the events and their progress. The observations included the content of the presentations, panels and discussions as well as the participant attitudes. The available materials were collected as method evidences. The aim of the observations was to watch the participants and their relations with each other, their behaviours while they were engaging with their partner organisation members during the sessions and social breaks, such as lunch and coffee breaks, as well as observing the presentations and identifying areas that are related to the research (Figure 3-7). While the researcher also engaged with the participants during these encounters, the research question was never explained to the participants to avoid any biases.

Figure 3-7 Observation procedure used during the conferences

Observation Procedure

1. Seating Plan
   – Are they mixing with the other partners?
   – Are they doing small talk with other partners?
   – Are they talking business?
   – body language (open, distant, inviting, sincere, too business)
   – Who are sitting with whom? (any visible sides?)

2. Participant interactions:
   – Are they mixing with the other partners?
   – Are they doing small talk with other partners?
   – Are they talking business?
   – body language (open, distant, inviting, sincere, too business)
   – during sessions
   – during coffee breaks
   – during lunch/dinner
   – body language (open, distant, inviting, sincere, too business)
   – What are they talking? Business? Anything?
   – Who are talking with whom? Any visible sides?
3. Formal session interactions
   – Are they asking questions to the presenter/panel?
   – Do the questions aim at specific purposes?
      – Do they investigate the subject? or
      – Are they questions or answers with a defensiveness attitude?
4. Content presented
   – Is there anything which suggests the challenges in market-creation, tension and conflicts?

Prepared by using Memo Notepad app, by Adylitica

DeWalt and DeWalt (2010) argue that the observation process needs to be adapted to the research requirements and the phenomenon. With this in mind, the observation process followed Angrosino and Mays dePerez's (2003) and Wolcott's (2005) suggestions which can be summarized as active observation and attention to detail, looking at the interactions occurring in the setting, listening carefully to conversations, trying to remember as many verbatim conversations, nonverbal expressions, and gestures as possible, assisting in seeing events with "new eyes,", and keeping a running observation record. Moreover, practicing reciprocity in the appropriate terms required for that culture, being tolerant, adaptable and flexible, having personal determination and faith are crucial elements in the observation process. Given these suggestions, during the observations the researcher acted as "one of them" by wearing the business attire, joining the small talk and explaining her position when questions were raised. The researcher visited different groups during social breaks to capture a wider context of interactions and observed the sitting positions during and after sessions which demonstrates the partners' openness to each other.

Outcomes of the observations: Observing these three industrial conferences revealed information otherwise difficult to obtain. Although the data collected from these observations are triangulated with the other data collected for this research, providing some outcomes from the field notes would show the importance of this data for the research.

Conference 1: a clear tension among different participants was observed. For instance, despite the business manners adopted, participants preferred to group with their own colleagues rather than mixing with their obvious other partners. This was reflected in all aspects of the conference throughout the day. Participants sat down with their colleagues during the sessions, lunch and coffee breaks. The layout of the venue also helped to support this attitude. That is, the seating was planned as single round tables rather than rows of chairs, which in turn separated participants in an unnatural way. When presentations were taking place, previous conflictive areas were highlighted. It was as if a group of partners were trying to convince the other partners. A polite threat was reflected to one of the presentations as "if we do not aim at our collaborative tasks this project would never be realized". This attitude was setting the day's agenda; therefore the cocktail at the end of the conference had to be cancelled due to the leaving participants.

Conference 2: in this conference the atmosphere had less tension. Apparently, there were close relationships between different partners and they preferred to sit together with each other. The venue had rows of chairs, therefore allowing participants to sit next to each other. However, this seating style stops participants from engaging as they are artificially forced to face the stage. On the other hand, the coffee breaks, lunch and dinner parties, end-of day cocktails and very small trade fair arena helped participants to engage. Despite this engagement, tension and conflict was one of their top priorities as a presentation addressed directly this aspect of the collaborative projects (see Figure 3-8). The existence of tension and conflict was also clear from the questions raised by the audience to the presenters and the final day panel. The major difference from the first conference was that the participants of this conference were using their social interactions to reach to consensus with their partners through lobbying, and their social relations during the lunches, dinners and cocktails.

Figure 3-8 Illustration of tension and conflictive issues from the second conference observed.

Aston University

Illustration removed for copyright restrictions

Source: The presentation of Mr L.D., The Mask of Zorro

Conference 3: this was a very complex setting. First of all, there were conferences running simultaneously. Therefore, it was not possible observe each session. The second difficulty was caused by multiple events happening at the same time. There were no set coffee breaks, lunches or dinners. However, it was possible to observe the social interactions by paying ad hoc visits to any of these events. Along with the running conference sessions, there was a vast arena dedicated for the trade fair. The trade fair consisted of various representations of the sector. For example, while there were stands of industrial magazines and publications, there were also stands of Visa and MasterCard, as well as software, hardware firms and service providers. These trade representatives were organising individual events to gain customers or new partnerships. The first day of the event, had one main conference session where all participants of the three-day event were invited to a large conference room (approximately 1000 seats). This session was dedicated to the general future of the industry and there was a panel addressing the audience with various topics. One of these presentations directly referred to the challenges faced by collaborative partnerships in the industry. The subject was related to the importance of these challenges, specifically in the future while creating new markets.

The data gathered from the observation of these three different conferences provided significant information regarding the attitudes and social interactions of the collaboration partners in their native environment.

3.6.3 Online Data Sources

There is an increased tendency to use online information, such as weblogs and virtual data bases as primary data source in academia (Allen, 2011; Coleman, 2005; Hookway, 2008; Hsu and Lin, 2008; Mishne and Rijke, 2006; Sharma and Xie, 2008). The types of virtual data can be found in the form of e-mails, discussion forums, blogs, wikis, and RSS feeds. Researchers are using virtual data from a wide range of perspectives as well as with a variety of methods, such as ethnographic studies, evaluative studies of a system's costs, and benefits analysis of inter and intra-organisational networks; laboratory experiments comparing face-to-face and electronic communication, hermeneutic interpretations, electronic surveys, legal and normative analyses, and innovative gender studies (Paccagnella, 1997). Analysis of these data provides information on the public affect toward certain products and services as well as global mood phenomena (Mishne and Rijke, 2006). They also enable access to populations otherwise geographically difficult to reach (Hookway, 2008). Their global nature allows the conducting of micro-comparative research, and may facilitate discussions for generalizable data collection. The downsides of online data are cultural differences, language barriers, unreliable discussion contents, and time gaps.

Selection process: the selection process for online data was "search engine" purposeful sampling (Weare and Lin, 2000). The majority of online sites include search features which help researchers to conduct a purposive sampling, such as searching for key terms that have a bearing on a particular social process or phenomenon (Hookway, 2008). Thus, using three most common search engines (Google, MSN-Bing and Yahoo) (McCown et al., 2006), a keyword search has been conducted from as early as 2000 to date, as the subject industry goes back to early 2000s[6]. The keywords used for the search included "contactless payments", "mobile payments", "NFC", "tension" and "conflict". The search was stopped when information started to repeat in multiple websites and no further new items were available. As the virtual databases have the potential of attracting participants from all around the world (Seltzer and Mitrook, 2007), it was possible to gather a wide range of material globally. This helped to provide a broader coverage of the interorganisational tension and conflict applicable to market creating tasks in interorganisational collaborations.

Overall the search criteria were able to return 46 useful data sources. An example from one of these sources is presented below:

> ***W35***: *"If true, RIM would need to control the embedded secure chip in the phones, and this could make for some tension with carriers, which RIM is counting on to buy the phones. RIM executives speaking at conferences earlier this year have not denied they would have embedded secure elements in their NFC phones, but have stayed numb when asked what they would use the chips for."*

3.6.4   Other Secondary Data Sources

Mission statements and standardization protocols of market-creating interorganisational collaborations were used as secondary data sources during the qualitative phase of this study. Mission statements and standardization protocols are the tasks that reflect the market-creating activities of interorganisational collaborations (see Chapter Two, Section 2.8, p. 72 for a discussion). Moreover, they also have the capability of reflecting the task-making process as well as the tension and conflict generated during this process. Therefore, they provide unaltered evidence about the market-making processes that complement the primary data sources.

Selection process: the mission statements for this study were selected from the interview participant organisations, and their collaboration partners. The 17 mission statements investigated in this study reflected the market-creating and market-standardizing missions. Akin to individual firm mission statements, collaborative mission statements also refer to the market-creating and, market-standardizing missions. In summary, the mission statements of the partners and collaborations are in line with the interview content, which clearly expresses the market-making and standardization goals of the partners as expressed in the following excerpts.

> ***Partner firm M02:*** *"We lead the competition and shape the market through fresh, original solutions...".   "As the opinion and practice leader of the sector, we set the agenda for mobile telecommunications in… Our strength stems from our diversity, creativity and innovation."*
>
> ***Collaboration M10:*** *"…where our members are able to create new profitable business…"*. *"Shaping the industry…" "…linking the parties cross industries that can solve the remaining barriers for creating a successful MFS ecosystem"*

Market-standardizing documents not only address market-creating activities, but also legitimize themselves through several market persuasion models to influence the new market. For the purposes of this study, 20 standardization protocols were selected from the collaborations that participated in the interviews and their collaborative partners. In some

cases, standardization protocols can be in a guidance format rather than a mandate. Mandated standardization protocols require the collaboration to bear a legitimate standardization structure that is formally accepted. In market creation conditions, standardization protocols serve to resolve the conflicts among partners as the following standardization protocol clearly explains:

> **S09:** *"…such as non-harmonised and non-standardised rules and processes, corporate actions processing is one of the so-called "Giovannini Barriers" that stand in the way of a single, integrated, low cost, low risk post trade system in Europe. This diversity and fragmentation results in excessive costs and unduly high risks… In addition to these market standards aimed at removing the operational obstacles, the Legal Certainty Group, set up by the European Commission, has developed recommendations to eliminate the legal obstacles… The need for harmonisation and standardisation is undisputed. However, private and public sector action is required to ensure the successful removal of the barriers."*

3.6.5 Data Triangulation

The data collected from the four data sources discussed in the preceding sections were triangulated during the analysis process. For example, conference observations were used to expose the real meanings that lie behind the respondents' actual expressions (symbolic identifiers, Section 3.6.6, p. 119), while interview and online data were used to identify the emergent themes. Denzin (1978) defines triangulation as the use of multiple methods to investigate the subject. Triangulation can have various applications, such as to strengthen the ways the data are collected and analysed (Hall and Rist, 1999). Another application of triangulation is researcher triangulation, in which multiple researchers are used to research the phenomena (Eisenhardt, 1989). While theoretical triangulation can be identified as using multiple theoretical schemes for the interpretation of the phenomena (Jack and Raturi, 2006), methodological triangulation refers to the utilization of multiple methods (Jick, 1979). Finally, using more than one triangulation method together is referred to as multiple triangulations (Jack and Raturi, 2006). According to Hall and Rist (1999), data triangulation is defined as "*gathering of data at different points in time and from different sources*" (p. 296). Triangulation provides more accurate results than the use of any data collection method alone (Martin and Eisenhardt, 2010). However, the design and execution of the triangulation can be time consuming, expensive and difficult to analyse. This difficulty increases the significance of the research design that is applied (Snow and Thomas, 1994).

3.6.6 Data Analysis

The data analysis starts with the data triangulation discussed in the previous section. In grounded theory, because the theory develops from the data as it is collected and analysed, the process of analysis takes place from the first time the data are collected, and continues until the research study is completed (Charmaz, 2003; Corbin and Strauss, 1990). Practical suggestions for beginning an analysis include forming a sense of the whole, extracting the facts, identifying key topics or major themes, as well as dimensionalizing their informational content, and using frameworks to reduce data. The grounded theory approach suggests an iterative process in data analysis (Charmaz, 2003; Corbin and Strauss, 1990; Draucker et al., 2007). In order to analyse the data collected by different methods (interviews, event observations, online and secondary data sources), NVIVO v8, a computer aided tool to analyse qualitative data, was used (Bringer et al., 2004; Crowley et al., 2002; Gebhardt et al., 2006; Gummesson, 2003, 2005) (see Figure 3-9). Consequently, field notes and interview transcripts were reviewed three times for emergent themes as suggested by Spradley (1979). These included cycling of deductive and inductive processes for the coding of the data, as noted by Santos and Eisenhardt (2009). To achieve this, first, a thematic analysis technique was employed, and all emerging themes were noted (Aronson, 1994; Boyatzis, 1998; Smith, 1992). Thematic analysis helps to identify patterns and develop codes through revealing the real meanings within a qualitative data set (Boyatzis, 1998). Aronson (1994) explains thematic analysis as:

> *"From the conversations… that are encouraged for the sake of researching a process, ideas emerge that can be better understood under the control of a thematic analysis. Thematic analysis focuses on identifiable themes and patterns of living and/or behaviour." (p. 1)*

It allows a more comprehensive understanding of the phenomena, and provides crucial insights. Thematic analysis process can be inductive and data driven, as well as deductive and theory driven. Therefore, this study cycled between both approaches while developing the appropriate codes, and theorizing productive, unproductive tension, and functional, dysfunctional conflict in interorganisational collaborations (Figure 3-10, p. 117).

Figure 3-9 Illustration of first order coding process. Source: Triangulated data.

Type	Name	Sources	References	Created On	Created By	Modified On	Modified By
Free Node	Strategic Focus	17	117	09/05/2010 19:04	I	30/06/2010 13:35	I
Free Node	Partner expectations	14	58	20/05/2010 14:02	I	30/06/2010 13:30	I
Free Node	Active pursuasion	8	55	17/05/2010 12:53	I	30/06/2010 13:10	I
Free Node	Annoyance	11	53	27/05/2010 23:59	I	30/06/2010 16:18	I
Free Node	Domination	12	49	17/05/2010 12:36	I	30/06/2010 00:18	I
Free Node	Shaping	10	41	28/05/2010 13:57	I	30/06/2010 13:36	I
Free Node	First-to-market	13	40	20/05/2010 19:18	I	30/06/2010 13:11	I
Free Node	Disdain	11	38	28/06/2010 15:58	I	30/06/2010 13:40	I
Free Node	Innovation	12	37	09/05/2010 14:49	I	30/06/2010 13:37	I
Free Node	Standardization	14	35	09/05/2010 19:15	I	30/06/2010 13:38	I
Free Node	Regulations	12	33	09/05/2010 14:53	I	30/06/2010 13:33	I
Free Node	Discord	13	31	27/05/2010 16:53	I	30/06/2010 16:16	I
Free Node	Constructing market	5	30	28/05/2010 14:11	I	29/06/2010 17:39	I
Free Node	Strategic maneuvering	10	29	27/05/2010 14:07	I	30/06/2010 11:38	I
Free Node	Personal frustrations	7	27	20/05/2010 18:49	I	30/06/2010 13:41	I
Free Node	Competitive aggresion	8	25	09/05/2010 14:42	I	30/06/2010 13:11	I
Free Node	Authority	9	24	27/05/2010 17:24	I	30/06/2010 13:31	I
Free Node	Experience	8	24	17/05/2010 12:50	I	29/06/2010 22:31	I
Free Node	Interdependency	9	24	27/05/2010 18:51	I	30/06/2010 00:04	I
Free Node	Lack of business model	8	24	20/05/2010 15:47	I	30/06/2010 12:44	I
Free Node	Leading aim	10	24	28/05/2010 14:07	I	30/06/2010 13:24	I
Free Node	Consensus	7	23	20/05/2010 13:05	I	29/06/2010 22:51	I
Free Node	Contracting	8	23	17/05/2010 12:44	I	30/06/2010 13:33	I
Free Node	Temporality	9	23	27/05/2010 16:35	I	30/06/2010 11:56	I
Free Node	Accommodation	9	21	27/05/2010 17:21	I	30/06/2010 11:57	I
Free Node	Methodological differences	6	21	27/05/2010 17:20	I	30/06/2010 11:56	I
Free Node	Pulling	7	21	28/05/2010 14:00	I	30/06/2010 13:35	I
Free Node	Seizure-of-power	9	21	27/05/2010 17:14	I	29/06/2010 22:20	I
Free Node	Social relations	8	21	27/05/2010 16:39	I	29/06/2010 23:46	I
Free Node	resentful	7	19	27/05/2010 16:45	I	30/06/2010 16:19	I
Free Node	Lack of industrial know-how	7	18	09/05/2010 14:33	I	29/06/2010 12:43	I

Charmaz (2003) suggests that in the grounded theory approach, the researcher starts the coding through his/her disciplinary assumptions and theoretical perspectives. Following this approach, to uncover the real meanings beneath the expressions, three coding stages were employed: initial coding, first order category development and second order category development (see Figure 3-11). The initial codes were derived from the raw data inductively using thematic analysis through the informants' original words (Nag et al., 2007; Spradley, 1979). In the process of open coding, every passage of the interviews, online data, and event observations were studied to determine what exactly has been said, and to label each passage with an adequate code (Nag et al., 2007). Following the initial coding stage, a deductive process was applied to develop the first order categories. The purpose of this step was to facilitate a subsequent analysis by identifying all of the text associated with a particular elicitation or research question. This type of analysis is often used to consider more alternative categories drawn from past research which enriches the categories emerging from the data (Miles and Huberman, 1994). During this phase several theoretical concepts, which were utilized to refer to tension (Gamero et al., 2008; Santos and Eisenhardt, 2009) and conflict (Jehn, 1997), were reviewed, and the appropriate ones were applied to the initial level codes (Nag et al., 2007).

Figure 3-10 The qualitative data analysis procedure.
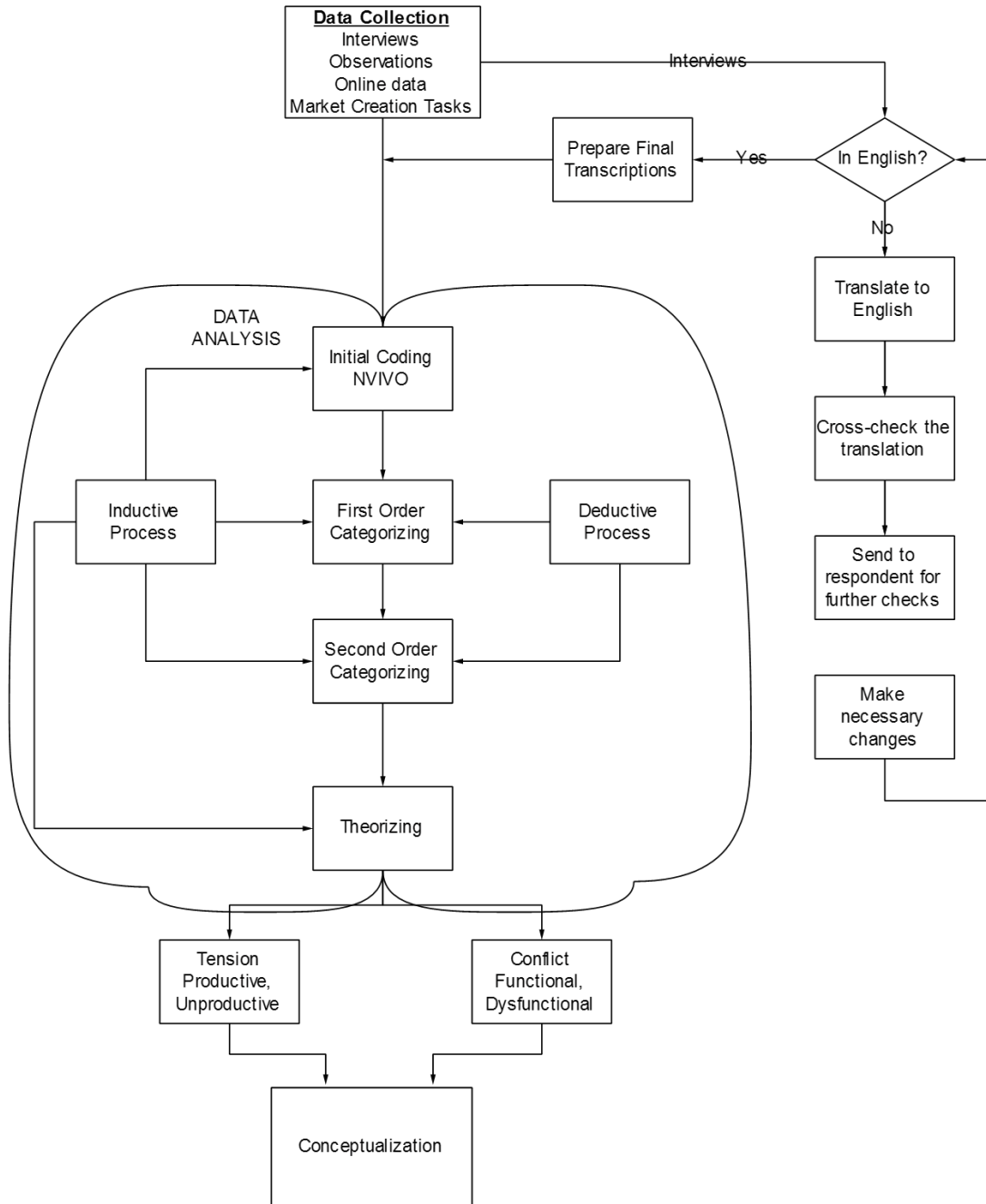
Modified from Spradley, 1979; Strauss and Corbin, 1990; Charmaz, 2003; and Draucker et al., 2007.

This process took several phases, and despite the aim to decrease the number of codes, the number of codes was exhausted in an early stage. Based upon this iterative method, the data were once again scanned and the codes were refined and grouped to identify first order categories (Anand and Jones, 2008; Spradley, 1979) (21 tension and 10 conflict categories). After this stage, second order categories, which represent the theorizing of the first order categories through analytic approaches using iterative processes, were defined (Nag et al., 2007; Spradley, 1979). By way of this process, six tension and three conflict areas in

interorganisational collaborations were reached. The cover terms (interorganisational tension and interorganisational conflict, and the concepts of productive, unproductive tension and functional, dysfunctional conflict) are then derived from these theoretical concepts. Once this stage was finalized, another cycling process was conducted through revisiting the data, emergent concepts and literature (Martin and Eisenhardt, 2010). This stage was useful to refine the abstraction and conceptualization of the emergent findings. Prior research was especially helpful in further conceptualization of the concepts.

Figure 3-11 Illustration of coding process.
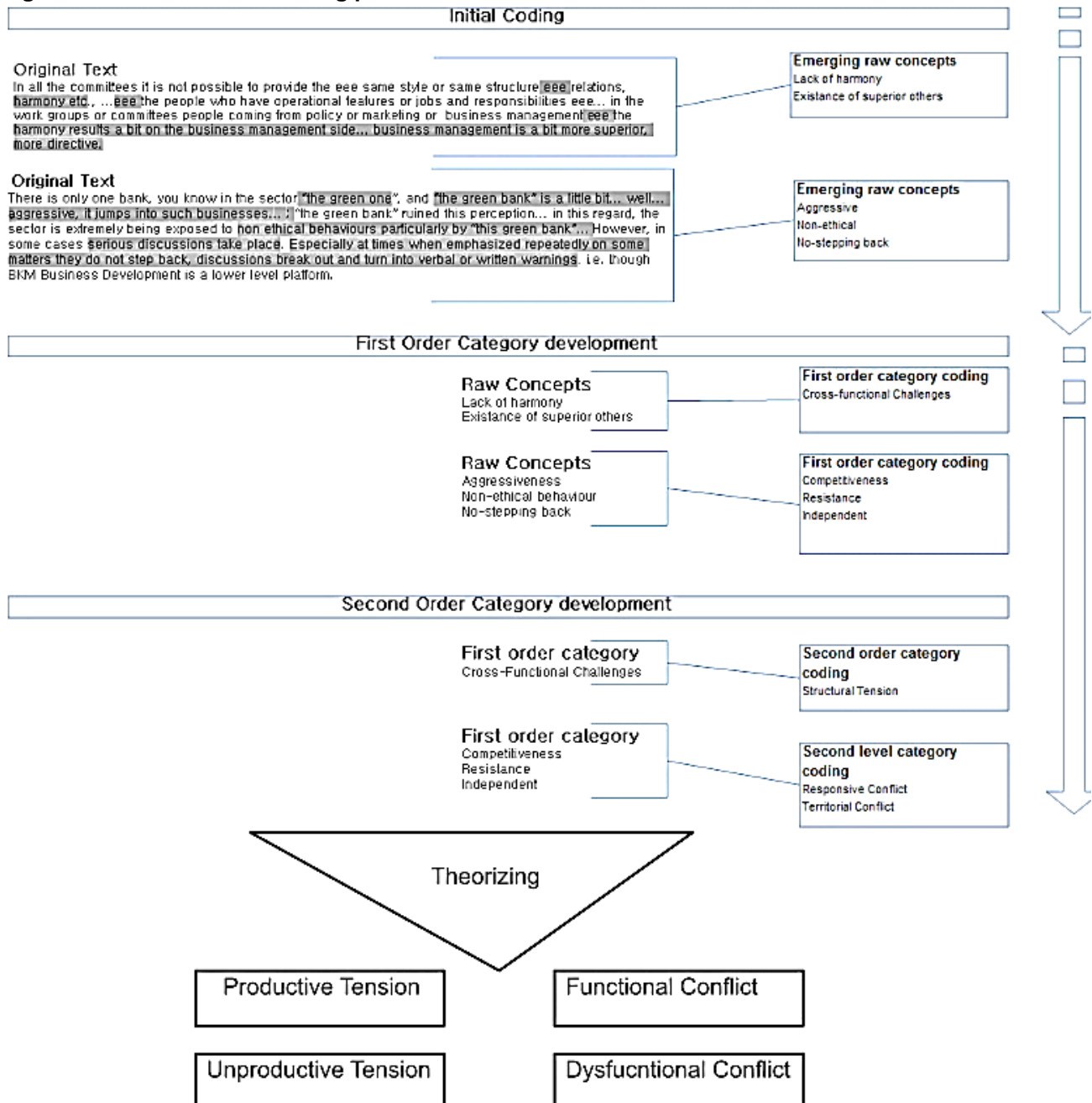
Modified from Anand and Jones (2008) and Charmaz (2003)

Utilization of symbolic identifiers: Tension and conflict are cognitive concepts that are implicitly expressed by the research participants. Therefore, a semiotics approach is employed to expose the signs that indicate the tension and conflict and further interrogate the data (i.e. it is used as evaluative schemata) (Gudwin, 2005). According to Gudwin (2005), semioticians examine how meaning arises from a specific relationship within a group of signs (such as words) in particular texts (e.g. the online data sources used in this research). A sign has two components: the signifier that is the explicit phrase or word referring to the sign, and the signified that indicates the actual referred concept. The semiological perspective has been used in organisational research to uncover the underlying concepts, rather than the themes that can be observed on the surface (Gudwin, 2005). Thus, to uncover the underlying tension and conflict, in this research, symbolic identifiers were used where the signifier highlighted the words or phrases that were expressed by the respondents, and the signified referred to what those words or phrases actually meant. The findings and conceptualization of the qualitative phase are presented in Chapter Four.

3.7   ETHICAL CONSIDERATIONS

There are a number of ethical considerations that a social researcher needs to consider to protect the rights of their research participants. These are: the voluntary nature of participation, the informed nature of participation, an assessment of possible harm, data protection and storage, a declaration of interests, user engagement and feedback, and queries. When conducting social research, the possible impacts of the research to the society need to be considered. Economic and Social Research Council (ESRC) defines six key principles to be taken into consideration:

> *"1. Research should be designed, reviewed and undertaken to ensure integrity, quality and transparency.*
>
> *2. Research staff and participants must normally be informed fully about the purpose, methods and intended possible uses of the research, what their participation in the research entails and what risks, if any, are involved. Some variation is allowed in very specific research contexts…*
>
> *3. The confidentiality of information supplied by research participants and the anonymity of respondents must be respected.*

4. Research participants must take part voluntarily, free from any coercion.

5. Harm to research participants must be avoided in all instances.

6. The independence of research must be clear, and any conflicts of interest or partiality must be explicit.[10]"

Consequently, this study obtained the approval of the Aston University Research Ethics Committee to address the issues that a social research must observe (approval ref: 14:03/10). Within this framework, an informed consent is prepared to share with the interview respondents (see APPENDIX IV, p. 284). The informed consent document addressed the anonymity and confidentiality of the research. Participants were made aware of the voluntary nature of their contribution. The independent and academic nature of the research was made explicit, and finally, the data protection requirements were communicated to the participants. The secondary data sources used in this research were acquired through open sources (internet).

3.8   CHAPTER SUMMARY

This chapter presented the philosophical underpinnings and the methodological approach and the design of the study. Consistent with the objectives of the research, the research design was selected as qualitative. Thus, the techniques used to collect data have been outlined in the chapter. Furthermore, the chapter provided the research setting in which the study is conducted, and limitations on the data sampling regarding the market-creating nature of the interorganisational collaborations were addressed. This yielded a purposeful sampling method. The instruments used in the research are also reviewed. The details of the analysis phase were discussed in depth to provide insights for the next chapters, in which the findings of the study will be presented. Finally, the chapter concluded with the ethical considerations carried out with this study.

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[10] http://www.esrc.ac.uk/_images/Framework_for_Research_Ethics_tcm8-4586.pdf

4 CHAPTER FOUR: FINDINGS PART 1: INTERORGANISATIONAL TENSION AND CONFLICT TYPES

CONTENTS

This chapter presents the first part of the findings of the study. The purpose of this chapter is to amplify the understanding of interorganisational tension and conflict in market creation practice by demonstrating the themes emerged from the data. This chapter comprises two main parts. The first part introduces the approach that is followed to explain the findings. The second part discusses the themes that emerged from the analysis of the data.

4.1 INTRODUCTION

Both the literature review in Chapter Two and pilot interviews showed that the concept of interorganisational tension requires a more thorough investigation. Eventually, the systematic analysis of the data through cycling between the literature and the triangulated data revealed interesting outcomes. It is apparent from the data that in market creation practice, interorganisational tension and conflict plays a significant role in the accomplishment of the collaborative tasks. Furthermore, the analysis of the triangulated data revealed six interorganisational tension and three interorganisational conflict types, as well as a number of dimensions related to each tension and conflict type were identified.

Turning now to these findings, this chapter starts with the description of the approach used to present the findings. Both tension and conflict can be implicit or explicit. Therefore, to explain the themes emerging from the data, symbolic identifiers are used. Symbolic identifiers are part of the grounded theory that help to express the real meanings behind the data. Along with symbolic identifiers, the level of awareness of the respondents regarding tension and conflict is also demonstrated. The focus of tension and conflict that defines which partners are targeted and the impacts of tension (productive, unproductive) and conflict (functional, dysfunctional) are also indicated to provide further insights. The themes emerged from the analysis are then presented.

4.2 PRESENTATION OF FINDINGS

The five data sources outlined in Chapter Three were triangulated and analysed for the amplification of tension and conflict in interorganisational collaborations. Through a grounded theory methodology (Charmaz, 2003; Corbin and Strauss, 1990; Draucker et al., 2007; Strauss and Corbin, 1990) it became clear that in market-creating conditions, six interorganisational tension and three interorganisational conflict types have impacts on

collaborative tasks. What is also interesting in these findings is that productive, unproductive tensions together with functional, dysfunctional conflicts have various impacts on market creation. Consequently, this chapter will attempt to explain the interorganisational tension and conflict types and their impacts on market creation practice through the qualitative findings discussed below. To provide a better understanding of the emergent themes, the first and second order categories that are identified during data analysis have been presented in tables with relevant descriptions and representative quotations. The tables are expanded by the symbolic identifiers, level of awareness, focus of tension or conflict, as well as the productive, unproductive tension or functional dysfunctional conflict. Every quotation drawn from the data starts with "I", "W" or "M" or "S" followed by a number. The "I" stands for interviews, the "W" represents the online data sources, "M" refers to the mission statements and "S" stands for standardization protocols, and the numbers identify the respective respondents, online data sources, organisations or the actual protocols (see APPENDIX I, p. 269 for a full list).

Symbolic identifiers: the quotations in the tables were unpacked by the underlying symbolic identifiers which signify the related theme as explained in Chapter Three, Section 3.6.6, p. 119 (Gudwin, 2005). That is, the tension or the conflict type has been identified through the underlying or the signified meaning in the "native expression". For instance, a quote that refers to "speed of decision making" is a signifier of bureaucracy. The underlying meaning or the signified here are the opposing approaches of the partners to the new market creation, which indicates the structural tension.

Level of awareness: the respondents' level of awareness, regarding tension and conflict, bears important messages (Louis, 1980). Level of awareness is the degree of personal acknowledgement between the actual situation and the intended action (van de Ven, 1976). The awareness of tension or conflict may be conscious, tacit or emergent. The conscious awareness occurs when partners acknowledge the existence of tension or conflict among partners. Tacit awareness is the opposite of consciousness and refers to the partners' incognizance towards the tension or conflict in the collaboration. The third awareness level, emergent awareness, outlines no awareness of any tension or conflict between partners in the first place, but subsequently acknowledges them during an incident.

Focus of tension or conflict: the direction of tension or conflict states whether or not the tension or conflict is inclined to horizontal (similar partners within the collaboration), upstream (more dominant, bigger in size or partners having more authority), downstream

(suppliers, smaller size, less dominant or less authoritative partners), or any combination of these.

Impacts of tension or conflict: by looking at the actual quotation and symbolic identifiers it is possible to identify if the tension is productive or unproductive, as well as if the conflict is functional or dysfunctional. In relation to these illustrations, more detailed explanations are provided in Chapter Five sections 5.2.2, p. 166 and 5.2.4, p. 172 for the impacts of tension and conflict. The impacts of tension or conflict in the tables represent their impacts on market creation action.

4.3 THEMATIC ELEMENTS

The evidence from the data reveals a number of tension and conflict themes in association with the interorganisational collaborations. These themes and their dimensions are explained in the next section, starting first with tension. The definitions of the themes and the dimensions represent the "recycling" between the data and theory as explained in Chapter Three.

4.3.1 Thematic Dimensions of Interorganisational Tension

Through the triangulation of the data, six types of interorganisational tensions, which were grouped under the second order category themes, are identified: structural, political, strategic, temporal, business process, and relational tension.

Theme 1:   Structural Tension

The first theme identified from the data is termed as "structural tension". The four dimensions that emerged from the structural tension are: i) bureaucracy, ii) flexibility, iii) cross-functional challenges and iv) hierarchical uneasiness. According to the data, structural tension is generated by the organisational and hierarchical concerns, role congruence and uncertainties among partners. Structural tension is witnessed in all directions: horizontal, upstream, downstream or a combination of these. For instance, while a legislative partner might pose horizontal-downstream challenges, a very flexible approach of a partner causes horizontal-upstream encounters to the same legislative partner as one respondent explains:

> **I01:** *"You can issue the real credit card instantly, but regarding the* **regulations (i)**, *either of VVV, MMM or of BBBB there are many* **obligations/limitations (i)**… *the minimum square meters requirement is one of the issues we could not locate (i) the card service at every retail spot right at that time.*"

Consequently, all three levels of awareness can be seen in structural tension: tacit, conscious and emergent. Illustrations of these can be observed in several occasions. In an interview, the respondent revealed that in a contactless toll payment project, when the project owner bank and their software partner visited the software company which provided the toll payments, they were faced with a "*set of instructions* (iii)" they had to follow (I08 Interview). In this situation, the tension is generated from cross-functional challenges, and it is emergent, as neither the bank nor their software partner was aware of the situation before they attended the meeting. The focus of tension is horizontal, as the partners had similar responsibilities within the project and the tension was productive because all parties wanted to achieve the success of the project (the project was running smoothly when this interview was conducted). In this excerpt the impact of tension is productive, as they want to achieve the creation of this market with a first-to-market application (based on the information from the respondent).

In another interview (I14), the respondents explained that they had to "*show how the project needs to be managed*" (iii) while they were implementing a contactless transportation project. For example, the "*partners [were] asked to provide*" (ii) contact names, and responses to the requests within certain agreed timings. According to the respondent, they had "*hard times*" (ii) at the beginning to implement the approach, but they succeeded later. In this example, tension source is the flexibility of one partner and the level of awareness is conscious, as they were aware that telling their partner how to manage the project would create tension. The focus of tension is again horizontal, because none of the partners have any privileges over the other partner (based on respondent's definition). The tension is again productive, because this project was also a first-to market and the partners wanted the project to go live.

The existence of structural tension is also reflected in the online data sources as the excerpt demonstrates.

> **W04**: "...the **battle between** embedding NFC **by handset manufacturers/app-store owners and ISIS-like initiatives/alliances by operators (iii)** has just begun and it would be interesting to see where this would lead to. Operators can play a major role by promoting themselves as the preferred payment gateway for merchants selling to their subscribers. Coupled with this, they should provide the **flexibility (ii)** of multiple payment methods available from this gateway making it compelling for the subscribers to go ahead with the commerce transaction without hesitation."

The above excerpt illustrates that there is an unsettled structural issue regarding where the NFC (near field communication) platform would be embedded. This refers to the cross

functional challenges among the partners (iii). On the other hand, according to the excerpt, if telecom operators win this "battle" they need to be "flexible" (ii), to enable financial transactions over the NFC protocols, not to lose the support of their financial institution partners. Here, the level of awareness is conscious, as all parties are aware of the importance of the ownership, and the focus of tension is horizontal because none of the parties have any priorities over the other partners. If partners manage to establish the flexibility, the impact of tension will be productive; yet if the flexibility is not achieved this impact can be unproductive. All dimensions of the structural tension are fully explained in Table 4-1 through the triangulated data examples.

Table 4-1 Sources of Structural Tension.

Second Order Category: Structural Tension						
First Order Category Descriptions	**Example Quote**	**Symbolic identifiers**		**Level of awareness**	**Focus of tension**	**Impacts of Tension**
		Signifier	**Signified**			
i) Bureaucracy, It regulates the hierarchical order in interorganisational relationships, is a response to the joint need for an efficient relationship among the partnering organisations and the common expectations of the interorganisational collaboration (Ouchi, 1980).	I24: "However, on the other hand the mobile world is completely the opposite. It is more unstructured **(ii)**. Faster progress **(ii)** is in place through immediate launching, immediate starting of the eee... product cycle… From our perspective, banks are too slow **(i)** everything proceeds through procedures **(i)**... Actually, overcoming is not that possible. That is a bit in relation to the institutionalization of the organisation."	Speed of decision making	Opposing approaches to new market creation	Emergent	Horizontal	Unproductive
ii) Flexibility It refers to an adjustable mode of strategic actions acquired by the partner organisations that allow organisations to adapt under conditions of uncertainty (Hatum and Pettigrew, 2006; Long, 2001).	W11: "Octopus (a Hong Kong based collaborative product) is also a stored-value smartcard, but it was launched with a much narrower ambition **(ii)**: as a public transport ticketing system. It excelled at this niche application **(ii)**, in no small part helped by very favourable ticket pricing schemes… This model is being replicated by mass transit consortia in many countries."	Forming a market with less ambition	Enabling a successful market creation by others following the example	Tacit	Horizontal - downstream	Productive

Second Order Category: Structural Tension						
First Order Category Descriptions	**Example Quote**	**Symbolic identifiers**		**Level of awareness**	**Focus of tension**	**Impacts of Tension**
		Signifier	**Signified**			
iii) Cross-functional challenges They refer to disagreements to the collaborative interdependencies and information sharing in interorganisational settings (Song et al., 1997).	**W11**: "The technical teams from banks and telecoms had very different mind-sets **(iii)**, used different terminology **(iii)**, and worried about different technical issues. Over time, tension arose with participating banks that increasingly saw SKT's m-cash accounts as an "invasion of an outsider into their business domain"	Having different mind-sets and terminologies	Strained relationships across the collaboration among partners	Conscious	Horizontal	Unproductive
iv) Hierarchical uneasiness It is the uneasiness felt by the partners due to the hierarchical structure of the collaboration where the market making decisions are made.	**I01**: "Your superior's explanations to his peer in the other party (iv), and the escalation of the issue to a higher level **(iv)**, which goes on like this. Like a vicious circle till it reaches the top (level)..."	The escalating issues	The trained relationship among peers due to escalated issues	Emergent	Horizontal - Upstream	Unproductive

Source: Field and secondary data.

As demonstrated above, in market-creating conditions, structural tension is created through the social interactions of the partners.

Theme 2:   Political Tension

Another significant theme suggested by the data analysis is the political tension which is generated from the aims of the partners to serve their "own cause" of achieving their individual goals. There are three dimensions related to political tension. These are i) anti-leader positioning (Santos and Eisenhardt, 2009), ii) lobbying, and iii) social relations. When the triangulated data is reviewed, political tension, in general, has a conscious level of awareness due to the manipulative nature of the political activities conducted by the partners. One of the operations managers interviewed explains this:

> **I17**: "In the committees you see. Eee[11] for example One eee... if there is a regulation to be made, if it is against the banks X, Y, or Z **(ii)** eee... everybody eee... they do their best using their "**such**" relationships **(iii)** to have the regulation to be decided."

In the above extract, it is possible to observe the lobbying activities of partners and the use of social relations to achieve their individual expectations. The level of tension is conscious, as they deliberately apply these activities; the focus of tension is horizontal and the impact of tension is productive. However, depending on the partners applying these political activities, the focus of tension can turn in all directions. It is possible to say that the impact of tension is productive if the respondent is one of the partners applying these activities, whereas it is also possible that these activities can be acknowledged as unproductive by the partners who are not involved in such activities, or received unproductive results due to the outcomes of these activities.

Another insightful excerpt from the mission statement of M02 expresses the inevitability of political tension, such as when a partner's individual mission is "*leading the competition*", and "*shaping the market*". This excerpt also shows that the focus of political tension is in all directions (horizontal, upstream, downstream or a combination of these). That is because the partner here would try to convince all partners based on their individual missions. Here the level of tension is emergent depending on the reaction of the partners. It is not possible

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[11] "Eee" or "Ehem" refers to hesitation

to identify the impact of tension based on the mission statement, as this only shows one side of the story. To understand this fully, it is important to see the impact on the outcome of the mission.

> **M02**: **"**We lead the competition and shape the market through fresh, original solutions. Innovative"… As the opinion and practice leader of the sector, we set the agenda for mobile telecommunications in… Our strength stems from our diversity, creativity and innovation."

Political tension lies in the way of achieving this mission through several "political activities", such as lobbying or using their social relations. These activities will not only cause political tension, but also receive similar reactions from other partners, such as anti-leader positioning. Eventually, in market creation conditions, due to the high levels of uncertainties, ambiguities and partners' political activities, there is great potential for political tension, as another section of the I17 interview points out:

> **I17**: "These types of defects can ruin the market. For this reason, informal directions are taking place **(ii)**. Solving the problems is tried through the goodwill process **(ii and iii)**. Of course people have market effectiveness, career plans. Personal relations **(iii)** are in place."

In this quotation, the political tension is mentioned through the lobbying and social relations factors. The focus of tension is horizontal, as the respondent refers to a particular platform, and the level of tension is conscious because all partners have expectations of political activities taking place among each other. The application of "good will process" expresses the productive tension.

A different illustration of political tension can be seen from the below excerpt obtained from an online data source:

> **W44**: "They've taken all the interesting bits and remodeled [sic] them around their own "Bigpond" content offer. There's no doubt nothing illegal about that - it just leaves D.C.M. out in the cold (i) as to their future royalty payments"

In this quotation, the tension is created by the anti-leader positioning by leaving D.C.M. "*out in the cold*". The level of awareness is conscious, as organisations' political activities are conscious activities and the outcomes are usually expected by the actors. The focus of tension is horizontal, as the partners involved in this action similar to each other, and finally, the impact of tension is unproductive which can be read from the expression of "*left out in the cold*".

Political tension was also evident in the observed conferences. The seating patterns of the participants during the sessions, the existence or omittence of small talk among different

129

actors, coffee break gatherings, hinted the lobbying activities and the usage of social relations among partners. Table 4-2 provides more information on political tension and its sources.

Table 4-2 Sources of Political Tension.

Second Order Category: Political Tension						
First Order Category Descriptions	**Example Quote**	**Symbolic identifiers**		**Level of awareness**	**Focus of tension**	**Impacts of Tension**
		Signifier	**Signified**			
i) Anti-leader positioning. According to Santos and Eisenhardt (2009), in market-creating conditions, anti-leader positioning is partners' attempt to eliminate the dominating partner by opposing it through strategic actions	**I03:** With my vote and with the votes of other small banks we chose A as the President **(i)**. Y got furious and so on… "How could this be?" so and so. Such absurd words like "ON is still effective". They took it from their side… They said that "we do... that... eee the ON… Banks united together **(i** and **ii)**... see what happened INB took it over which shouldn't have happened". i.e. Who knows A? …And there to see Y making this show makes me sick, did I make myself explicit? They became really mad, he (Y) even left the meeting and so on... Because we were smaller but have more experience in these issues, for years..."	Votes utilized to demote the dominant partner	Taking action against the dominant partner by political instruments	Conscious	Horizontal - upstream	Unproductive

Second Order Category: Political Tension						
First Order Category Descriptions	**Example Quote**	**Symbolic identifiers**		**Level of awareness**	**Focus of tension**	**Impacts of Tension**
		Signifier	**Signified**			
ii) Lobbying. It refers to informal and influential communications carried out by the interorganisational collaboration partners to affect the collaborative decisions in line with their individual expectations.	**W26: (ii)** "In our view, V. could have chosen to maintain the card type that allows determining the applicable interchange fee on the card's chip… The Justice Department said that… worked with V. and M. and that they "will soon offer..." These… choices… compromise or eliminate the potential of fair and transparent surcharging, stymieing informed and efficient choices. The challenge increases with card proliferation… economic pricing and market mechanisms fail. It is time for the industry schemes, issuers and acquirers to embrace…	E-mailing the decision authority to be active for a desired change	Imposing the individual expectations through a lobbying e-mail	Conscious	Upstream	Productive
iii) Social relations. Informal relationships occurring outside the strategic alliance's formal environment are called as social relations.	**I03:** "...then after an emotional discussion, at the end... besides Mr. X is his schoolmate **(iii)**... After Mr. Y came, the relations became smoother. They were on quite bad terms with Mr. X. It is precisely personal **(iii)**, I mean, primarily in the committees the personal relations are in front..."	Utilizing the old social relationship to solve issues	Manipulating the situation through social relations	Conscious	Downstream	Productive

Source: Field and secondary data.

The triangulated data show that the political tension in interorganisational collaborations arises from differences in development and management strategies; hence it becomes a natural process during market creation.

Theme 3:   Strategic Tension

An alternative form of tension identified from the data is the strategic tension which originates from the partners' strategic activities: i) persuasion, ii) involvement, iii) partner elitism, and iv) leadership are the four dimensions underlying strategic tension. Strategic tension can be observed in cases when some partners choose to impose "their own models" as the industry standards and use several strategic techniques to convince other partners. For example, when a partner announces a strategic mission as "*put an end to banknotes and small change*" by 2023 (I15 Interview), they would perform several strategic manoeuvres to achieve their goal, such as persuasion and leading the collaboration. These activities cause strategic tension as the Contactless Products Manager in one of the organisations stated:

> **I28**: "At that time, actually, <u>GB started</u> **(iv)** with an online application and dominated the market. Eee... <u>consumed an innovative technology too early</u> **(iv)**, indeed. Eee... like eee... but <u>when observed the bank waited for 17-18sec.</u>, some customers, because authorization at some dial-up terminals lasted 17-18sec."

In this example, the tension created by GB (another partnering organisation within the collaboration) is conscious as GB's activity was acknowledged as an attack to the market (consumed an innovative technology too early) and horizontally aligned because GB's activity is direct to similar partners with similar capacity. Yet, strategic tension indicates all the three tension-awareness levels; conscious, tacit and emergent. That is, in some cases, while partners are acting strategically, they are aware of the tension-generating consequences of their activities (conscious), whereas in other cases, they do not aim to generate tension (tacit), or they recognize the tension after they have started their strategic actions (emergent). In this specific excerpt, the impact of tension is unproductive which is reflected in the "*early consumption of a new technology*". In effect, the two partners decided to work with different entities and became competitors in this project; however, they still work in collaboration in other projects.

An alternative quotation below suggests an emergent strategic tension. When the partners wanted to promote the product, the more conservative partner "*refused to be referred*" (iii) in the same promotional material with the less conservative partner. Here, the tension is emergent because the less conservative partner realised the tension when the issue arised,

and the focus of tension is horizontal, as both sides recognize it after the realization of their different marketing strategies. The impact of tension is unproductive which can be seen from the outcomes of these promotional campaigns where the financial partner's name does not appear.

> **I01:** "...to give free vegetable oil **(iii)** as gift or a pack of tea or kind of oil, sugar, a kg. of apple, these are well.. Contrary to the reputation or the image of the bank **(iii)** but..."

An online data source also points out the strategic tension in the quotation below:

> **W40:** "The door is open for close cooperation (**ii**) with mobile operators (and banks) in European countries," says L. J., contactless and payment services director at B. "Tension, it's past history. We've a much more collaborative situation (**ii**) than we used to have two years ago."

In this excerpt, the implicit tension is indicated by expressing "*the door is open for close cooperation*" which refers to the involvement of partners. The level of awareness is conscious as they say "*the tension, it is past history*", as the following expression from the excerpt identifies, and hence the tension is productive, as they express that they are still working together. Finally, the focus of tension is all partners (all directions) because the invitation is open to all who wants to cooperate. The conference observations also revealed strategic tension. For instance, during the second conference, Mr. L.D.'s referral to "Mask of Zorro" in his presentation demonstrated the strategic tension among partners through his persuasion tacticts (see Chapter Three, Section 3.6.2, Figure 3-8, p. 110). The dimensions that define strategic tension are presented in Table 4-3.

Table 4-3 Sources of Strategic Tension.

Second Order Category: Strategic Tension						
First Order Category Descriptions	**Example Quote**	**Symbolic identifiers**		**Level of awareness**	**Focus of tension**	**Impacts of Tension**
		Signifier	**Signified**			
i) Persuasion It is a strategic tool that some partners use to convince other partner to impose their own models, such as their standards to be regarded as the industry standards.	**W40:** "Operators are responding to the threat by developing their own mobile wallet **(i)** initiatives such as ISIS in the US, and forming alliances like they did in Europe to accelerate NFC adoption because they believe they will benefit **(i)** from other value added services than direct billing such as text alerts/confirmations whenever a transaction occurs…"	Developing own standards to respond to the threat	To impose own model while the creation of market to exploit the revenues in the future	Conscious	Horizontal	Productive
ii) Involvement: The partners' strategic involvement to market-creating tasks to increase the acquisition of individual and collaborative benefits.	**W41:** "However, the mobile NFC payments space is unique due to the number of stakeholders involved **(ii)** in the process. The need for each party to develop a business case and collaborate with other parties is tremendous..."	Multi-stakeholder environment	Justification of individual involvement required	Tacit	Horizontal	Productive
iii) Partner Elitism Due to the heterogeneity partners hold disdaining attitudes towards other partners, which according to Barley (1986) generate tension.	**I04:** "In the NFC project, there were cards, mobiles, validators, 3 main parties, but during the promotions, they didn't mention our name **(iii)**. There are also such things. For a reason, they didn't even want to put our name **(iii)** even in miniscule characters. That business didn't go"	Exclusion of a partner during publicity	Showing disdain towards some partners, despite an unavoidable dependence	Emergent	Downstream	Unproductive

Second Order Category: Strategic Tension						
First Order Category Descriptions	**Example Quote**	**Symbolic identifiers**		**Level of awareness**	**Focus of tension**	**Impacts of Tension**
		Signifier	**Signified**			
iv) Leadership: It refers to acquiring the leader position in interorganisational collaborations to impose the individual expectations	**W17:** "There are many who will make light of the recent company set up by AT&T, Verizon Wireless and T-Mobile USA, with partners Barclays and Discover Financial Services, to create a "contactless payment" solution **(iv)**…"This grouping is not likely to last long, nor will it make much of an impact while the companies stick it out," says E. S., publisher of http://www.SSS.com. There are many obvious hurdles. Each participant in the new ecosystem will try to garner as much… and that always means disagreement…"	Partnering with industry leaders	To acquire a bigger share from the nascent market.	Conscious	Horizontal - downstream	Unproductive

Source: Field and secondary data

In summary, strategic tension in collaborations has impacts on the achievement of market-creating tasks. In general, it stems from the strategic positioning of individual firms.

Theme 4:   Temporal Tension

The fourth theme arising from the data is temporal tension. Temporal tension is generated from the increased exposure to the uncertainties of new markets by linking the present to the future. Consequently, temporal tension depends on the gap between the present and the future. According to the data, at the heart of temporal tension are three tension sources: i) time-to-market, ii) interoperability and iii) retarding. Temporal tension can be emergent, conscious, or tacit, and it may aim in all directions (horizontal, upstream, downstream or a combination of these). For example, in the following quotation, a partner is affected by the local elections as all the business projects grind to a "*virtual halt*" (iii) due to the "*uncertainty*" (i). Based on this "*delay*" (iii), the other partner acknowledges it as a "*loss*", not only from temporal aspects, but also from financial perspective. Here the tension is emergent, because it was not an expected situation and the focus of tension is downwards, as the project leader is the respondent's organisation. Finally, the impact of tension is unproductive, since the respondent's organisation considered the effort as loss.

> **I14**: "...last year prior to the elections, regarding the winner, they waited **(iii)** because the future wasn't clear. And afterwards, we thought and said, "Everything is upside-down now, in a confused state, let it be settled once", so that we evaluate last year as a loss."

In an alternative quotation, interoperability is producing complications for the partners:

> **W11**: "…SP ended up developing technical plans that were unrealistic **(ii)**. Each operator had special technical interface requirements, which led to an overly complex technical architecture."

In this example, the partners "*ignore*" other partners' requirements and the collaboration ends up with different technical plans. They refer to them as "*unrealistic*" **(ii)** due to the interoperability issues. Here, the tension is tacit again, as the partners were not aware of the possible challenges that the "interoperability" can produce, and the direction of tension is horizontal, affecting many partners. The impact of tension is unproductive due to the complexity of the architecture developed which delayed market creation.

Another illustration of temporal tension can be observed from the quotation below which explicitly refers to the temporality of the tension by expressing that the organisations that are "slow to adapt" to the requirements of new market creation (technological changes in payment systems) will be the losers. Here, the awareness is conscious, as the tension is

explicitly expressed, and the focus of tension is in all directions (who cannot adapt). Eventually, the impact of tension is unproductive for the partners which are slow in adaptation.

> **W36:** "<u>Tension </u>between "winners" and "losers." They challenge those <u>who are slow</u> (**i and iii**) to adapt or who cannot easily change behaviours and habits."

Table 4-4 explains each temporal tension dimensions.

Table 4-4 Sources of Temporal Tension.

Second Order Category: Temporal Tension						
First Order Category Descriptions	**Example Quote**	**Symbolic identifiers**		**Level of awareness**	**Focus of tension**	**Impacts of Tension**
		Signifier	**Signified**			
i) Time-to-market It refers to the timing of entering a new market with new products and services	**W31:** "G.is providing PTK C. and its partner banks with the NFC software and user interface applications... K. S. director, product and content development, PTK C. says: "We need a complete solution to speed up our time-to-market **(i)**, and leverage the strong contactless payment network already existing in Poland to make our consumer the first to benefit from the NFC experience."	Speeding up the creation of marketing	Gaining a bigger market share from the nascent market	Tacit	Horizontal	Productive
ii) Interoperability It is defined as the fully functional process and workflows that are required to establish the new market	**W11**: "Interoperability **(ii)** and industry consortia are a double-edged sword. Schemes based on interoperability **(ii)**, such as Simpay, can be subjected to large coordination problems among the various players."	Existence of coordination problems regarding the interoperability	Absence of interoperability might hamper the creation of the market	Conscious	Horizontal	Unproductive

Second Order Category: Temporal Tension						
First Order Category Descriptions	**Example Quote**	**Symbolic identifiers**		**Level of awareness**	**Focus of tension**	**Impacts of Tension**
		Signifier	**Signified**			
iii) Retarding It is identified as the intentional delaying of market creating practice: by some of the partners.	**I24**: "...banks always avoid risk taking, proceed very slowly **(iii)** with overconfident steps. However, on the other hand the mobile world is completely the opposite... Faster progress is in place through immediate launching, immediate starting of the eee.[12]. product cycle. The harmony of these two parties is crucial. In fact, here the more eeeee... the most difficult part is this. From our perspective, banks are too slow **(iii)** everything proceeds through procedures."	Slow partners	Potential of missing the opportunity of market creation	Emergent	Horizontal	Unproductive

Source: Field and secondary data

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[12] "Eee" or "Ehm" refers to hesitation

Consequently, temporality, which generates temporal tension among partners, is crucial in market creation conditions.

Theme 5:   Business Process Tension

The fifth tension theme emerging from the data analysis is the business process tension which refers to the difference between the planned market-creating tasks, such as the missions and the market standardization processes, and how they are realized by the partners of the interorganisational collaboration. According to the data, the dimensions of the business tension are i) business model uncertainty, ii) knowledge paucity, and iii) absence of standards. The data show that the gap between the processes and their realization methods increases the likelihood of business process tension. That is, faced with the uncertainties of market creation, the gap between the collaborative expectations and the real business conditions generate businesses process tension as stated by the Financial Services Manager of TC:

> **I24**: "Second, the business model is not clear yet **(i)**. Still, there is a question mark in everybody's mind. These are postponed in order to run the pilots, but when a commercial implementation is considered, these come back to the surface and it... it creates a situation that cannot be resolved."

In the above quotation, the business model uncertainty generates tension through the ambiguities of income sharing, consumer satisfaction, and consumer ownership, as the interviewee refers to them as "*commercial implementations*" (i). The tension is emergent, as the importance of the business model was not clear at the beginning. The focus of tension in this case is horizontal because none of the partners have priorities over the other partners. The impact of tension is unproductive, as the expression explains "*cannot be resolved*".

Business process tension, as illustrated, generally has an emergent characteristic due its process characteristics. The data indicate that the incognizant characteristics of faulty processes that are recognized during the process progressions are the main sources of business process tension. In market creation, business process tension is very common since the "uncertainties" regarding the market conditions lead to "alterations" in "planned processes", as the online data source outlines these alterations:

> **W04**: "…According to a news report today, A won't be including NFC technology in the next model because it believes there's a lack of industry standards **(iii)**. I think A is right. There's a lack of standardization **(iii)** in the industry to convince handset makers to mass product NFC embedded devices and for merchants to swap out their POS machines with contactless systems. Operators are responding to the threat by developing their own mobile wallet initiatives… and forming alliances like they did in Europe to accelerate NFC adoption…"

The tension in the above quotation has also an emergent level of awareness. This is mainly because the impact of standards was not clear at the beginning of the project. In this specific quotation, the focus of tension is in all directions: horizontal, upstream, downstream or a combination of these because it will affect partners from handset manufacturers to financial institutions. The impact of tension is productive, as it facilitates operators to form their own solutions to create the market.

Another online data source underlines the importance of business process tension. In this example, once again the business model is uncertain.

> **W40**: "Without a cut of the transaction revenue, mobile telcos are <u>asking themselves hard questions about the business case</u> (**i**) for NFC. <u>They don't have complete answers</u>, yet. This is the main reason, say observers, the telcos have <u>delayed ordering phones</u> that include NFC chips and why handset makers have yet to begin producing them in anything more than sample quantities."

In this excerpt, the level of tension is emergent, as the partners are currently asking themselves the "hard questions" (after they have started the market creation project), and the focus of tension is horizontal as well as horizontal-upstream (targeting partners such as Apple). The impact of tension is unproductive, because they have delayed the ordering of the handsets. Furthermore, business process tension was one of key concepts identified during the conference observation process, specifically, in the first and the second conferences. In both of these conferences, the importance of business plans and standardisation issues were highlighted by the presentors. All three dimensions of business process tension are discussed in detail in Table 4-5.

Table 4-5 Sources of Business Process Tension.

Second Order Category: Business Process Tension						
First Order Category Descriptions	**Example Quote**	**Symbolic identifiers**		**Level of awareness**	**Focus of tension**	**Impacts of Tension**
		Signifier	**Signified**			
i) Business model uncertainty It refers to the lack of a rational model to generate values and revenues from the nascent market	I24: "We consider the business models **(i)** that can be done in collaborations. G. has different approaches and we also share our approaches with G. When we find the common grounds, we work together, if we do not eee... we will be observing the progress of the market dynamics and then decide accordingly… At the minute, which model is right, which one is wrong, which one wins, which one loses is not clear **(i)** yet. These will be experienced and observed."	Competing business models with partners	Collaboration is under risk based on business model	Emergent	Horizontal	Unproductive
ii) Knowledge paucity It is the lack of necessary skills to produce new products and services that are required to create a new market, is a crucial element for the partners	I06: "…the biggest problem there might be a lack of know-how **(ii)** of the opposing party. Actually, here when I talk, as if I say the firms in Turkey have less know-how and firms abroad have more know-how, but there is a sort of lack of know how in the firms abroad as well **(ii)**. Particularly, I mean at the product basis. Therefore, when there are problems regarding the know-how **(ii)**, our project faces more delays	Lack of know-how produces delays	Possibility of missing opportunity of market creation	Emergent	Horizontal	Unproductive

Second Order Category: Business Process Tension						
First Order Category Descriptions	**Example Quote**	**Symbolic identifiers**		**Level of awareness**	**Focus of tension**	**Impacts of Tension**
		Signifier	**Signified**			
iii) Absence of standards refers to the uncertainties about the procedures that are aimed to reduce the operational difficulties and variances in a target market	**W04**: "I think Apple is right. There's a lack of standardization **(iii)** in the industry to convince handset makers to mass product NFC embedded devices and for merchants to swap out their POS machines with contactless systems. Operators are responding to the threat by developing their own mobile wallet initiatives such as ISIS in the US, and forming alliances like they did in Europe to accelerate NFC adoption because they believe they will benefit from other value added services than direct billing such as text alerts/confirmations whenever a transaction occurs."	Awareness of lack of standards and the possible issues	The risk of multiple standards that would cause incompatibility	Emergent	Horizontal	Productive

Source: Field and secondary data

The triangulated data explains that market creation in interorganisational collaborations require a business plan as a prerequisite which assumes that partners have the necessary knowledge and skills to establish the new market.

Theme 6:   Relational Tension

Another important theme identified from the data relates to partners' reactions to interpersonal satisfaction or dissatisfaction with the collaborative experience. Relational tension in interorganisational collaborations is observed in personal preferences, approaches to processes as well as in collaborative tasks. The data reveals four dimensions of relational tension: i) enthusiasm, ii) frustration, iii) avoidance and iv) persistence. Relational tension can be tacit, conscious or emergent. Furthermore, as relational tension is linked to personal attitudes, it is possible to observe several focuses of directions (horizontal, upstream, downstream or a combination of these), as one respondent explains:

> **I01**: "...there are alliances among the banks... As the players of the sector, we all know there are <u>naughty kids</u> **(ii)**, even though there are, in order to get the business going i.e. the cards market to go on living <u>we try hard not to have an internal war</u> **(ii and iii)**."

The above quotation refers to the personal frustrations of one of the collaboration partners with another partner. The level of awareness here is emergent, as the quotation refers to partners who find it difficult not to start an "*internal war*". In this specific passage, the focus of tension is horizontal. The impact of the tension is unproductive due to the expression of such strong feelings such as "war".

Other illustrations of relational tension display different causes. For instance, one informant, when faced with "*negative voices*" (ii) towards the collaborative tasks from the partners, became more enthusiastic about the task despite the challenge (I07 Interview). Here, the tension is emergent, because the partner was not expecting such a reaction, and the direction of tension is horizontal, upstream, downstream or a combination of these because these "negative voices" were raised by all types of partners. Finally, according to the respondent, this enthusiasm is sometimes productive and leads to the accomplishment of market creation tasks, but at other times it develops into unproductive tension and partners do not continue the project.

In an alternative quotation, the partners regard each other suspiciously and the new market creation is bringing back the old frustrations between the partners. The level of tension is emergent, as the new market creation practice is building the tension and the focus of tension is horizontal, since neither telcos nor the banks have superiorities in these

partnerships. Finally, the impact of tension is unproductive, as it brings into the play the old rivalries. Also the Japanese, as well as the South Korean examples proved to be aggressive.

> **W40:** Mobile network operators and banks have <u>regarded each other with suspicion for years</u> (**ii**), ever since the first mobile payment services launched in the 1990s... except in such countries as Japan and South Korea where mobile <u>telcos have aggressively gone after payments</u>, <u>the tension between operators and banks has largely remained under the surface</u> (**iii**) because mobile payment has failed to catch on. That is starting to change and <u>signs of the old rivalries are flaring up</u> (**ii**).

Moreover, relational tension was obvious in the conferences that were observed, specifically in the firs conference. Participants did not engage with other partners throughout the conference, and as a final indication of relational tension the cocktail at the end of the event was cancelled due to the early leaving participants. The four dimensions of relational tension explained in Table 4-6.

Table 4-6 Illustration of Relational Tension.

Second Order Category: Relational Tension						
First Order Category Descriptions	**Example Quote**	**Symbolic identifiers**		**Level of awareness**	**Focus of tension**	**Impact of Tension**
		Signifier	**Signified**			
i) Enthusiasm It is the intensive motivation demonstrated by some partners regarding the achievement of market-creating missions	**W17**: "Telco and mobile industry executives, contrary to what some seem to believe are not dumb or blind. They know the immense challenges they face on the revenue front. You might say the motivation of "greed" **(i)** (financial upside) is a stronger motivator than "fear" **(i)** (inevitable disruption of the existing business). I'd say fear always is the stronger motivator **(i)**, and mobile companies have powerful incentives **(i)** to search intently for a new wave of customers, products and revenue models to replace revenues that are endangered by the "access" business they traditionally have relied upon."	Fear of losing revenues	Gaining a bigger market share from the nascent market	Conscious	Horizontal	Productive
ii) Frustration It is the annoyance and disturbance caused by the other collaboration partners regarding the collaborative market making missions.	**W40**: "To keep control of their subscribers, such operators as V. are looking to the SIM card, which they issue, to store the NFC payment and other applications. They don't like the option **(ii)** used in nearly all of the NFC pilots launched to date: storing the application on an embedded secure chip that comes with the phone. Conceivably, banks could download their applications to these chips with limited involvement from the operator. Battles, however, are brewing **(ii)** over who will control downloads of the payment applications to the NFC phones and where those applications will reside."	Concerns over controlling the new products and services	Fear of losing control on the new products and services	Tacit	Horizontal	Unproducitve

147

First Order Category Descriptions	Example Quote	Symbolic identifiers		Level of awareness	Focus of tension	Impact of Tension
Second Order Category: Relational Tension						
		Signifier	Signified			
iii) Avoidance It refers to the prevention of unwanted tasks and duties regarding the collaborative market making missions	**I06**: "In the end, I am subject to the rules of MM and VV, but to avoid them **(iii)**, I am trying to give the responsibility to another firm at the moment. But this is the core business of the banking industry.	Referring to an unwanted responsibility	Forcing to transfer the unwanted responsibility to another partner	Conscious	Horizontal	Productive
iv) Persistence It is defined as insistence on individual expectations despite the other partners opposition	**W11**: "DCM also recognized the challenge of convincing retail chains to accept their mobile money scheme **(iv)**. They were deliberate in stressing **(iv)** to these agents the ways in which Osaifu-Keitai would increase both customer convenience and value for their businesses through (1) process speed, (2) versatility, and (3) security."	Stressing on how they would increase the business value	Imposing their own model to the nascent market	Conscious	Horizontal - downstream	Productive

Source: Field Data and secondary data

Subsequently, relational tension is produced when there are individual discrepancies and dissatisfactions among partners resulting from social interactions in which the rational attitudes are overlooked.

4.3.2   Thematic Dimensions of Interorganisational Conflict

According to the data, three major conflict types are identified in interorganisational collaborations: progressive, territorial and manifest. Furthermore, there are a number of dimensions related to these three conflict types which are explained in detail in the following sections.

Theme 1:   Progressive Conflict

The first conflict type emerging from the data is the progressive conflict. According to the data, progressive conflict happens in interorganisational collaborations when partners try to avoid the possible issues that would create conflicts. Although these techniques are utilized to further the market-creating process, they also lead partners into conflictive situations, as these activities are acknowledged as impeding or obstructing. The underlying dimensions of progressive conflict are; i) compromise, ii) reluctance and iii) enforcement. For instance, one respondent explained that their processes were "superior" to their partner's, and they enforced their processes as a means of achieving the market-creating tasks.

> **I15**: "...they weren't very aware of the banks' institutional governance, working principles and concepts. We tried to have them adopt these **(iii)**"

In the above example, the level of awareness is conscious, as they insist on their "processes to be adopted" (iii), and the focus of conflict is horizontal, as the partners in this project are aligned equally. The impact of conflict is functional, because this project was in operation at the time of the interview. Another insightful quotation illustrates the reluctance developing among the partners as a form of conflict:

> **W40**: "They are sensibly cautious **(ii)** about an environment where they don't own and control the device…"

While in this quotation the awareness level of conflict is emergent due their reluctance, the focus of conflict is horizontal which is between the bank and the handset manufacturers. The banks control the financial information, but the handset manufacturers control the device. Therefore, the alignment among partners is even. The impact of conflict is dysfunctional, as the reluctance of the banks slows down or stops the market creation.

The compromising dimension of progressive conflict is reflected to the passage taken from another online data source:

> **W27**: "What impressed me about N.T. and N. was <u>their passion</u> in working out a solution for me. They understood immediately what the situation was, and were <u>relentless in testing and modifying their products until it was the perfect fit for my buses</u> (**i**)," added Mr L."

When analysed, the level of awareness is tacit, as Mr. L does not explicitly mention what would have happened if the N.T and N. was not willing to compromise. The focus of conflict is downstream, as Mr. L expresses his businesses importance by using possessive pronouns. Finally, the impact of conflict is functional, because Mr. L is satisfied with the solution.

The three dimensions of progressive conflict are discussed in detail in Table 4-7.

Table 4-7 Sources of Progressive Conflict.

Second Order Category: Progressive Conflict						
First Order Category Descriptions	**Example Quote**	**Symbolic identifiers**		**Level of awareness**	**Focus of conflict**	**Impacts of Conflict**
		Signifier	**Signified**			
i) Compromise It is defined as trying to find a common ground through acknowledging the different views and approaches among partners (Montoya-Weiss et al., 2001). In market-creating situations, compromise is a critical concept that creates interorganisational conflict among partners as compromising partners do not achieve their expectations.	**W28:** "…he noted that cellcos must be careful not to try to extract too much out of the transaction value chain **(i)**, and should look instead to generate revenues from hosting applications and from the traffic generated by application downloads and associated banking services **(i)**. But C. warns that the banking industry should in no way subsidise mobile carriers to cover NFC chip or hardware investments **(i)**."	Settlement through less sacrifice from individual expectations	Seizure of expected benefits until the next possible opportunity	Conscious	Horizontal	Functional
ii) Reluctance The unwillingness to accomplish the collaborative market making mission tasks is addressed as reluctance.	**W11:** "Yet proprietary schemes, such as SKT's, are much harder to get adopted **(ii)**… because they require specific investments in their own handsets and merchant terminals. They also can lead to market paralysis **(ii)** as… participants defer investment decisions until a clear winner emerges in the marketplace."	Slow adoption	Delay in investments	Tacit	Horizontal-upstream	Dysfunctional

Second Order Category: Progressive Conflict						
First Order Category Descriptions	**Example Quote**	**Symbolic identifiers**		**Level of awareness**	**Focus of conflict**	**Impacts of Conflict**
		Signifier	**Signified**			
iii) Enforcement It is the act of demanding firmly to realize one or a group of partners' individual (or group specific) expectations	**I08:** "It is the same in KY – AS collaboration; now, KY had explained its requirement **(iii)**, they had imagined a contactless application for that requirement but AS had defined how that contactless application will be realized **(iii)**. Therefore AS became the owner and the commander of it **(iii)**.	Imposing the required expectation	By saying that is how things will be	Emergent	Downstream	Functional

Source: Field and secondary data.

As a result, collaborative market-creating tasks require partners to engage in strategic processes in which they apply certain techniques to normalize the uncertain environment that turns into progressive conflict.

Theme 2:   Territorial Conflict

The second conflict theme, territorial conflict, originates from the territorial concerns and disagreements of collaboration partners regarding market-creating tasks. According to the data, the territorial conflict is seen in the form of i) dependency, ii) independency, iii) authority and iv) domination through the territorial boundaries claimed by the collaboration partners. The level of awareness is usually conscious in territorial conflict, and the focus of conflict is horizontal. This is generally because partners' dependencies and domination determine the direction of the conflict. The quotation from I15 interview is interesting because it demonstrates these points:

> **I15**: "MMM was ready but we said to them "look we do it that way **(iii)**, but it causes …reactions in the market and on the merchant **(ii)** side, there are …effects of it." Actually that was something we do a lot... **(iii)** The sentence I used may seem a little... ostentatious **(iii)**."

The respondent is worried about the "*partner stepping into their territory*", (iii and iv) and "*showing an objection*" (ii) to the other partner. The awareness is conscious, as the respondent is aware of threats and ready to defend his territory. The focus of conflict is upstream because in this specific case the other party is an international regulatory organisation, and the respondent's organisation is, in effect, subject to their rules. The impact of conflict here is dysfunctional, because the respondent's organisation chooses to apply their own model and creates reactions in the market.

The territorial conflict is reflected in the next excerpt through their independence seeking behaviour;

> **W40**: "MasterCard likely will endorse a joint venture to be launched by handset maker Nokia and Germany-based card vendor Giesecke & Devrient late this year to download and manage applications on NFC phones. The companies say the service will be independent of operators **(ii)**, handset makers, SIM vendors and banks."

The level of awareness is conscious, since this is a deliberate action to leave the operators and SIM vendors out, and the focus of conflict is horizontal-downstream, because MC (international regulator) has more impacts on the collaboration, but handset makers have equal alignment with the operators. The impact of conflict is functional as this would allow the collaboration create the market.

This alternative quotation reflects another example of territorial conflict:

> **W40**: "<u>Banks don't like the idea of allowing operators to control the master key</u> (**iv**), even if the latter have no access to the area on the chip that holds the payment application. "<u>If the operator controls the master key, then the operator controls the environment</u> (**i and iv**)," says MC's S."

The quotation illustrates the domination and dependence dimensions of territorial conflict. The level of awareness is conscious, because the banks are aware that if they allow operators to control the master key, they would lose their dominance. The focus of conflict is horizontal, as neither the banks nor the operators have superiorities over each other, and the impact of conflict is dysfunctional, as this attitude does not lead to a solution. In Table 4-8, the four dimensions of territorial conflict is described through the detailed explanations.

Table 4-8 Sources of Territorial Conflict.

First Order Category Descriptions	Example Quote	Symbolic identifiers		Level of awareness	Focus of conflict	Impacts of Conflict
Second Order Category: Territorial Conflict						
		Signifier	Signified			
i) Dependence The anticipated collaborative market-creating missions among partners along with on-going coordination of activities to be completed jointly or individually across interorganisational boundaries and decisions that are necessary to accomplish create dependency among partners.	**I24:** "...at the end of the day, this is a complex ecosystem **(i)**, the application in the NFC ecosystem. There are main players, operators, mobile operator and the bank, but at the back the SIM card needs to be NFC compliant... Of course, their application is utilized through their permission **(i)**."	Acceptance of other partners contribution	Notifying to the complexity of the system	Conscious	Horizontal - downstream	Functional
ii) Independence It is the act of preserving the autonomy despite the interorganisational collaborative requirements	**I11:** "...there is no such thing in these committees that banks get together and define an area and move **(ii)**. Everybody moves wherever they want **(ii)** (laughing), so nobody can intervene to this."	No Consensus	Acting towards individual expectations	Conscious	Horizontal	Dysfunctional
iii) Authority Partners' expectation of other partners' agreeing and acting in accordance with them (Pruden and Reese, 1972).	**W11:** "Banks remained concerned that SKT's control over the Moneta Chip would allow SKT to control what services **(iii)** were proposed to their customers. It took until 2004 for SKT and KB… to determine how to collaborate.	Control over others partners territory	Concerns about the customer control	Conscious	Horizontal	Dysfunctional

Second Order Category: Territorial Conflict						
First Order Category Descriptions	**Example Quote**	**Symbolic identifiers**		**Level of awareness**	**Focus of conflict**	**Impacts of Conflict**
		Signifier	**Signified**			
iv) Domination In this study, domination means a partner or partners are able to determine the collaborative market-making agenda.	**I11:** "There is a strange equilibrium in the Board of Directors (BoD). BoD works for the growth of the industry and for new progresses. It works to avoid the industry to go to wrong directions **(iv)**. At the same time the balance needs to be protected. BoD has the mission to drive the industry, to bring out new ideas, and to intervene **(iv)**. There is usually a common consensus on decisions regarding the businesses that are aiming to grow the market."	Directing the partners to the required direction	Market driving mission and intervention	Conscious	Horizontal - downstream	Functional

Source: Field and secondary data.

In interorganisational collaborations and collaborative tasks, the will to maximize the individual autonomy, dominance and independence, as well as the creation of a new market cause a dilemma for the partners that generate the territorial conflict.

Theme 3:   Manifest Conflict

The third conflict theme identified from the data analysis is the manifest conflict which is characterized by partners' reactions to other partners' strategic activities that obstruct the achievement of market-creating tasks. The data illustrates three dimensions of manifest conflict: i) competitiveness, ii) resistance and iii) accommodation. The level of awareness in manifest conflict is conscious, as it is a responsive action to other partners' activities. Thus, the data reveals that the focus of manifest conflict aims in all directions, horizontal, upstream, downstream or a combination of these. Manifest conflict is indicated in the following interview with the Executive Vice President of I11:

> **I11**: "So there, that project… How much risk it creates to banks... it is discussed in the committees... there is a discomfort at the moment but eee an action, maybe they are observing the transactions realized, and they don't see, acknowledge it a real threat **(i)**…"

The quotation above refers to the risk that is produced by the mobile phone operators to the banks, as they realise financial transactions without any bank's presence in the system. Therefore, while the contactless payments industry creates a collaborative environment for banks and mobile phone operators, they are also competing for the same business. Thus, the awareness level is emergent as they are still observing the situation and the focus of conflict is horizontal (banks and mobile operators are equally aligned). However, the impact of conflict is dysfunctional as they looked at this issue as risk to their market and they found it discomforting.

The quotation below, which is from an online data source, expresses the manifest conflict through the competitiveness dimension.

> **W17**: "Now the mobile service providers want to displace the card brands and banks (**i**).... But even there the partners will have to figure out how to share the upside; even assuming they can convince the retailers they will be better off using a mobile-based contactless payment system."

The level of awareness in this excerpt is conscious, as the action is deliberate, and the focus of conflict is horizontal, similar to the previous excerpt. The impact of conflict depends on their "figuring out how to share the upside". That is, if they can find a way to share the "upside" it would be functional.

Another illustration of manifest conflict is reflected in this quotation:

> **W11**: <u>Retailers resisted</u> (ii) investing in the new equipment (dongles) necessary to process Moneta transactions before demand for such services was well proven.

In this quotation the level of awareness is emergent, as the retailers realise the issue in demand as it happens, and the focus of conflict is upstream because the banks and financial institutions set the rules in general. The impact of conflict is dysfunctional, because it slows down the creation of the market. Another noteworthy observation of manifest conflict was from the third conference that was observed. A topic was dedicated to conflictive issues among partners, referring to the resistance and competitiveness dimensions of manifest conflict. This presentation took place on the very first day of the event and addressed all the participants (this was the only free participation presantion). In particular, the presentation highlighted the conflictive areas and the risk of failure regarding the market creation tasks. The three dimensions of manifest conflict are fully explained in Table 4-9.

Table 4-9 Sources of Perceived Conflict.

First Order Category Descriptions	Example Quote	Symbolic identifiers		Level of awareness	Focus of conflict	Impacts of Conflict
Second Order Category: Manifest Conflict						
		Signifier	**Signified**			
i) Competitiveness Regardless of the collaborative market making missions, partners employ rivalry actions to the other partners markets, such as entering to other partners' markets. This competitiveness generates a conflict among partners which is based on a similar response.	**W09:** "The start by Discover of its Zip contactless card and sticker rollout Nov. 15 came just a day before the announcement by major U.S. mobile carriers of their joint venture to launch **(i)** a new payment brand, called Isis. Discover will lend its acceptance network and also its Zip application specifications to Isis, which would compete head -to -head with Visa, MasterCard and American Express **(i)**. Discover's partnership with the Isis venture is separate from its planned Zip rollout… This could add substantially to Zip's footprint in the United States. But it also might set Isis up as a competing brand **(i)**. "I don't see a conflict," said D. O., Discover's head of payment services… when asked by about the potential competition with Zip **(i)**. "This is a network play, where carriers are going to be using our network and provide us the scale to do some innovative things. This is a separate venture from Discover, but running on the same network **(i)**."	Denial of conflict by competition	Setting up competitive brands in the same market as the collaboration	Conscious	Horizontal	Functional
ii) Resistance Intended and acknowledged set of activities which compromise opposition and disagreements (Hollander and Einwohner, 2004).	**I01:** "Especially at times when stressed repeatedly on some matters they do not step back **(ii)**, discussions break out and turn into verbal or written warnings. i.e. though BBB Business Development is a lower level platform."	No Consensus	Acting towards individual expectations	Conscious	Horizontal	Dysfucntional

Second Order Category: Manifest Conflict						
First Order Category Descriptions	**Example Quote**	**Symbolic identifiers**		**Level of awareness**	**Focus of conflict**	**Impacts of Conflict**
		Signifier	**Signified**			
iii) Accommodation Adjustment to the situation as a response to conflict (Thomas, 1992).	**I06:** "As an operator, I am supposed to connect these two organisations **(iii)**, the bank and the firm using Mifair in some ways. The communication generates here. I am trying to find a solution there.	Showing an interest to be a part of the solution	Developing means to achieve the market making mission	Conscious	Horizontal - upstream	Functional

Source: Field and secondary data.

To summarize, under market creation conditions, interorganisational collaborations are faced with three conflict types. In general, these conflicts are generated by the strategic activities of the partners while achieving the collaborative tasks. Although partners use these strategic activities deliberately, the conflict awareness levels and focus of conflict can vary. That is, the awareness can be conscious, tacit as well as emergent, and the focus of conflict can be horizontal, upstream, downstream or a combination of these. Similarly, the functional and dysfunctional impacts of conflict types are also at variance. However, one of the most interesting findings of this study is the intertwined interactions between and across tension and conflict types that requires attention. Both the impacts of tension and conflict and the interactions between them are discussed in the next chapter.

4.4   CHAPTER SUMMARY

This chapter presented the first part of the research findings. The analysis was structured around the amplification of the dynamics between the interorganisational tension and conflict during market creation. The findings of the study discussed the six interorganisational tension and three conflict types associated with market creation in interorganisational collaborations. The data showed that market creation facilitates interorganisational tension and conflict through the social interactions of the partners. The next chapter will continue to present the second part of the findings of the study and theoretically conceptualize these concepts through the help of the data.

5 CHAPTER FIVE: FINDINGS PART II: IMPACTS OF INTERORGANISATIONAL TENSION AND CONFLICT AND THEIR INTERACTIONS

CONTENTS

This chapter presents the part two of the findings of the study. The purpose of this chapter is to provide insights to the intertwined tension and conflict relation and their impacts on market creation. This chapter comprises three main parts. The first part demonstrates the interactions within and across tension and conflict types, while the second part introduces the impacts of tension and conflict on market creation. The chapter concludes with a typology that demonstrates the strategic activities of partners in the presence of interorganizational tension and conflict.

5.1 INTRODUCTION

Chapter Four presented the underlying themes of interorganisational tension and conflict. According to the data interorganisational, tension and conflict types have relationships within and across each other. That is, while one type of tension generates another type, they also have a tendency of facilitating conflict types. A similar interaction can be said of interorganisational conflict. This chapter builds on Chapter Four and details these interactions through the help of the data, as these interactions provide insights to the complex relations between interorganisational tension and conflict. Furthermore, it is evident from the data that tension has productive and unproductive impacts and conflict has functional and dysfunctional impacts, on market creation. Combined with the interactions between tension and conflict, this produces interesting outcomes.

To allow elucidation, the Chapter starts with explaining the interactions among dimensions of the interorganisational tension which is followed by the illustration of the productive and unproductive impacts of these dimensions. Then, same approach is applied to the dimensions of interorganisational conflict, as well as its functional and dysfunctional impacts. The impacts of these interactions on market creation are explained through a conceptual framework. Finally, the strategic reactions of the interorganisational collaborations and partnering firms during market creation are presented through a typology, which encompasses the impacts of tension and conflict.

5.2 THE INTERACTIONS BETWEEN INTERORGANISATIONAL TENSION AND CONFLICT

In the previous chapter six tension and three conflict types have been identified. The thematic analysis revealed further interesting outcomes. is not limited to the types of tension and it revealed further interesting outcomes. First, tension and conflict have intertwined interactions within and across tension and conflict types. Second, tension has productive, unproductive, and conflict has functional, dysfunctional impacts on market creation practice. Figure 5-1 demonstrates the interactions among tension and conflict types in association with productive, unproductive impacts of tension and functional, dysfunctional impacts of conflict. This illustration is a summary of the previous chapter before the interactions within and across tension and conflict is discussed. At this stage Figure 5-1 simplifies these interactions and separates tension and conflict from each other. However, in social contexts it is not possible to separate these interactions as the following sections demonstrate.

Figure 5-1 Thematic Dimensions of Interorganisational Tension and Conflict Figure 5-1
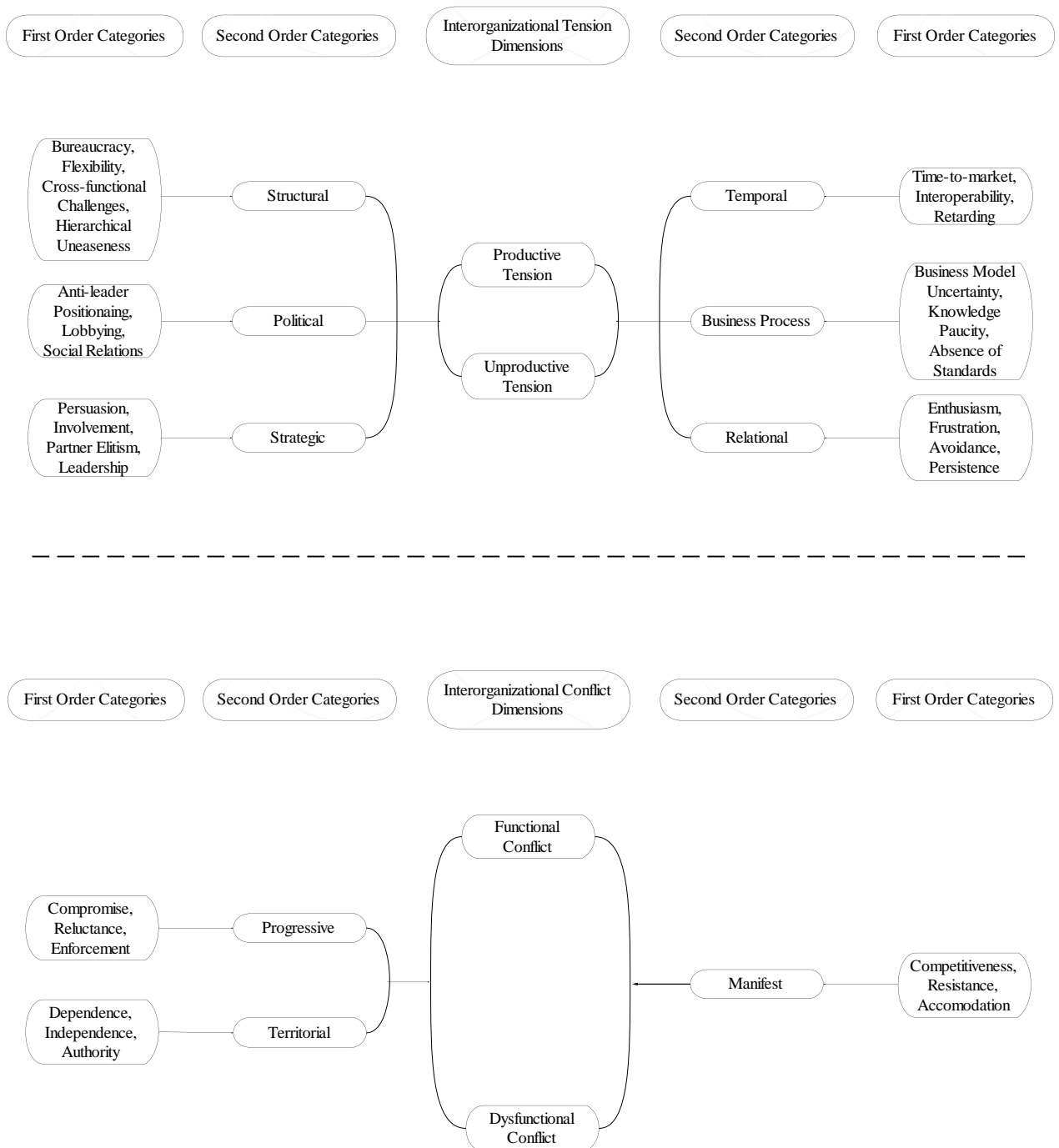
Source: Field and Secondary data

5.2.1   Interactions within the Interorganisational Tension Types

Figure 5-2 demonstrates the interactions within tension types. In the figure relational tension has a central position as it interacts with all the other types of tension.

Figure 5-2 Interactions within tension types.
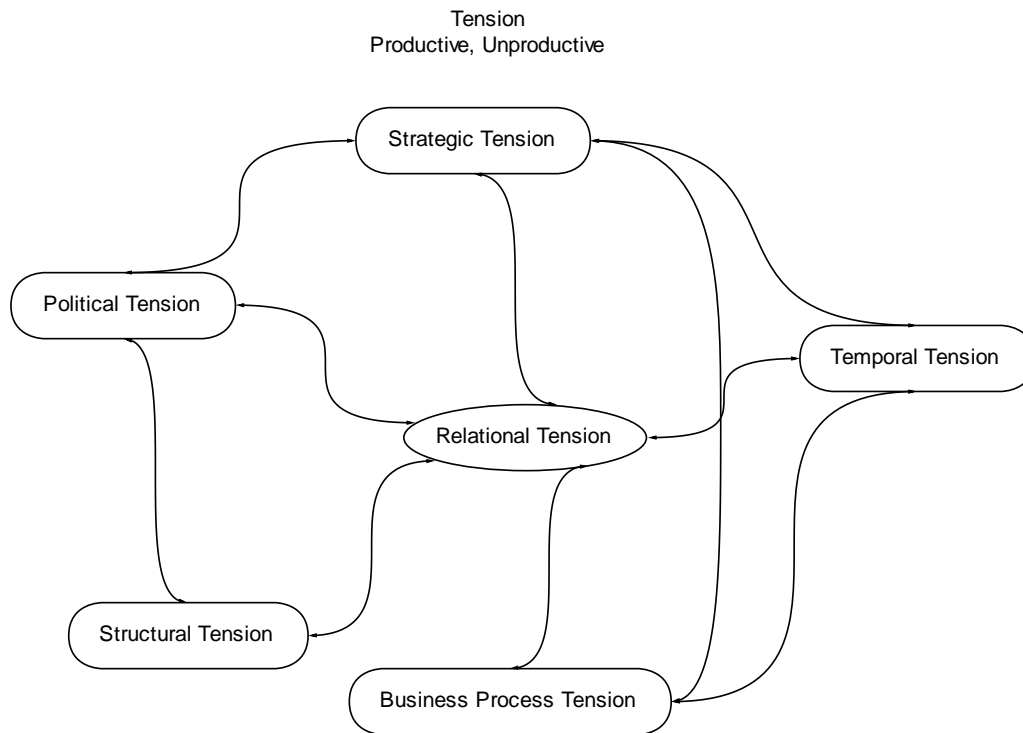
Source: Field and secondary data

A passage from an online data source refers to this:

> **W40**: "The problem is, some banks and payment card organisations are <u>uncomfortable</u> with <u>putting their applications on the SIM card</u>. <u>Battles,</u> however, are brewing over <u>who will control downloads</u> of the payment applications to the NFC phones and where those applications will reside. Banks <u>don't like the idea of allowing</u> operators to control the master key…"

The quotation expresses the "discomfort" of partners, which shows the temporal tension, as it refers to their "unwillingness to cooperate" in the market-creating project. The sections underlined with <u>double lines,</u> point to a different tension type related to "leadership concerns" under structural tension. Furthermore, relational tension is seen in the words "*Banks don't like*". This excerpt shows the interaction among the tension types, and it is often possible to observe two or more tension types occurring during the social interactions of the interorganisational collaboration partners. For instance, when there is an "absence of standards" in the newly created market (business process tension), it is very likely that there will be issues with "interoperability" (temporal tension). Similarly, if the partners are having issues regarding their "collaborative roles" (structural tension), the existence of "frustration" (relational tension) is inevitable. As it is not possible to isolate social interactions among partners and reduce the tension to a single tension type, the convergence of these tension types determines the final impact of interorganisational tension on the collaborative market-creating activities. These impacts are discussed in the next subsections.

5.2.2   Impacts of Interorganisational Tension

Having demonstrated the interactions among tension types, it is important to understand their impact on market-creating tasks. The data supported the two-dimensional impact of tension: productive and unproductive. These dimensions will be fully explained in the next subsections.

Productive impacts of interorganisational tension. According to the triangulated data, when interorganisational tension facilitates the achievement of market-creating tasks, it is productive. The excerpts from an online data source reflect this productive impact, while evidence of the interactions between the tension types is also visible. Figure 5-3 demonstrates a quotation drawn from an online data source (W11):

Figure 5-3 Illustration of productive strategic and relational tension.

Source: Online data source

In Figure 5-3, the strategic tension is visible in DCM's recognition of the challenge, deliberately stressing the acceptance of their "own model" and retaining a tight degree of control (persuasion). Similarly, the expression "deliberate in stressing" points to the combination of relational tension with structural tension. The productive impacts of tension can be followed by the "impressive" success that they achieved by these tensions (persuasive techniques that helped them to convince the other partners). This example shows that productive tension allows interorganisational collaborations to achieve their tasks in market creation.

The interactions among the tension dimensions are reflected in another excerpt from an online data source (W33) in Figure 5-4.

Figure 5-4 Illustration of productive relational, business process, and temporal tension.

Source: Online data source

In Figure 5-4, it is possible to observe three tension types: relational, business process and temporal tension types. While the reference to "resistance" demonstrates relational tension, "learning and finding out creating business models" addresses the business process tension. Finally, the verb "endure" is the indication of temporal tension. The results of these three tension types were productive, as the expressions reveal: "huge motivation to stick with", and "two-sided revenue model". These motivations and revenue expectations encourage the firms to accomplish the collaborative market creation. The two quotations above demonstrate how tension can be productive and facilitate the market creation.

An alternative quotation from online data source W40 (Figure 5-5) highlights the interactions among temporal tension, business process tension and relational tension.

Figure 5-5 Illustration of productive temporal, business process, and relational tension

Source: Online data source

In the figure, while "interoperability" underlines the temporal tension, "same version of Java" and "every carrier having his own profile" refers to the absence of standards dimension in business process tension. On the other hand, the expression "we want to support just about any situation" explains both the enthusiasm dimension of relational tension and over all the productive impacts of tension.

However, interactions among tension types do not always produce productive impacts; they also generate unproductive impacts.

Unproductive impacts of interorganisational tension. An alternative impact of tension that the data suggest is the unproductive impact which even threatens the future of the collaboration. The following quotations from the data comprise different tension types, and point to the unproductive impacts of interorganisational tension.

Figure 5-6 Illustration of unproductive political, strategic and relational tension.

Source: Online data source

Figure 5-6, which is an excerpt from a confidential email sent to a partnering organisation (W46), displays the unproductive impacts of political, strategic and relational tension types. Political tension can be inferred from the phrases in the passage: "provision for minimum transactions would narrow"; "their lobbying for interchange", and "pretty vulnerable". Strategic tension is seen in the example as "refusals" of involvement in the project, and relational tension can be seen by the persistent activity of "pushing". The unproductive impacts lie in the lines: "potential to see these types of refusals" and "fractured payments landscape… more cohesive one".

Figure 5-7 demonstrates evidence from another online data source (W11) for the unproductive impacts of interorganisational tension. In the excerpt, while there were "strategic and operational" difficulties (strategic tension), the collaboration sought a "market standardization" (business process tension). However, "not every partner decided to be involved", and "did not agree with these standards" (structural tension). Consequently, the collaboration and the market creation were "hampered by the underestimated complexity of market-creating tasks", and by following their "own models".

Figure 5-7 Illustration of unproductive strategic, business process, and structural tension.

Source: online data source

In an interview, a respondent also pointed out the unproductive impacts of tension (I15). This is illustrated in Figure 5-8. The respondent is implicitly referring to relational tension by demonstrating their frustration while saying "continuous warnings". He also mentions their leadership in the situation (strategic tension) by expressing that "this is the way we work, if you get adapted". In the end this frustration reaches to a stage where the respondent's organisation notifies the partner and expects them to obey, which in the end results in dropping the project.

Figure 5-8 Illustration of unproductive strategic and relational tension
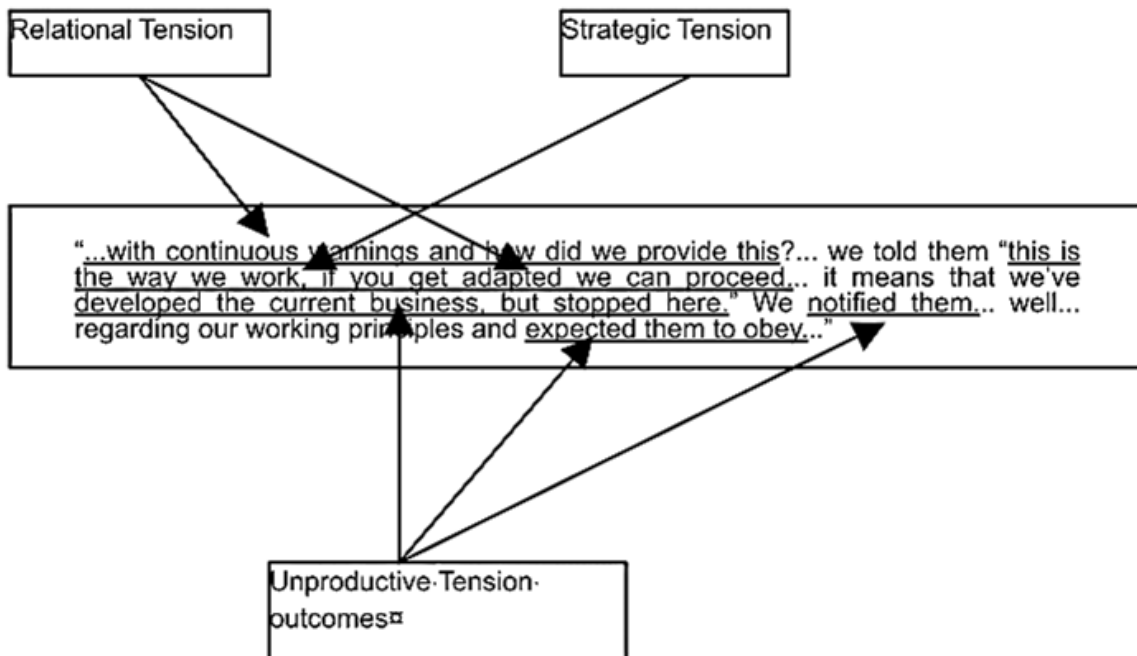
Source: Interview data

The impacts of unproductive tension as shown in the excerpt are destructive, and not only cause the discontinuation of the market-creating tasks, but also risks the future of the collaboration.

5.2.3 Interactions within the Interorganisational Conflict Types

The data illustrates that conflict types are also intertwined. That is, during a single social interaction, it is possible to observe two or more conflict types. The quotation from an online data source displays the interaction of the three conflict types. The section underlined by a single line refers to the perceived conflict, and the dashed line indicates the manifest conflict. Finally, the double lines indicate the territorial conflict.

> **W11**: "Retailers resisted investing in the new equipment… Similarly, handset vendors were slow to respond in developing the special-purpose Moneta capabilities (with the contactless dual chip) until they saw the market as fully developed... The development of m-payments was hampered by very public bickering between leading banks and telecoms and the consortia they formed. The typical bank-telecom disputes over customer ownership flared up. Banks remained concerned that SKT's control over the Moneta Chip would allow SKT to control what services were proposed to their customers."

Figure 5-9 shows the interactions among the conflict types.

Figure 5-9 Interactions among conflict types.

Conflict
Functional,
Dysfunctional
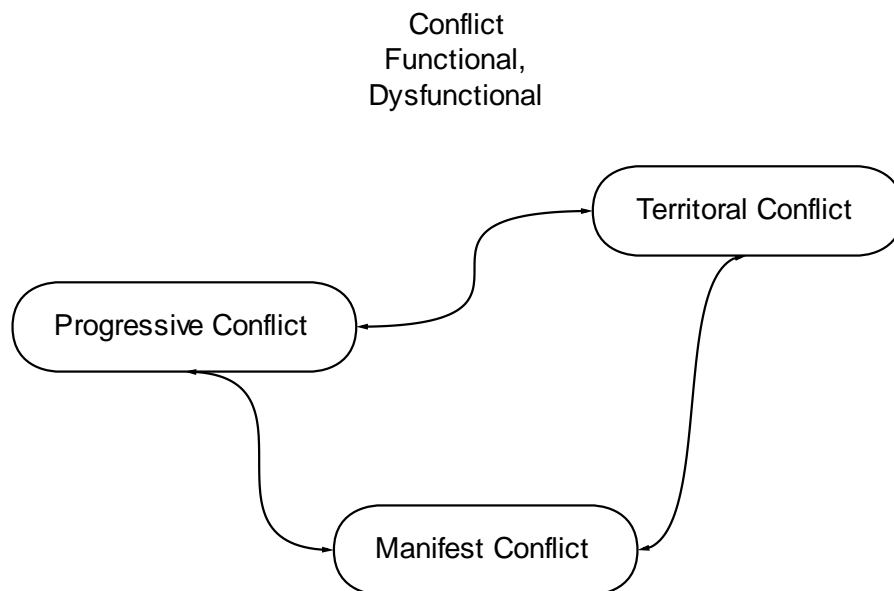
Source: Field and Secondary Data

5.2.4   Impacts of Interorganisational Conflict

In Chapter Two, functional and dysfunctional impacts of conflict were discussed (Guerra et al., 2005; Korsgaard et al., 2008). These findings support and add to these arguments as stated in this study by demonstrating the impacts of interorganisational conflict types on market creation.

Functional impacts of conflict. The data shows various evidence of the contribution of functional conflict to the market-creating practice because the sources of conflict, which are generated by variances among the partners, strengthen the achievement of market-creating activities. The following expression from an online data source (W40) demonstrates the impacts of functional conflict:

Figure 5-10 Illustration of functional manifest, progressive and territorial conflict.

Source: Online data source

The functional impacts of conflict are shown in Figure 5-10 through the interactions of the conflict types. That is, through the compromise of the vendors, banks "gain control" and do not "oppose" putting their applications on the product. As a result, a pilot was possible with banks' and operators' involvement in market-creating activities.

Figure 5-11, shows another functional conflict example drawn from an interview (I8). In this excerpt manifest conflict can be observed from the expression "we need to know where to stop as a firm" (accommodation). The progressive conflict (compromise) is reflected in "we prefer to stay behind the bank", and territorial conflict can be seen through the explanation: "our position like a consultancy company increases" (dependent and domination). The quotation displays the functional impacts of conflict through the descriptions: "the solution is problem free" and "the business can be resolved".

Figure 5-11 Illustration of functional manifest, progressive and territorial conflict.
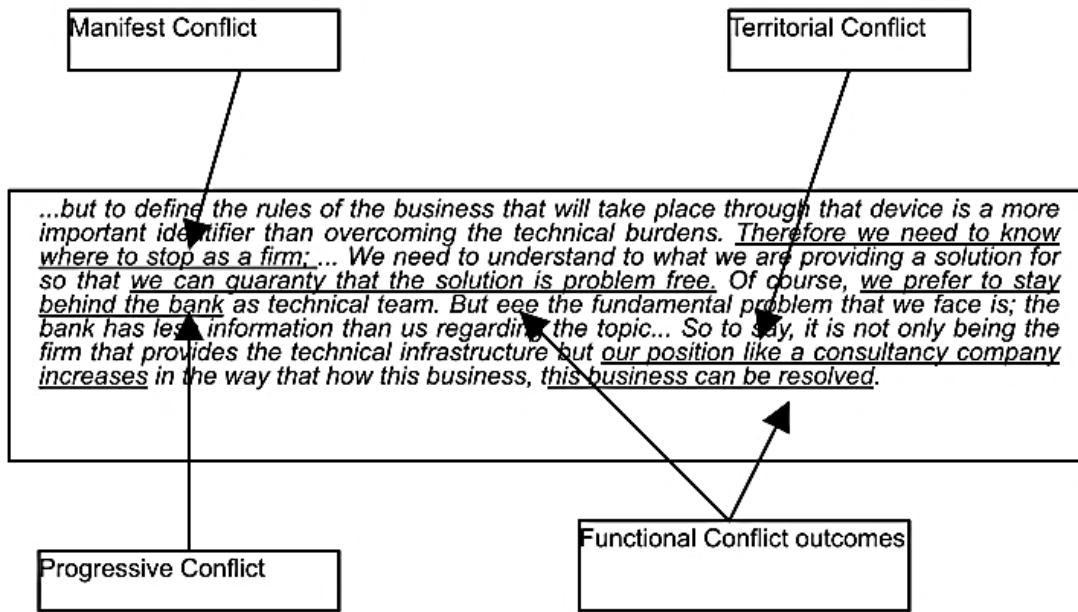
Source: Interview data

In another interview (I09) (Figure 5-12) the respondent refers to implicit functional conflict by explaining that his organisation is a market-creating organisation; therefore, they set the rules (territorial conflict – domination), and because of their position in this specific market where they set the rules, they expect the other partners to compromise (progressive conflict). However, he explains that this is not an issue among partners, and this project is one of Europe's first and most successfully running contactless payments projects.

Figure 5-12 Illustration of functional, progressive and territorial conflict.

Source: Interview data

174
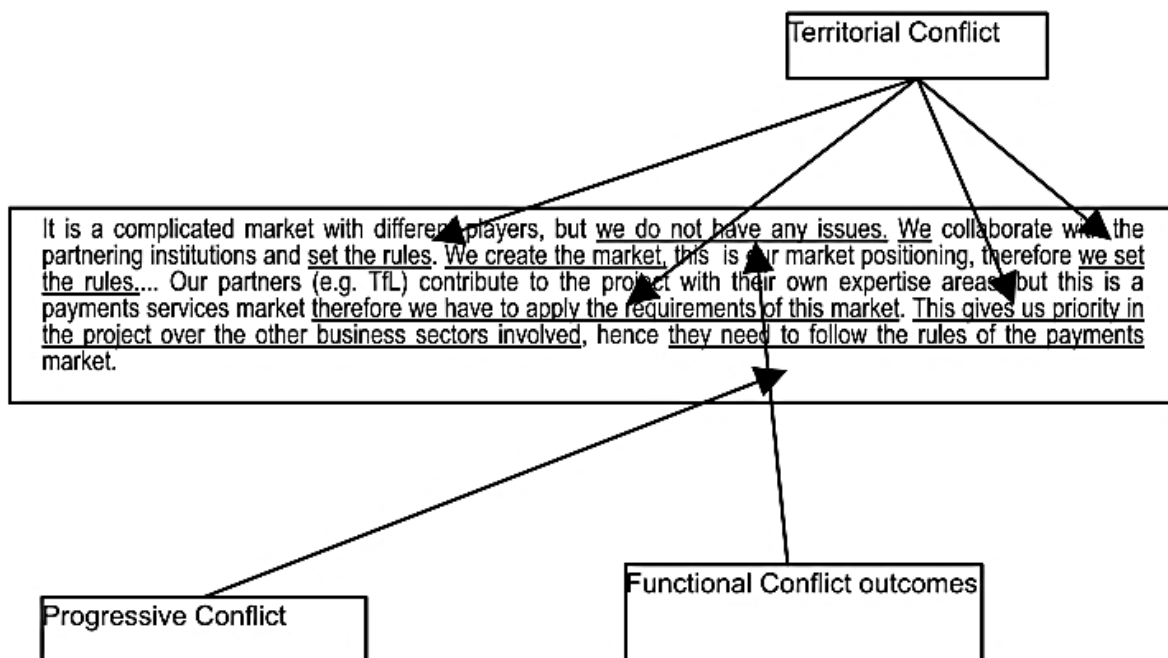
Dysfunctional impacts of conflict. The dysfunctional impacts of conflict arising from the data suggest that it can reduce the task achievement in interorganisational collaborations, if the collaboration's partners are not able to deal with the conflictive situations. An insightful illustration of dysfunctional conflict resides within Figure 5-13 :

Figure 5-13 Illustration of dysfunctional territorial, progressive and manifest conflict.

Source: Online data source

The quotation in Figure 5-13, from an online data source (W11) demonstrates a complicated and intertwined picture of the interactions among the conflict types. The outcome of these conflicts was dysfunctional through two explicit activities which were connected: "a partner's withdrawal" from the collaboration which in the end led the "collaboration to a discontinuation".

Another insightful example of dysfunctional impacts of conflict is illustrated by the quotation from another online data source (W45) in Figure 5-14.

Figure 5-14 Illustration of dysfunctional territorial and manifest conflict.

Source: Online data source

In this quotation, the competitiveness among the partners (manifest conflict) and the domination of the credit cards organisations (territorial conflict) led to the failure of the market creation project and dissolution of the collaboration (dysfunctional impacts of conflict).

A final illustration of the dysfunctional impacts of conflict is shown in Figure 5-15 which displays an excerpt from an interview (I06).

Figure 5-15 Illustration of dysfunctional progressive and territorial conflict.
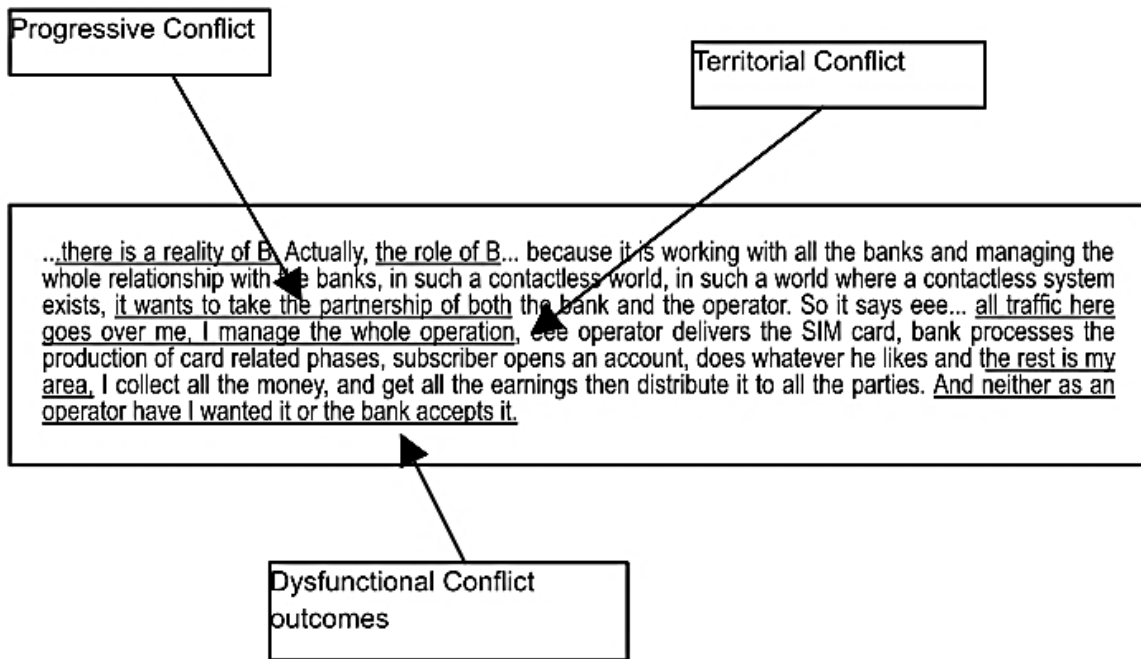
Source: Interview data

In the excerpt the partner B holds a strong position and expects to manage all the transactions made via the contactless cards market (territorial conflict, domination). To manage all the transactions, partner B expects other partners to compromise (progressive conflict). Yet, other partners neither compromise nor accept partner B as the partner to manage all the transactions (dysfunctional conflict).

5.2.5   Interactions across the Interorganisational Tension and Conflict

The evidence from the data show that in interorganisational collaborations, where social encounters are the part of the collaborative process, these interactions are not limited to within the groups of tension and conflict types. In fact, both tension and conflict types interact across each other in a dynamic manner. A static snapshot of these interactions is displayed in Table 5-1 to simplify the illustration.

Table 5-1 Interactions between tension and conflict types.

Conflict / Tension	Progressive	Territorial	Manifest
Structural	X	X	
Political	X		X
Strategic	X		X
Temporal	X	X	X
Business Process		X	X
Relational	X	X	X

Source: Field and Secondary Data

According to Table 5-1, structural tension can cause progressive or territorial conflict. For instance, in one of the interviews (I08 interview), the respondent explained that one of the partners, by "enforcing a method to be worked on" (structural tension), caused both progressive and territorial conflict, as there was an enforcement and the respondent's firm took it as "a threat to their domain". In other words, if they followed the instructions they would have become dependent on the other partner. This particular illustration is important, because it shows the transformation from structural tension to territorial conflict, and then to political tension. The same interview concluded that they had further meetings with a different partner who was responsible for placing the product on the market, and explained to them their own requirement (political tension through lobbying).

In another interview (I27), delaying of a project by one partner due to nearing elections (one of the partners was a municipality department) resulted in temporal tension. However, the partner who was kept "waiting" not only developed relational tension, but also progressive conflict (reluctance). As a result, they have decided to "stop working" with any institution involved in politics, despite their promising future (relational tension and manifest conflict). Once again, the tension generated the conflict, and then it turned into another type of both conflict and tension. These examples show that there is not a single pattern among these interactions. These dynamic and circular interactions are conceptualized in the following diagram (see Figure 5-16).

Figure 5-16 Tension and Conflict Dynamic Interactions Diagram

Tension - Conflict Interaction Diagram		
Productive and Unproductive Tension	Interaction Zone	Functional and Dysfunctional Conflict

Productive Tension
Structural,
Political,
Strategic,
Temporal,
Business Process,
Relational

Functional Conflict
Progressive,
Territorial
Manifest

Interorganizational Conflict

Interorganizational Tension

Unproductive Tension
Structural,
Political,
Strategic,
Temporal,
Business Process,
Relational

Dysfunctional Conflict
Progressive,
Territorial
Manifest

Disintegration Zone

Source: Field and Secondary Data

As depicted in Table 5-1, p. 177, interorganisational tension and conflict become recursively interlinked as the social interactions occur among partners. From Figure 5-16, it is possible to observe that the interactions between interorganisational tension and conflict (either implicitly or explicitly) form a cycle which builds on itself to generate productive, unproductive tension or functional, dysfunctional conflict.

Figure 5-16 illustrates these recursive processes as revealed by the data. In the cycle portrayed in the outer circle, straight lines explain that tension types turn into other tension types or conflict types. Throughout the market creation process, tensions or conflicts have the potential for developing from one type to another type. As this cycling continues, it escalates and starts to influence the collaborative outcomes through the productive, unproductive tension and functional, dysfunctional conflict which again generate further interorganisational tension and conflict, and which continue to cycle.

The inner circle portrays the interaction zone where these cyclical dynamics take place. The inevitable social interactions of partners generate (implicit or explicit) interorganisational tension. The continuation of these interactions escalates tension into interorganisational conflict. Similarly, the conflict generated by the interactions of partners develops into interorganisational tension. The interaction zone represented in the figure does not

necessarily require physical interaction of partners. The tension or conflict embedded in the collaborative tasks prepares the ground for these interactions. Furthermore, these interactions happen between any tension and conflict types, while causing different outcomes based on their productive, unproductive, or functional, dysfunctional characteristics.

The diagram above also incorporates a disintegration zone. Based on the evidence from the data, this zone refers to conditions where partners decide to disintegrate from the collaboration, or the collaboration is discontinued due to the excessive consequences of interorganisational tension and conflict. When interorganisational tension and conflict generate excessive amounts of unproductive tension and dysfunctional conflict respectively, partners reach breaking point. From that point forward, partner firms decide to follow their own paths and separate themselves from the collaboration. Alternatively, they produce productive tension and functional conflict at an individual level. Ultimately, this alternative zone creates an exit for the tension and conflict cycles. Examples of this can be observed from the activities of Apple in the contactless payments market, as the quotation from an online data source (W04) reveals:

> **W04**: "Mobile Payments Initiatives: Apple cut operators out of its App Store revenue stream, and it could cut them out of other commerce transactions by embedding NFC into new iPhone models and linking payments to iTunes. Apple won't be including NFC technology in the next model because it believes there's a lack of industry standards. So it's going ahead with its own NFC initiative and plans to release a model next year that's linked to iTunes"

Although the disintegration zone offers a solution to escalating tension and conflict as it goes beyond the collaboration, it is outside the scope of this study. Future research can investigate the dissolution of collaborations from the tension and conflict perspective and provide insights to the disintegrative impacts of constructive practices (see Chapter Six, Section 6.6.3, p. 212).

Thus far, the general layout of Figure 5-16 has been described. In order to provide a clearer understanding, it is necessary to focus on Figure 5-16 and discuss each section separately. The following subsections will, therefore, discuss these interactions starting with the vertical interactions in the outer circle. This will be followed by a discussion on the horizontal interactions that take place in the inner circle or the interaction zone.

Tension & Tension Interaction (Figure 5-16, left side of the outer circle): the left side of Figure 5-16 shows that one tension type generates another tension type. For instance, structural tension can generate political tension and political tension can generate relational tension. According to the data there is no specific order for these cyclical interactions. In

these interactions, tension becomes unproductive when the unproductive tension spills over the productive tension. A similar result is expected when productive tension spills over unproductive tension. On the other hand, if the interaction is between unproductive tensions, the outcome is unproductive, and if the interaction is between productive tensions, the outcome is productive (see Table 5-2).

Table 5-2 Tension & Tension Interaction Outcomes

Interaction					
Tension Type		Tension Type		Outcome	
Unproductive	+	Unproductive	=	Unproductive	
Productive	+	Productive	=	Productive	
Unproductive	>	Productive	=	Unproductive	
Productive	>	Unproductive	=	Productive	

Source: Based on the field data

Unproductive Tension & Unproductive Tension Interaction: the below quotation from the online data source (W28) illustrates these interactions:

> **W28**: "Control issues aside, mobile operators are also struggling to see viable methods of extracting value from the provision of contactless payment services… the business model for taking a share of revenue from NFC-based mobile payments is complicated from an operator's perspective… the industry needs to create a business case that can extract revenues to accommodate existing payment margins and an additional one for the operators. If you cannot create an application and extract income above payment, then things will not start. "…cellcos' view that they need to recoup the cost of adding NFC to phones through the provision of contactless payment service alone is shortsighted [sic]."

In the quotation, it is possible to see the business process tension (lack of business model) turns into relationship conflict (frustration which can be read through the short-sightedness). In this example, both tension types are unproductive; therefore the outcome is unproductive which is highlighted in the last part of the quotation as the threat to the new market creation.

Another insightful illustration of unproductive tension and unproductive tension interaction is illustrated in the following passage from another online data source (W11):

> **W11**:"Telecoms also saw the banks as overly conservative. The technical teams from banks and telecoms had very different mindsets [sic], used different terminology, and worried about different technical issues. Over time, tension arose with participating banks that increasingly saw SKT's m-cash accounts as an "invasion of an outsider into their business domain". Moneta Cash was discontinued following this incident. Distrust from financial institutions. The development of m-payments was hampered by very public bickering between leading banks and telecoms and the consortia they formed."

The passage demonstrates structural tension (hierarchical uneasiness) developing into relational tension (frustration) and the outcome is once again dysfunctional.

Productive Tension & Productive Tension Interaction: to portray these interactions further, it is also necessary to see the interactions between productive tensions.

> **I03**: "...in O.N. the method is the persuasion of powerful banks... we play our trump card... He then looked and saw and that "Why lose us?" then after an emotional discussion, at the end... besides T. B. is his schoolmate..."

This quotation from an interview (I03) shows that relational tension (persuasion) turns into political tension (social relations) and the result is productive as they resolve the issue. In this example both tension types have productive impacts. Therefore the outcome becomes productive.

An alternative passage from an interview (I11) also demonstrates the productive tension and productive tension interaction.

> **I11**: "So there are many different parties over there... to create a market here; they are after creating a market, indeed. Yes, the standards are also newly constructed... When you consider it, it is a good project... the reason that BBB to prioritize this project, to enter this project at these still very early stages is BBB has such a composition, because it is situated in the centre, in some projects, it is much rational to invest through BBB, instead of banks investing individually... First, BBB made this investment and provided it as a service to its members. Of course, it is very rational; moreover as you know BBB composition, it is that, BBB is a non-profit organization, and the shareholders are the banks, therefore it can offer these to members, these types of services to its member through very convenient prices."

Again, in this quotation the respondent refers to the business process tension through the unsettled standards. Then, he mentions strategic tension through their involvement and leadership in the project. Finally, he talks about their flexibility regarding the investment capacity which underpins the structural tension. In this quotation, tension types have productive impacts; therefore the outcome is productive.

Unproductive Impacts of Tension Spill-over Productive Impacts of Tension: the following quotation from an online data source (W06) demonstrates how the unproductive impacts of tension spill-over the productive impacts of tension and the overall outcome becomes unproductive.

> **W06**: "In particular, cooperation is critical in the smooth operation of, and innovation in, networks. Development of standards and technical features of networks may require the joint efforts of industry participants for new instruments to emerge. Similarly, altering existing network arrangements, such as the outdated direct entry system, requires coordination and cooperation and will likely be a major challenge, and opportunity, for the industry in coming years... network as one area where greater industry cooperation to enter the online payments arena may deliver improved competition between platforms and as a result be welfare improving. In this particular case, the claim has not been proven and the industry has not acted to meet the... aims. Given that there are other systems that enable online payments, including scheme debit cards, the... apparently has not been strong."

When we look into this quotation we recognize that strategic tension (involvement) and business process tension (development of standards) are productive, as they are expected to increase welfare and improve competition. However, partners' avoidance (relational

tension) due to the lack of a business model (business process tension) hampers the project by producing unproductive outcomes which spill-over the previously mentioned productive outcomes.

Another insightful quotation form the online data source (W36) also highlights the spill-over of the unproductive impacts of tension. In this quotation, the first tension mentioned is the unproductive temporal tension (time-to-market). Given a smooth cooperation along the years, the relational tension becomes productive (reduced friction) and the business process tension becomes productive (implementation of standards). Yet, this high level of cooperation hampers the innovativeness and decreases the level of enthusiasm (unproductive relational tension). Therefore, this unproductive impact leads to incremental innovativeness, and hence misses the opportunity of market creation (time-to market).

> **W36**: tension between "winners" and "losers."... They challenge those who are slow to adapt or who cannot easily change behaviours and habits All parties— federal and provincial governments, FIs, telcos, networks, merchants, and other players—operate on a level playing field. Over the course of the decade, this high level of collaboration reduces friction in the system: the framework of the CPS is expanded to include all players who work together to agree on the rules and standards, spurred by the understanding that if they don't, government will act with a heavier regulatory hand. Because the system is reasonably efficient and the major players are happy enough, there is limited push towards new technology, and the cost of meeting standards and regulatory requirements slows innovation. Instead, the payments system prioritizes gradual, thoughtful, evidence-based reform that embraces the best of technologies being road-tested in other systems.

Productive Impacts of Tension Spill-over Unproductive Impacts of Tension: the cyclical interactions and their impacts on market creation become more complex when these interactions are among uneven tension types, as the following passage from the I14 interview illustrates.

> **I14**: "There wasn't any harmony, we tried to create it. And actually during the two years we tried very hard to create that harmony... in terms of product development, because it is first in Europe, you as well have to train the manufacturers that you buy the cards from... There we've got to get through some problems. Well...knowhow about that card technology... because it is the first, the card manufacturer says, at least at the testing stage, while normally it needs to go through two stages, they say, like, "now it needs 10 stage tests"... Obtaining the hardware, we got into... We faced difficulties... because the product is a first-to-market, the firms... with whom we work intensively and at ease, they couldn't provide a solution... we tried to find our own solution... Generally, it didn't quite fit the organizations institutional standards... then a... solution was produced that met our needs."

This quotation starts with unproductive tension; the lack of harmony creates frustration (relational tension). Similarly, lack of knowhow also creates unproductive business process tension. Another source of unproductive tension in this excerpt is the interoperability which refers to temporal tension. However, they do not give up, and persist (relational tension) in developing the harmony which in turn leads to productive tension. Moreover, they persuade

their partners (productive strategic tension) to provide a solution. Thus, the productive impacts of tension spill-over the unproductive impacts of tension and the final outcome becomes productive.

More insights to the spill-over of the productive impacts of tension over unproductive impacts of tension are provided in the passage from the interview I08 below:

> **I08**: "... in KGS project it was like this. Technical specifications were prepared by A. They shared them with us. We examined the solution from A to Z. We discovered that there were missing parts in relation to us. We came together with A. again. We said look these are missing, there are security breaches in those areas etc. Now, at such points, now there are such difficulties, as a firm of course we are a solution provider in the project. We can't enforce... If they fi... if the offers are in line with their design they take them more understandingly... There are such difficulties... they are resolved, resolved but can we say that, when we look at them, are they perfect solutions? No they are not, for us."

In this passage, the unproductive structural tension between the partners due to the cross-functional challenges and unproductive relational tension (frustration regarding the attitude of partners) have been overcome by the productive strategic tension through the persuasion of the partners, despite the non-perfect solutions.

Conflict & Conflict Interaction (Figure 5-16, right side of the outer circle): on the right side of Figure 5-16, the interaction among the conflict types is depicted. That is to say, one conflict type generates another conflict type in no particular order. In these interactions, conflict becomes dysfunctional when the dysfunctional conflict spills over functional conflict. A similar result is expected when functional conflict spills over the dysfunctional conflict. On the other hand, if the interaction is between dysfunctional conflict types, the outcome becomes dysfunctional, and if the interaction is between functional conflict types, the outcome becomes functional (see Table 5-3).

Table 5-3 Conflict & Conflict Interaction Outcomes

Interaction					
Conflict Type		Conflict Type		Outcome	
Dysfunctional	+	Dysfunctional	=	Dysfunctional	
Functional	+	Functional	=	Functional	
Dysfunctional	>	Functional	=	Dysfunctional	
Functional	>	Dysfunctional	=	Functional	

Source: Developed from the field data

Dysfunctional Conflict & Dysfunctional Conflict Interaction: in this quotation, one of the interview respondents (I18) points out the conflictive situations that are dysfunctional among partners.

> **I18**: "...if I have an aim to become the market leader, eee and this, if I have a tendency of domination, if another organization next to me has a similar tendency, if it identified such a

target, same targets will create a conflictive situation with or without will. This is it. Eee NFC is one of the fundamentals of this... to talk about it on the same table, to identify it, is better than shooting each other, I think. However, here the personal ambitions of the managers, eee their subjective assessments, their trust in their previous experiences are have serious impacts to an extent,.."

This excerpt highlights the existence of dysfunctional territorial conflict (domination) and dysfunctional manifest conflict (competition). The respondent implicitly points out the dysfunctional consequences of the conflict referring to the personal attitudes.

Another example of dysfunctional conflicts which hampers market creation is portrayed in the following excerpt from an online data source (W11):

> **W11**: Mobipay's marketing morass is symptomatic of a larger misalignment of interests and experiences among Mobipay's diverse set of promoters, which has hampered its development. The telecoms always saw their involvement as a concession to the banks, which in fact were their major shareholders—a sort of shareholder tax. The telecoms' relatively tepid engagement is in part because they were accustomed to margins of over 50% in their prior content billing services (e.g., ringtones/logos purchased using premium SMS), whereas the banks were happy to operate at much lower margins... Mobipay consortium meant that... there was no sense of urgency at developing the market.

This excerpt shows that the resistance (dysfunctional manifest conflict) that thee telecoms show to promote the new market was an impeding action which resulted from their independence-seeking (dysfunctional conflict) behaviour. The result of these dysfunctional conflicts led the market creation attempt to fail.

Functional Conflict and Functional Conflict Interaction: an insightful portrayal of functional conflict and functional conflict interaction can be seen in the below quotation from an online data source (W27):

> **W27**: "What impressed me about NeraTel and NETS was their passion in working out a solution for me. They understood immediately what the situation was, and were relentless in testing and modifying their products until it was the perfect fit for my buses," added Mr Lim. NETS Chief Executive Officer, Ms Poh Mui Hoon, said, "We are very excited to be working with Plus1 and to be able to customise a solution for them. Mr Lim's vision of having a completely cashless operation is very much in line with our own aim of promoting electronic payments everywhere and it was a natural fit.

The quotation shows functional progressive conflict through functional manifest conflict. The progressive conflict lies in the persistence of the Nara Tel and NETS to find out a solution, and the functional manifest conflict is demonstrated by their attitude to accommodate their product until the other partner was completely satisfied. The functional impact of conflict is reflected in their common aim.

To further demonstrate the impacts of functional conflicts, the passage from the interview with the manager of I06 is presented.

> **I06**: "...contactless is a broad ecosystem... the roles are well defined in theory, but not in practice. Therefore all players want to take advantage of this... Partners are also rivals in this ecosystem and they all want to take a role that can dominate the market. At the moment we are watching. That is, we understood that we will not be driving the market... It is because of the banks' reinforcement in their dominating position. I don't think that the other operators are in a different position. Therefore, in the direction that the market is developing, if the owner of this business will be another party, we will be supporting this model. We will try to proceed in the model proposed. This way the market can fast proceed to success."

The respondent mentions their dependency on the other partners (functional territorial conflict) and recognizes their role in the collaboration. To achieve market creation, the respondent's firm accommodates (functional manifest conflict) any structure offered by the other partners. He believes their attitude towards this conflictive situation will result in a functional approach that would speed up the market creation.

Dysfunctional Impacts of Conflict Spill-over Functional Impacts of Conflict: the quotation from interview I01 demonstrates the dysfunctional impact of conflict overtaking the functional impact.

> **I01**: "And it happens that sometimes we get into a state that we need each other's help or take advantages of each other's position... Because they are altogether much like a community among themselves... But there are situations where some partners try to enter other partners' markets. We try hard not to enter into a war. However, the rule setting parties (Visa and MasterCard) are always avoiding resolving the issue... they try not to hurt, offend any of them...Yet in a way, this causes, well, means to get an unfair advantage for some of them. It generates a wrong role model for the future, "as long as we weren't exposed to any penalty, or any trouble, we can go on" pattern. Which in truth trust is ruined and this hampers the collaboration…"

The respondent explains the dependencies among partners (functional territorial conflict). After that, he expresses the competition among the partners which turns into a war (dysfunctional manifest conflict). The reluctant attitude, shown by the rule setting parties (dysfunctional progressive conflict), ruins the trust, and in the long term this challenges the existence of the collaboration.

Same kind of outcomes of dysfunctional conflict can be seen from other data sources. The following excerpt from the online data source W11 provides further insights:

> **W11**: "The leading mobile operators in Europe sought to go beyond channelling customers' payment instructions. They devised a scheme called Simpay to put their own billing platforms at the heart of a new small-value payments system... With the advent of new third generation networks, operators saw much larger mobile commerce opportunities... It failed to navigate through the increasingly diverging strategic interests of its own backers, and the multioperator, pan-European nature of the service proved more technically complex than the market opportunity justified."

The functional territorial conflict can be seen from the dependencies on new commercial opportunities. However, this functional conflict turned into dysfunctional manifest conflict

through the individual strategic and rivalry approaches of the partners. As a result, the project was discontinued.

Functional Impacts of Conflict Spills over the Dysfunctional Impacts of Conflict: the following excerpt from an online data source (W33) demonstrates the dysfunctional manifest conflict (resistance). However, the functional progressive conflict (compromise) takes over this dysfunctional impact, and the overall outcome becomes functional.

> **W33**: There was definitely resistance when mobile commerce and finance were being evaluated by the banks and financial institutions... We partner with the institutions to create separate and independent servers that possess their own security features, and that was where the parties involved put real-time information regarding customers, payments, coupons and discounts. We co-managed whenever possible rather than one partner trying to dominate. We understood, as did the financial institutions, that an independent system would benefit the end users and increase efficiencies and ease of use.

The interview with another respondent (I28) also underlines the spill-over of functional impacts of conflict over dysfunctional impacts

> **I28**: "there is conflict of interests. Conflict of expectations... So, you are killing some sort of businesses of Eee... ecosystems. The partners in those ecosystems are no longer needed... That's a real difficulty... and increases the entry barriers, creates a very serious barrier. – I can say it is very difficult... sometimes win-win-win, even win-win-win-win, it goes on like this. So there must be an alliance where all parties win. When some parties benefit more, this attracts the others' attention. In this relationship, I think, V. might be one of the least benefitting, probably, from the point of financials, because there is no fee difference between a normal card and a contactless card..."

The respondent here explains how partners overtake other partners' markets during market creation through the uncertain environmental conditions (dysfunctional manifest conflict). On the other hand, this opens new opportunities and helps all parties to win based on accommodation (functional manifest conflict) and compromise (functional progressive conflict). Therefore, this functional approach offers a win-win-win situation for all parties.

Until this point the outer circle of Figure 5-16 has been explained through the within-group interactions and quotations from the data. The following section will now explain the inner circle where tension and conflict interactions take place.

Tension and Conflict Interaction (Figure 5-16, Inner circle): the vertical interactions in Figure 5-16 look at the within-group (within tension or within conflict) interactions. However, according to the data, the dynamic cyclical interactions are not limited to within-group interactions. In effect, interactions across groups happen simultaneously together with the within-group interactions. Following a similar approach with the preceding sections, these interactions will be depicted through the help of the data.

The first example is derived from an online data source (W28) that provides insights to the interactions across tension and conflict groups.

> **W28**: "…cellcos' view that they need to recoup the cost of adding NFC to phones through the provision of contactless payment service alone is shortsighted. That said, he noted that cellcos must be careful not to try to extract too much out of the transaction value chain, and should look instead to generate revenues from hosting applications and from the traffic generated by application downloads and associated banking services. While many suggest cellcos play a vital role in pushing NFC into commercial use and in dictating the production of the volume of NFC handsets, others say support from the merchants and retails… is equally important to make NFC mobile payment services a success… They are the one that are going to push it and the one that would have physical contact with customers.' But to create momentum from retailers, the industry needs to add value or create a business case for retailers, in the same way one is required to convince cellcos to move toward NFC deployment, he says."

The quotation starts with the relational tension which is shown in the expression "short-sighted". This is followed by progressive and manifest conflicts which suggest telcos should compromise and accommodate their competitive activities. Furthermore, it is also possible to observe the implicit territorial conflict through the mentioning of the dependencies highlighted as a warning "not to extract too much out of the value chain". Territorial conflict becomes more explicit when the importance of merchants and retailers are highlighted. Following this, strategic and process tensions among partners are depicted by first expressing the need for retailers to be involved, and then by mentioning the "creating a business case" for the retailers accordingly. Thus, this quotation demonstrates several tension and conflict types taking place in the act of market creation, in no particular order.

To understand these complex relations, it is important to refer to the data for more insightful examples. If the passage from the interview I17 is reviewed, a different portrait can be seen compared to the previous excerpt.

> **I17**: "Of course people have market effectiveness, career plans. Personal relations are in place. A compromising approach is adopted. The market is progressing so fast that the back-plan issues are not progressing in a parallel speed... In collaborations, technology firms, for instance, are the solution partners... For instance, a 6-month conversion period is given. If they are subject to this period, they are obliged to... if the banks which have big market share cannot achieve the given period, then an extra time is allocated. It is necessary to protect the market... Therefore the benefits of both side needs to be protected. In the end, the powerful one wins. For this reason you need to stand strong... Sometimes the big ones can force to reach to such decisions. It is necessary to sense these. The decisions opposing the big ones are never reached... Naturally, these types of problems delayed the process."

In this passage, the respondent refers to strategic tension by explaining the issues related to social relations. In the meantime he also expresses that this strategic tension gives way to progressive conflict (compromise). Further into the passage, he refers to time pressure (temporal tension) and accommodating bigger partners (manifest conflict and territorial

conflict due to the domination). He then explains that smaller partners need to be persistent (relational tension). In this passage, the outcome is determined by unproductive temporal tension (delay in the creation of market). In this specific example, the productive tension, through the creation of a business case and involvement of retailers, facilitates market creation. Specifically in this example, the business process and structural tensions outweigh the other tension and conflict types. This is implicitly expressed throughout the quotation from start to end: the requirement for the involvement of other partners (strategic tension) and the importance of the business case (business process tension).

Another portrayal of these interactions is illustrated in the quotation from interview (I04).

> **I04**: Actually... we didn't need the banks... We have a system of our own, which is already taking place and the banks don't exist in this... Banks discovered this potential while they were collecting money from the public transportation and gas stations. Banks didn't have clue regarding the ISO 14443 standard. Therefore they needed collaborations... In this system there are at least 3 parties, the bank, A., and the firm. It should be a win-win-win for all. You are serving to the end user, the service should be smooth, and otherwise they will not use it. For example, Dentur assessed our capabilities and called us. Now they are working with us. I took the bank to Dentur with me. I told the bank that I will be your 3^rd party provider. It is a very good system, which is working now.

In this quotation, the tension and conflict are implicit. The respondent refers to cross-functional challenges (unproductive structural tension) and unproductive business process tension which is expressed in the lack of know-how regarding standardizations. On the other hand, he is aware of the functional outcomes of these tensions, as he explains the need for collaborations (dependency, functional territorial conflict). Although he refers to the dependency of the banks, by inviting them to a business sharing meeting, actually he reveals their dependency on the banks. Therefore, he says it is a win-win-win situation for all parties. As can be read from the last part of the quotation, functional conflict spills over the unproductive tension.

It is possible to increase the number of these examples. However, if all the possible interactions with in groups are considered, the interactions across tension and conflict become endless. Moreover, as these interactions take place in a dynamic cyclical manner, it is difficult to decide whether tension or conflict causes the final outcome. The positive or negative direction of the outcome is clear, but the complexity comes from the dynamic cyclical interaction between tension and conflict. The illustrations given in this section underlines the cyclical dynamic interactions between tension and conflict. Yet, the complexity of these interactions limits a clear understanding of the impacts of productive, unproductive tension, and functional, dysfunctional conflict on market creation. Thus, a

framework, which explains these complex relations, has been developed (see Figure 5-17). These relations will be explained in the next section by illustrations of data.

5.3 THE IMPACTS OF INTERORGANISATIONAL TENSION AND CONFLICT ON MARKET CREATION

By evaluating the partner attitudes that stem from the intertwined tension and conflict types, it is possible to describe the impacts of the productive, unproductive tension, and functional, dysfunctional conflict on market creation. The conceptual framework in Figure 5-17 makes clear the interactions between tension and conflict, and their impacts on market creation. The Figure 5-17 represents a two-dimensional diagram where interorganisational conflict is located on the X and interorganisational tension is placed on the Y axes. The X axis depicts functional and dysfunctional conflicts, and the Y axis depicts productive and unproductive tensions. Subsequently, the diagram explicates the level of market creation based on the combination of tension and conflict in four quadrants each of which will be discussed in turn.

Figure 5-17 Market creation Framework.
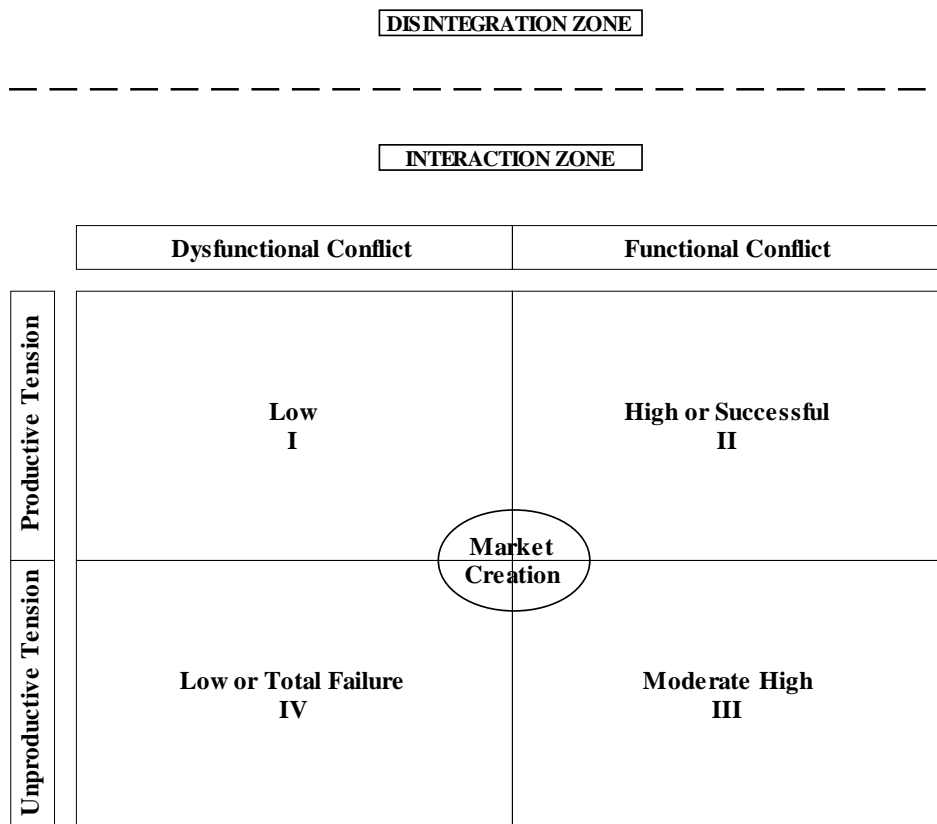
Source: Field and secondary data

Quadrant 1 – Low Market creation: this quadrant represents the low level market creation practice due to the spill-over of dysfunctional conflict on productive tension. The

dysfunctional impacts of conflict slow down market creation practice, or limit its expansion. The excerpt from an interview (I07) describes this situation:

> **I07**: "...in 2008 the devices were ready, but we couldn't manage to sign any contracts with the 70 local authorities visited over a three month period. None of them was convinced about the project! The reason for that was lack of any models running to prove the project. They asked if we had done this project in any other places. We didn't have the project running in any other places. Hence, we couldn't do it. This didn't stop us. Actually, it triggered our motivation. Following this, we sat down with one local authority, after long negotiations, with no charges or fees transferred, completely complimentary, all the investment on B.A., we finally agreed on the terms and conditions, but only for 15 public buses, for a three-month period."

The quotation first expresses the dysfunctional manifest conflict (resistance) by refusing the project, and then the dysfunctional progressive conflict (reluctance) by allowing only 15 busses for a three-month period despite the cost waivers from the other party. The productive strategic and relational tension can be seen in the persuasion techniques used by the partner, and their enthusiasm to the project. This quotation shows how dysfunctional conflict slows down market creation (three-months and limited number of service stations).

According to the data, partners facing these types of burdens do not quit market-creating practice. Using the impacts of productive tension, they try to overcome these issues and create the market. As in the example, this first project becomes their flagship project to convince other local authorities in later stages. Similar results can be seen from the quotations previously discussed in the Tension and Conflict Interaction subsection.

Quadrant II – High or Successful Market creation: this quadrant explains market creation through the existence of productive tension and functional conflict. In this quadrant the productive and functional impacts of both tension and conflict increase the likelihood of market creation. This situation is explained by the following excerpt from the I15 interview:

> **I15**: "First, we worked quite hard as for the technical part (of it), after rather long lasting working with MC, MC's certifications, many of which we formed, surly after us they changed many things on them by using their experience in technical aspects… MC was ready but we said to them "look we do it that way, but because such and such reactions in the market and on the merchant side, there are such and such effects. We work very close also with G., with the card vendor, I., V., POS vendors. …we all sat down and determined that, I mean something of the standards together. The sentence I used may seem a little... ostentatious. If not, say "identified the standards", we at least assisted all the parties in the sense of our experiences."

The above quotation displays productive structural (flexibility) and productive strategic (persuasion and leadership) tension by expressing how they revised the technical standards, and describing how these standards need to be developed. At the same time, the dependence and accommodation that the other partners went through to achieve market creation represents the functional territorial and functional progressive conflicts accordingly.

Subsequently, these positive impacts (both tension and conflict) lead partners to create the market. This is usually observed in first-to market activities. It can be argued that partners aiming to create a market, and who have an agenda of leading this entrepreneurial activity in the industry, simply work towards their targets and implicitly use tension and conflict as a market enabler.

Quadrant III – Moderate High Market creation: the interaction of unproductive tension and functional conflict leads to market creation. However, this market creation practice does not aim at first-to-market activity. That is, other firms or collaborations are also working towards creating a similar market with little variances. Thus, despite the market creation, it becomes a moderate action, often accompanied by similar products and services offered by other firms or collaborations. An example of this is tablet PCs and e-book readers (a very limited version of tablets). Amazon is improving its e-book readers to imitate tablets by adding browsers, apps and internet access.

In SK Telecom's case, the business model uncertainty led to "market avoidance" by the partners (unproductive tension). Yet, with the help of functional conflict, which was reflected in their attitudes as an accommodation (functional conflict), they were able to create the market as the next quotation explains:

> **W33**: "We learned and found out how to create business models that could be a win-win for the finance and mobile sectors; we found the common goals and worked hard to develop a sophisticated infrastructure for mobile payment and mobile commerce with key partners here in Korea."

Quadrant IV – Low or Failure in Market creation: when both tension and conflict produce negative consequences, the market creation practice is hampered. Therefore, this leads to either very low levels of market creation, or a failure to create the new market. Several examples of this situation already exist in the past. Within the payment cards industry, only in the UK did the move to chip enabled cards from magnetic stripe cards take over ten years (M'Chirgui, 2009). The passage from an interview (I11) shows how this dynamic works:

> **I11**: "...But then there was such a formation, of course, because GB has started this business earlier, GB decided to this business with TC eee in some ways, but later, I suppose they had some problems in their relations with TC and so, finally, this happened, this eee... under this formation 6 banks said yes we want to go on with this project through BBB. And within this scope some communications were carried on. On behalf of those 6 banks, there are also big banks in this formation. Eee... but this didn't happen; with TC eee... one or two banks, an important bank which was not under this formation, a deal with TC was not possible…"

According to this quotation, the NFC project was not possible, despite the attempt of the six banks, together with the regulating authority in the card business, because there was

unproductive political tension (social relations) that hampered the attempt in the first place. Furthermore, existence of dysfunctional manifest conflict *(*competitiveness) led the project to a failure.

In the framework there is one more dimension, which is termed as "**Disintegration Zone**". Based on the data, when partners insist on dominating the collaboration (territorial conflict) and insist on their own models to be adopted structural and relational tension, the impacts of both tension and conflict become excessive. At this stage partners move into a turning point and the collaboration usually ends in dissolutions. The quote from the I24 interview below explains this perspective.

> **I24**: "Our aim is to make them start working on the business models. We are implementing some of them to be a role model, encourage them or the right models to emerge, or the rights and wrongs to be understood by the market and new models are developed accordingly, we think. For that reason, we are not in a position to wait for the banks. Therefore, not all our NFC applications are bank dependent. Banks have such issues. Only ban... they focus only to banking applications, they see the rest as extensions, like transportation etc. However, these are NFC systems for us, transportation is a main business and no less important than payment systems or the others, access control, identity management, all these are business areas for us at least like banking. Consequently, we do not have to wait for the banks there."

In fact, the collaboration above dissolved shortly after this interview. The parties decided to end the collaboration and allied with other partners to continue the market creation. The productive and unproductive business process tension ("role model implementation to encourage them"), the unproductive structural tension (the rights and wrongs to be understood), and the dysfunctional progressive as well as territorial conflicts (through, domination, independence and enforcement) can be seen through the words of the interviewee. Consequently, the evidence from the data shows that interorganisational collaborations have different strategic approaches towards market creation under the impact of interorganisational tension and conflict. In the next section, this study proposes a typology of interorganisational collaborations based on these strategic activities.

5.4   A TYPOLOGY OF PARTNERING FIRMS

As the data illustrated in the previous sections, interorganisational collaborations generate deviating reactions towards the intertwined tension and conflict. To understand these strategic actions, a two-dimensional typology derived from the literature, and the qualitative findings of this research, is proposed (see Figure 5-18).

Figure 5-18 Typology of interorganisational collaborations derived from the field data.
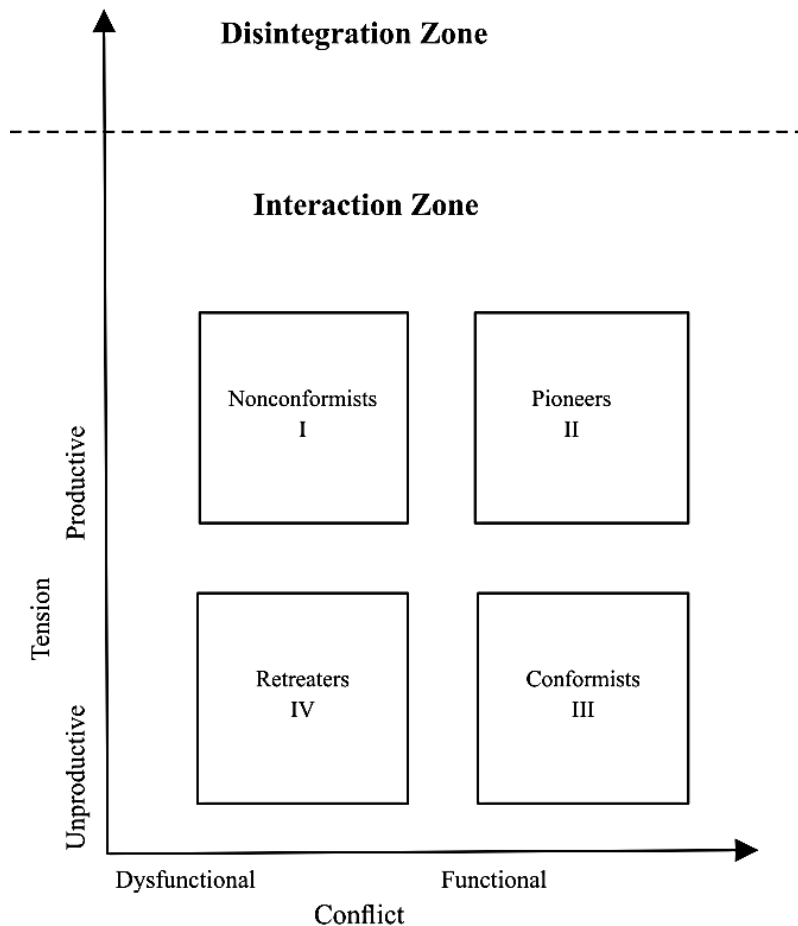
Source: Field and secondary data

Based on the triangulated data, the typology divides into four quadrants through tension in the "Y" and conflict in the "X" axes, (Figure 5-18). The two modes of tension are productive and unproductive, and the two modes of conflict are functional and dysfunctional. The four quadrants, which fall into the tension and conflict axes, symbolize the strategic actions of the partners within collaborations during market creation. The following sections will discuss these quadrants and their relevance to interorganisational collaborations' strategic achievements.

Quadrant I – Nonconformists: In this quadrant, the reaction to productive tension and dysfunctional conflict is indicated by a set of nonconforming activities. In the presence of unproductive tension and conflict, nonconformists act to pursue their own expectations. The tactics of the nonconformists involve establishing elaborate opposing plans and procedures in response to collaborative requirements to avoid implementing them. However, this non-

conformist attitude also helps innovativeness through ignorance of existing cultural norms. Respondent TC expresses these reactions:

> **I24**: "…our NFC model is not limited to payment systems… Therefore, NFC is not limited to a collaborative project that is limited to banks. It is a broad ecosystem. As a result, we do not have to wait for the banks to introduce this ecosystem…We are implementing the solutions. Then, our aim is to make them start working on the business models."

This innovativeness is induced by the productive tension among the partners, rather than the dysfunctional conflict. If the dysfunctional impacts of conflict become excessive, the partners in this quadrant are more likely to move to the **Disintegration Zone**. The quote below is an example of this:

> **W20**: "The A committee has taken steps to facilitate the coordination of standards adoption between all the interested parties (retailers, payment networks, banks, mobile network operators, and phone manufacturers) to prevent a babelian*[sic]* hodgepodge of conflicting and competing technologies with the new mobile payment form factor….when we asked about Apple's involvement in the standards groups, he stated, "They're the 800 lb. gorilla, but they don't join standards groups, they don't participate, and they don't cooperate… as to Apple, we all knew they would jump in- it was just a matter of time. I think ISIS forced timing. To my knowledge Apple is not involved in any industry initiative for mobile or mobile payment. They continue as IBM of the 60's and 70's."

As the above passage points out, there is an initiative to overcome the dysfunctional conflicts through interorganisational collaboration. However, some organisations do not participate and "create their own models". In the final outcome, these different approaches will not produce significant differences, as can be seen from the following excerpt:

> **I24**: "…Therefore, who can reach the customer in the most appropriate, fastest manner... we do not have a certain issue of reaching there alone. However, we are already providing an access to the customer. We are considering how the banks, banking system or we can provide financial services over that. It is not a competition, we are separate, and we are indeed opening our channel to the banks… If they do not change…, the dimensions of the competition becomes different."

Regardless of the dysfunctional conflict that leads these firms to the **disintegration zone,** productive tension changes its direction and becomes individually oriented and helps them to create new collaborations for new projects (See the quotation below):

> **W03**: "While Apple and Samsung battle it out in the courts over the design of the iPad compared to the Galaxy Tab, and vie for top spot in the smartphone market, the US company is relying on its rival for the essential processor in its tablet. The A5 processor – used in the iPhone 4S and iPad 2 – is now made in a sprawling factory in Austin, Texas, which is owned by Korean electronics giant Samsung, according to people familiar with the operation."

 Quadrant II - Pioneers: In market-creating conditions, pioneering firms can be defined as institutions having influence over the routine market direction which usually leads to market change (Schneider, 2002). Examples of these are Apple, Microsoft and AOL. Pioneers

shape markets and collaborative outcomes, and receive a disproportionate share of the collective benefits which, under productive tension conditions, are distributed along the collaboration. An example of such leadership is the partnership between Apple and Samsung where productive tension and functional conflict help both firms enjoy their collaboration whilst vying a market leadership.

> **W37**: "Apple doesn't make the iPhone itself. It neither manufactures the components nor assembles them into a finished product… This puts Samsung in the somewhat unusual position of supplying a significant proportion of one of its main rival's products… Apple sued Samsung … over the design of its Galaxy S handset…But the two firms' mutually beneficial trading relationship continues… Apple also became the world's largest supplier of smart phones in the second quarter (see chart), with Samsung in second place."

Quadrant III – Conformists: The partners which fall into this quadrant can be defined through their agreement with the collaborative decisions to achieve interorganisational common tasks (Merton, 1959; Oliver, 1991; Vit, 2007). That is to say, conformists are the organisations which choose both to accept the goals of the collaborations and accept the standard means by which to attain their goals. Depending on the characteristics of the market at hand, the tension among partners becomes unproductive. The creation of a new market, and conformists' inability to change the conditions, are the main reasons for this type of tension. This is reflected in the quotation from the I18 interview:

> **I18**: "…on the discussion table, the offer is not good for our interests, we don't accept this… Do you have a position to change it? No, there is not. Will opposing it, affect your institution's position badly? Yes, it will. Why do you object then? They saw that they had to agree with this by withdrawing and signed"

Quadrant IV – Retreaters: This quadrant reflects the interorganisational collaborations that are subject to unproductive tension and dysfunctional conflict in market-creating conditions. Organisational destructiveness occurs when unproductive tension and dysfunctional conflict over-shadow collaborative constructive goals and weaken social exchanges. Nokia's recent reaction to the contactless payments market is an example to the strategic "*retreat*":

> **W30**: "We have witnessed the shift in power from Nokia the Finnish company that had dominated mobile phones for so long to a range of companies (including HTC, Samsung, LG and Motorola) aligned under the Android banner… Anyway the first immediate observation here is that Nokia is struggling in the application world against Apple and the up and coming stores surrounding Android and possibly the Blackberry App World where RIM is now focussing considerable attention… Up until this point Nokia had a reputation for magnificently engineered products, they were reliable and worked extremely well as mobile phones… The jump into operating systems for 3rd party developers was to become a battle in which the final outcome has been Nokia's withdrawal from phone operating systems with the loss of many jobs in R&D, critics have said as many as 6,000 heads from a total R&D size of 13,000. Nokia never managed to match that intuitive and sexy feel of the iPhone, the software was often buggy and even today the user interface can be obscure."

5.5 CHAPTER SUMMARY

This chapter presented the second part of the findings of the study. The analysis was structured around the amplification of the dynamics between the interorganisational tension and conflict in market creation. The data showed that social interactions provide bases for interorganisational tension and conflict that lead to dynamic interactions between the two. Furthermore, both interorganisational tension and conflict have two-dimensional impacts on market creation. While the productive impacts of tension assist collaborations to accomplish their market-creating tasks, the unproductive impacts of tension hinder market creation and risk the future of the collaboration. In terms of conflict, the findings of this study contributed to the previous literature by demonstrating the functional and dysfunctional impacts of interorganisational conflict in market creation. In this chapter the dynamics of these impacts were also discussed. Finally, to amplify the relationship between tension conflict, and its impacts on market creation, a typology is developed that demonstrates the strategic actions of collaboration partners. The next chapter will focus on the discussions of the study.

6 CHAPTER SIX: GENERAL DISCUSSIONS

CONTENTS

This chapter presents a discussion on the main findings of the study. The chapter starts with interorganisational tension and its two-dimensional impacts on collaborations. The discussion on interorganisational conflict follows this section. The chapter continues with the interactions between the interorganisational tension and conflict where the market-creation practice is explained through the proposed framework. Finally, the typology of firms in interorganisational collaborations is discussed through the productive, unproductive and functional, dysfunctional conflict.

6.1 INTRODUCTION

This study adds and expands the interorganisational tension and conflict concepts and their impacts on market creation practice. The core theoretical contributions of the study are a dynamic framework that portrays the dynamic interactions between interorganisational tension and conflict on market creation practice, and a typology of market-creating interorganisational collaboration partnering firms. The dynamic interactions take place between and across productive, unproductive tension and functional, dysfunctional conflict. Collectively, the framework and the typology, explicate how market creation practice develops across interorganisational tension and conflict dimensions and the strategic attitudes of collaboration partners that are subject to interorganisational tension and conflict.

Fundamental to these contributions is the findings of this study which revealed six interorganisational tension and three interorganisational conflict types. Furthermore, a major characteristic of interorganisational tension is that it has two dimensions: productive and unproductive. However, it is the intertwined nature of the interorganisational tension and conflict that influences the market creation. More specifically, according to the findings of this study, the dynamic association between tension and conflict has significant impacts on market creation.

In the following sections, interorganisational tension types and their two-dimensional impacts are discussed first. Next, interorganisational conflict is discussed from a dynamic interactions perspective among conflict types. This section is followed by the impacts of the interactions between interorganisational tension and conflict, which is depicted through a conceptual

framework on market creation. Finally, a typology that demonstrates the partnering firms' strategic attitudes under productive, unproductive tension and functional, dysfunctional conflict is explained.

6.2 INTERORGANIZATIONAL COLLABORATIONS, TENSION AND CONFLICT AS MARKET CREATION MECHANISMS

The findings of this study suggested that interorganisational collaborations, tension and conflict are the three mechanisms of market creation. Although the development of various forms of products and services poses interesting and important issues for the theory of market creation (Akerlof, 1970), according to Storbacka and Nenonen (2011), markets are socially constructed human artefacts. Araujo (2007) suggests that market creation practice needs more distributed and heterogeneous sets of practices and bodies of expertise such as interorganisational collaborations. Dimara et al. (2003) also note the social interactions happen in the micro environment of market creation practice, where firms collaborate to eliminate uncertainties related to the market creation, and expose themselves to interorganisational tension and conflict. Thus, collaborations are used to create new markets (Dacin et al., 2007). Yet, by collaborating, market-creating firms expose themselves to partner-related issues, such as tension and conflict (Santos and Eisenhardt, 2009).

Institutional theorists explain markets through the market mechanisms, such as governance, legal, reputational, organisational and contractual (Hadfield, 2005). These mechanisms describe the established markets, where, for example, it is possible to observe the governance models or the contractual agreements between the market actors. However, as North (2005) has noted these, approaches are limited to explaining the mechanisms associated with market creation practice. Thus, by looking into the micro environment, this study has identified that interorganisational collaborations, tension and conflict have significant impacts on market creation. In effect, the uncertainties stemming from the creation of new markets facilitate collaborations among not only similar firms, but also competitors, as collaborations have the capacity to reduce market related uncertainties (Lee and Paruchuri, 2008). That is, on one hand, market creation generates new profitable business opportunities that require collaboration of firms from various industries. On the other hand, market-creating firms expose themselves to further complications, such as tension and conflict (Russo, 2001; Sarkar et al., 2001). Santos and Eisenhardt (2009) suggest that in market creation conditions, when firms collaborate to minimise environmental uncertainties, they in fact find themselves struggling with ambiguities associated with collaborations. Consequently, these ambiguities and environmental uncertainties cause tension and conflict. However, neither tension nor conflict is limited to the partner relations.

Market creation practice bears tension and conflict, which in turn help the creation of markets (Acs, 2005; Aspers and Darr, 2011; Bowman and Hurry, 1993).

Despite these arguments in market creation literature and a few studies that suggest productive tension aids market creation (because it enables creativity and innovation) (Isaksen and Ekvall, 2010; Lichtenstein et al., 2007; Perez-freije and Enkel, 2007), the previous literature do not explain how these mechanisms facilitate market creation practice. Furthermore, they approach these mechanisms individually as if all three of these mechanisms act in isolation. Although understanding the individual impacts of collaborations, tension and conflict on market creation practice is valuable, this perspective neglects potential relationships and interactions among these three market-creating mechanisms and does not address the level of market creation. Yet, the findings of this study have suggested significant implications regarding the association of these three mechanisms and their impacts on market-creation. The inevitability of tension and conflict in collaborations has been the subject of previous studies (Das and Teng, 2000; Jehn, 1995). Consistent with these arguments, this study further suggests that market creation depends on both productive, unproductive tension and functional, dysfunctional conflict. Moreover, the six tension and three conflict types identified in this study explain how these tensions and conflicts are generated through the strategic activities of partners. The interactions within tension and conflict types and their impacts on market creation practice is particularly important, as these findings suggests a role for interorganisational tension and conflict and emphasizes their impacts on market creation practice. The next section will discuss these significant findings accordingly.

6.3   INTERORGANISATIONAL TENSION IN MARKET CREATION

Market creation theorists argue that tension is necessary for market creation practice because it enables innovation, creativity and the creation of new markets (Lewis et al., 2002; Lichtenstein et al., 2007). Furthermore, ambiguities associated with market creation practice lead firms to collaborate (Santos and Eisenhardt, 2009). Subsequently, collaborating with other firms generates tension due to the strategic activities; the trade-off between the coordination and competition requirements, as well as the explorative and exploitative motives of the partners (Das and Teng, 2000). Despite the productive impacts of tension on market creation practice (Lewis et al., 2002), interorganisational tension can also be detrimental to collaborations (Das and Teng, 2000). Building on these opposing impacts of tension, this study has looked into the dynamics of collaborative market creation and amplified the current understanding of tension by suggesting that tension is not limited to

new product development, but it has a wider influence on market creation. While preceding arguments are helpful in suggesting the significance of tension in interorganisational processes, they do not explain the interorganisational tension concept and its impacts on market creation.

Thus, before moving to the core contributions of the study, it is important to explain the wider concepts that are fundamental to these contributions. One of the key contributions of this study is the identification of six different interorganisational tension types and their productive as well as unproductive impacts. This section first discusses these six interorganisational tension types (structural, political, strategic, temporal, business process, and relational), then deliberates the productive and unproductive impacts of tension on market creation practice.

6.3.1 Structural Tension

The findings of this study showed that one of the key tension types in market-creating activities stems from structural challenges among partners. Interorganisational relations, which are intentional establishments formed to achieve common goals (e.g., common interorganisational tasks), survival and legitimacy, often, depend on values, ceremonies and rituals (Jermier et al., 1991). This is especially more visible in the creation of new markets as the classical organisational values, routines and rituals would seek for uniform, recurrent tasks (Jermier et al., 1991). Yet, constructing a new market will bring into play the non-uniform market-creating tasks (Litwak, 1961). In effect, Santos and Eisenhardt (2009) refer to these activities as institutional entrepreneurship. This argument also accords with the findings of this study where some market-creating tasks are observed as uniformities, such as market standardization.

Current literature also argues that market creation activities require rapid adaptive organisational processes, where flexible approaches are needed (Hatum and Pettigrew, 2006). Santos and Eisenhardt (2009) explain this as: *"…it is in the nature of entrepreneurs to deal with ambiguity through social construction…"* (p. 665). Furthermore, achieving common collaboration tasks involves partners from different firms to work together (Song et al., 1997). Even in single organisations, working in cross-functional groups (such as marketing, operations, human resources and production) produce challenges for the group members (Lovelace et al., 2001). This study demonstrated that these challenges increase within the interorganisational settings. In Chapter Four, Section 4.3, p. 123, several passages discussing the triangulated data portrayed the issues arising from the structural issues that the members face, such as difficulties in understanding the technical requirements and

developing their own solutions. To complement this, interorganisational collaborations face uneasiness and tension due to the hierarchical structures. Hierarchy is a coordination structure tool used within interorganisational collaborations (Alexander, 1998). Supporters of the transaction-cost economics perspective underpin the requirement for a hierarchical structure within collaborations (Clegg et al., 2002; Zajac and Olsen, 1993). However, it is evident from this study that due to the uncertainties associated with market creation, implementing a hierarchical structure becomes unmanageable. That is because; the fundamental institutional norms are challenged by the creation of a new market.

Thus far, literature on interorganisational collaborations focused on structural governance of collaborations to understand their characteristics (Lew and Sinkovics, 2012; Ring and Ven, 1992) and mentioned the tension between individual and collaborative expectations (Di Domenico et al., 2009). From the market creation perspective, market-creating organisations are vulnerable due to the higher levels of institutional voids (Aldrich and Fiol, 1994). These vulnerabilities are related to both internal (structural issues associated to the collaboration) and external (competition, supply and demand levels) uncertainties (Anderson and Gatignon, 2005). Sarasvathy and Dew (2005) posit that institutionalism is the response to the uncertainties related to market creation. Thus, an implication of this study is to elucidate the structural issues that cause tension, among market-creating collaboration partners, rather than identifying the structural characteristics of the collaborations.

6.3.2 Political Tension

The findings of this study show that political tension in market-creating interorganisational collaborations arises from different political manipulations of and by the partners in order to achieve their expectations. Political manipulation has been identified as a common strategy in interorganisational collaborations to reinforce their decision preferences (Hoyt, 1997). Santos and Eisenhardt (2009) conceptualized anti-leader positioning as one of the political strategies used by collaborations while creating markets. While this study corroborates Santos and Eisenhardt's (2009) concept of anti-leader positioning, it also augments the concept by other political mechanisms that partners use to achieve their expectations: lobbying and social relations. Indeed, interorganisational collaborations use political manipulations to effect the collaborative decisions (Hoyt, 1997). For example, the data showed that they use industry conferences to get together and meet either in formal or informal gatherings to discuss their issues alongside the conferences. In general, they try to influence other partners towards their direction.

Fligstein (1996) states that partners assess other partners' political advancements to balance the individual and collaborative expectations, and position themselves accordingly. These political manipulations are important as they determine the direction of the new market creation practice by influencing the collaborative decisions (Hoyt, 1997). This study is consistent with these arguments regarding the political manipulations among collaboration partners. However, while the literature focuses on the dynamics of political manipulations of, and by the partners (Hoyt, 1997; Lenway and Rehbein, 1991; Sharma and Kearins, 2011), this study looks into the impacts of these manipulations on market creation practice and conceptualizes them as political tension.

6.3.3   Strategic Tension

Strategic tension emerged as an alternative tension type that has impacts on the achievement of market creating tasks in collaborations, which in general, stems from interdependencies among partners. Bird (1988) argues that persuasion, leadership, and changing others' behaviours are crucial in achieving the common goals. The findings demonstrate that in interorganisational collaborations, despite interdependencies, partners have individual strategic aims and expectations. For instance, while some partners adopt more "elitist" missions and aim at niche markets, other partners prefer to reach to larger masses. Similarly, the data reveal that within the collaborations there are some partners who do not want their brand identity to be associated with other partners. Thus, to achieve their market-creating tasks, they use strategic manoeuvres. Chen and MacMillan (1992) argue that these strategic activities are not different to firms' offensive and defensive activities in markets. Only, in interorganisational collaborations, partners are expected to work together to achieve their tasks due to the existence of interdependencies.

According to the findings of this study, there are several strategic tactics partners employ when creating markets. In effect, the uncertainties associated with market creation conditions provide opportunities for partners to employ these strategic tactics. For example, some partners choose to impose their "own models" as the industry standards, and use persuasion as a means to convince other partners. However, these strategic tactics often initiate resistance (Enns et al., 2003; Falbe and Yukl, 1992) and coping mechanisms in response (Friestad and Wright, 1994). Consistent with these arguments, the findings of the study further suggest that the trade-off between these strategic activities and the responses given by the partners develop into strategic tension. As a result, strategic tension has important impacts on market creation, as these strategic activities affect the outcomes of the collaborative tasks.

6.3.4 Temporal Tension

The third interorganisational tension type that emerged from the findings of this study is temporal tension. Temporality and its significance have been the subject of management and new product development literatures (Cohen et al., 1996). When creating new markets, timing of the market entry becomes one of the most important factors (Cohen et al., 1996). According to the data, partners use temporal mechanisms such as market entry, retarding, and interoperability as a means of protecting themselves from the lack of stable and reliable technological linkages related to the market-creating tasks. Cohen et al. (1996) argue that temporal issues cause extra costs to the collaboration in the event of market creation. Eventually, temporality determines the successful creation of the market by a specific collaboration (Lilien and Yoon, 1990).

On the other hand, evidenced in this study, the collaborative mission of creating a new market at the right time exerts pressure on all partners. It is also possible that temporal issues are generated by the deliberate activities of the partners. For example, when partners are not convinced by technical solutions (interoperability) provided by other partners, they are often reluctant to complete their collaborative tasks and enter the market. Alternatively, a partner's mission to be the first-to-market generates time pressure on all partners. This study contributes to the theory by identifying the temporal tension generated by the technical, managerial and strategic issues in collaborations.

6.3.5 Business Process Tension

The fifth interorganisational tension type is the business process tension. The difference between the planned and the actual processes of the market-creating tasks, such as the missions and the market standardizations generate business process tension. The likelihood of business process tension increases with the growth in this gap. Market creation in interorganisational collaborations require a business plan as a prerequisite which assumes that partners have the necessary knowledge and skills to establish the new market. However, there is often a difference between the actual finished processes and the planned ones which causes business process tension (Shrum et al., 2001). For instance, Chesbrough and Rosenbloom (2002) argue that uncertainties in business models result in significant financial losses, and sometimes withdrawals from the market. The knowledge paucity and absence of standards are other reasons that business process tension develops.

Fligstein and Sweet (2002) explain that in order to avoid the uncertainties associated with the creation of new markets, firms try to stabilize them by acquiring know-how and standardizing the market. However, the process of acquiring the know-how and establishing the standards are difficult in a market which is still in its emerging state (Sharma and Kearins, 2011). For example, the standards are not clear and partners want to enforce their "own" models. These uncertainties affect the acquisition of knowledge, as the know-how that can be obtained from internal and external resources is also not yet developed due to the newness of the market. Subsequently, under these conditions partners find themselves often dealing with business process tension.

6.3.6 Relational Tension

The final tension type identified in this study is relational tension. Relational tension is produced when there are individual discrepancies and dissatisfactions among partners which are the result of social interactions in which the rational attitudes are overlooked. The individual and common expectations of collaboration partners represent opposite extremes of a spectrum. Equilibrium is necessary to have a balance between the ends of the spectrum. Partners use several methods to achieve not only collaborative, but also individual expectations. These methods have a tendency to develop into relational tension while establishing the balance in the equilibrium. An indicator of this is the enthusiasm of partners. That is to say, when the collaborative market creating tasks are in line with their individual expectations, they become over enthusiastic. In such cases, this enthusiasm needs to be reciprocated by the other partners (Parkhe, 1998). However, this is not always the case, and unshared enthusiasm can harm the collaborative expectations.

Another cause of relational tension is the frustration among partners in interorganisational collaborations. According to Kauser (2007) *"…Frequent disagreements in a relationship tend to cause frustration and unpleasantness, and thus result in dissatisfaction."* (p. 9). When each partner insists on his or her own expectation, frustration, and hence relational tension, is unavoidable. Avoidance is also used as a mechanism to deal with dissatisfactions arising from the discrepancies regarding the collaborative tasks (Kankanhalli et al., 2006). However, Montoya-Weiss et al. (2001) suggest that avoidance is detrimental to collaborative tasks and performance, as it hampers the achievement of the tasks. Consequently, an implication of this study is developing the understanding of relational tension that is generated by the general dissatisfactions and tension coping mechanisms. Relational tension is important in market-creating collaborations, as the findings of this study suggest it is central to the other tension types. That is, relational tension can be generated along with all other tension types.

Building on the above insights, it can be argued that interorganisational collaborations are subject to six major tension types, under market creation conditions. These tension types are generated from the activities of partners while trying to achieve both their individual expectations and collaborative tasks and missions. This information is crucial for the successful creation of the new markets due the uncertain market conditions (Darr and Talmud, 2003; Lewis et al., 2002).

6.4 THE TWO-DIMENSIONS OF INTERORGANISATIONAL TENSION

The findings of the study suggest that underlying the interorganisational tension are the two-dimensions of tension: productive and unproductive. Although this finding supports both streams of previous research regarding the negative (Das and Teng, 2000; Hambrick et al., 2001; Hermens, 2001), and the positive impacts of tension (Cameron, 1986; Levitt et al., 1999; McInerney, 2006), previous research has not considered the concept of tension as two-dimensional. Therefore, this study has important implications for developing a two-dimensional tension concept. That is, previous literature on organisational and interorganisational tension considers only the single aspect of tension (positive or negative). This study contributes to the theory by demonstrating and conceptualizing a two-dimensional interorganisational tension.

According to the findings of the study, productive impacts of tension among collaboration partners, facilitate market creation. In general, partners use productive tension as a tool to create the market. McInerney (2006) claims that preserving the productive impacts of tension is crucial for market creation. He also notes that collaborations are required to create markets. This is because productive tension facilitates organisational effectiveness and momentum that are significant for collective action (Cameron, 1986). Huxham and Beech (2003) take this further, and argue that when the aim is "how best to achieve collaborative tasks", tension produces productive results. In effect, productive tension is a necessary element in creative environments (Madjar et al., 2002), which increases effectiveness (Cameron, 1986). However, these studies seem to ignore the detrimental effects of tension that is the focus of another stream of research (see for ex. DeChurch et al., 2007; De Dreu and Vianen, 2001; De Dreu, 2006; Henley and Price, 2004; Jehn and Mannix, 2001; Tekleab et al., 2009; Yang and Mossholder, 2004).

In fact, it is evident from this study that interorganisational tension also has unproductive impacts. In general, the motive behind unproductive tension lies in the strong individual expectations and missions of partners. This finding is in agreement with the conflict literature which associates tension with interpersonal "clashes" (Henley and Price, 2004; Jehn, 1995;

Jehn et al., 1999, 1999; Mooney et al., 2007; Nibler and Harris, 2003; Tidd et al., 2004). Hambrick et al. (2001) suggest that the competitive activities, dominance and tolerance among partners cause unproductive tensions. Linnarson (2005) enhances this view and notes that unproductive impacts of tension are generated by a trade-off between the interorganisational structure which requires pre-set interorganisational processes, and the market-creating tasks that are more innovative, creative and flexible. Finally, (Das and Teng, 2000) argue that instabilities in collaborations are generated by the unproductive impacts of tensions. Consistent with the previous arguments, this study demonstrated that unproductive tension hampers market-creating tasks, and therefore the creation of the new market.

So far, literature on tension has investigated either the productive or the unproductive impacts of tension. Surprisingly all these studies approach tension from a single dimensional perspective. Findings of this study depict that tension has two dimensions. For instance, while one type of tension can produce productive impacts on market-creating tasks in one situation, the same tension type can produce unproductive impacts in another situation. Examples of these have been provided in Chapter Five. The development of the two-dimensional tension concept, therefore, has important contributions to theory.

6.5   INTERORGANISATIONAL CONFLICT IN MARKET CREATION

Market creation efforts expose firms to changing conditions. However, firms resist the new activities associated with market creation (McAdam, 2005). This resistance, and the will to create the market, generate conflict. Moreover, akin to interorganisational tension, the complexity of changing environment, together with uncertainties and ambiguities associated with the creation of a new market, and the social exchanges among the market-creating actors, generate disagreements, and therefore interorganisational conflict (Teubal and Zuscovitch, 1997). However, studies also demonstrated that conflict becomes functional when the collaborative tasks are complex and have less defined routines (De Dreu and Weingart, 2003). While based on this information, it is possible to expect functional outcomes in market creation conditions, the ambiguities associated with functional and dysfunctional conflict impacts are far from being conclusive (DeChurch et al., 2007; De Dreu and Weingart, 2003). This study adds substantially to the literature by identifying three conflict types, their functional and dysfunctional impacts on market creation practice, and the intertwined relations between the conflict types and tension types. These are discussed in the next subsections.

6.5.1 Progressive Conflict

The first interorganisational conflict type identified is progressive conflict. Collaborative market-creating tasks require partners to engage in strategic processes, in which they apply certain techniques to normalize the uncertain environment. For example, some partners use enforcement, compromise and reluctance as techniques to stabilize their relations with other partners. These activities generate conflict that has a progressive nature due to the partners' attitudes. That is, while the right kind of enforcement generates positive outcomes (Fligstein and Sweet, 2002), it also causes conflict, as other partners often react to the use of enforcement (Mainemelis, 2010).

Progressive conflict can also be generated by conflict coping mechanisms, such as compromise (Genschel, 1997). Compromising does not overcome the root cause of the conflict; it only causes the compromising partners to lower their own expectations. While these attitudes satisfy some partners, they escalate or switch to other forms of conflict (Barki and Hartwick, 2001). It is evident in this study that progressive conflict has significant impacts on market creation tasks. For example, when a partner enforces its own solution such as NFC dependent devices, the other partner looks for different solutions, thus threatening the future of the collaboration. Therefore, by conceptualizing progressive conflict, this study provides important insights to market-creating collaborative practice.

6.5.2 Territorial Conflict

The second conflict type identified is territorial conflict. Territorial conflict denotes disagreements over the territorial boundaries claimed by collaboration partners in the form of dependency, independency, authority and domination. In interorganisational collaborations and collaborative tasks, the will to maximize individual autonomy and independence, and the creation of a new market, create a dilemma for partners that generate territorial conflict. Ring and Van De Ven (1994) note that territorial conflict is facilitated through reduced independencies:

> *"…increasing transfers of proprietary resources among parties over time implies that their identities and unique domains may gradually shift from being complementary to being undistinguished, which increases the likelihood of territorial disputes, conflict… (pp. 108, 109).*

While dependence is a common characteristic in interorganisational collaborations (Holm et al., 1999), autonomy, independence and domination of partners also play a crucial role in the achievement of market creation. In fact, autonomy, independence and domination are key concepts in entrepreneurial activities (Lumpkin and Dess, 1996). Thus, on one hand the

interorganisational structure of collaborations create dependencies; on the other hand market-creating tasks require collaborations to be autonomous and independent. For instance, concerns over the acceptance of the new market that is under creation cause partners to demonstrate dominating behaviours (Bourdeau et al., 2007). These competing dynamics generate territorial conflict. Once again, by identifying the concept of territorial conflict, this study explains the complicated nature of market-creating collaborations.

6.5.3 Manifest Conflict

The final interorganisational conflict type that is revealed by the data is the manifest conflict. Manifest conflict is produced as a result of strategic responses to the strategic activities of partners within the collaboration. It can be observed through several strategic activities, such as competitiveness, resistance and accommodation. For instance, as Goiri et al. (2000) noted, the existence of an interorganisational collaborative relationship does not deter the invasion of other partners' markets. Collaborating with their competitors is a common strategy for many organisations (Baum et al., 2000; Gimeno, 2004; Guidice et al., 2003; Hamel et al., 1989; Silverman and Baum, 2002). Accommodation, another manifest conflict source, is actually referred to as a conflict management style in the literature (Bradford et al., 2004; Montoya-Weiss et al., 2001; Thomas, 1992). Individuals or organisations, by accommodating within a conflictive situation, try to end the conflict. According to Montoya-Weiss et al. (2001), accommodation reduces the likelihood of task success as it encompasses acting without proper evaluation and assessment. Resistance is the final source of manifest conflict identified from the triangulated data. Resistance is acknowledged as a social response in its wider explanation (Hollander and Einwohner, 2004).

Palmer et al. (2010) argue that resistance essentially points to a deeper struggle. More specifically, resistance leads to the manifestation of actions and oppositions, and hence manifest conflict. Consequently, these arguments show that the manifestation of competitiveness, accommodating attitudes and resistance, generate conflict. Similar to other conflict types, manifest conflict also has significant impacts on market creation. For example, when creating markets, partners resisted sharing the SIM (subscriber identity module) card information. The issue is related to the ownership of important customer information (transaction data, PINs (personal identification number) and behavioural information). In some cases, as the data reveals, this became an impediment in the creation of the market. By conceptualizing interorganisational manifest conflict, this study provides important information about the attitude and strategic responses of market-creating collaborations. Previous conflict literature suggests that conflict has two dimensions: functional and

dysfunctional (Guerra et al., 2005; Vodosek, 2000; Yang and Mossholder, 2004). The findings of this study are consistent with these arguments. However, the contribution of this study stems from conceptualization of the interorganisational conflict types and their impacts on market creation.

In summary, this study identified three conflict types which have dynamic and intertwined interactions. Moreover, the results of the study also suggested interactions between interorganisational tension and conflict. These interactions are discussed in the next section.

6.6 INTERACTIONS OF INTERORGANISATIONAL TENSION AND CONFLICT AND THEIR IMPLICATIONS FOR MARKET CREATION

In Chapter Five Section 5.2, the interactions between and across interorganisational tension and conflict types have been demonstrated. In the following subsections these interactions will be discussed accordingly.

6.6.1 Interactions within the Interorganisational Tension Types

This study has identified that the six tension types discussed above have dynamic and simultaneous occurrences. In general, one tension type induces another tension type, and this continues until it turns into another form of reaction or affects market creation. For example, it is not unlikely to see business process tension due to the lack of a business plan turning into temporal tension because of interoperability issues. Then again, these two tension types facilitate relational tension through either increasing the enthusiasm of the partners or frustrating them. This also reveals two important characteristics of interorganisational tension. First, as interorganisational collaborations are social forms of organisations, in the centre of the social interactions lies the relational tension. Second, the final outcome of the tension is determined by the spill over of one impact of tension over the other one (unproductive or productive). These dynamic interactions have been illustrated with the help of the data in Chapter Five, Section 5.2, and p. 163.

Previous research notes the importance of tension in creativity and innovation (Isaksen and Ekvall, 2010; Perez-freije and Enkel, 2007). In line with these arguments, this study further demonstrated the importance of interorganisational tension on market creation practice. Subsequently, these interactions among tension types have significant implications on market creation. Yet, these implications become clearer when tension is acknowledged as a two-dimensional concept. As mentioned earlier, most studies acknowledge tension as a uni-dimensional concept and are constrained by explaining only one side of the phenomenon, such as why some collaborations are unsuccessful (Das and Teng, 2000), or others are

successful (Inkpen and Beamish, 1997). The current study contributes to the literature by suggesting that market creation is dependent on these dynamic interactions among tension types and their productive or unproductive impacts on market creation.

6.6.2 Interactions among the Interorganisational Conflict Types

The findings of this study suggest that market creation is not solely dependent on the interactions between tension types. Interorganisational conflict also has significant impacts on market creation. Similar to tension, the three conflict types conceptualized in this study also have dynamic interactions. For example, when partners have to compromise to achieve the common tasks (progressive conflict) this then facilitates authoritative activities or domination of certain partners (territorial conflict). In response to these attitudes, other partners have a tendency of taking competitive action (manifest conflict). Literature on interorganisational collaborations often notes the competitive and cooperative activities of partners (Baum et al., 2000; Gimeno, 2004; Silverman and Baum, 2002). Furthermore, studies suggest that it is not uncommon for firms to collaborate with their rivals (Chen, 1996; Guidice et al., 2003). An example of this is Apple's and Samsung's collaboration on mobile phones, while competing in the same market. Thus, interorganisational conflict becomes inevitable (Jehn, 1995).

Thus far, previous studies on conflict suggested that functional and dysfunctional conflicts are intertwined and have impacts on the organisational outcomes (De Dreu, 2006; Rose and Shoham, 2004). Moreover, in the vast conflict literature there is no consensus on the relationship between the functional and dysfunctional impacts of conflict and their intertwined relations (DeChurch et al., 2007; De Dreu and Weingart, 2003). This study, by identifying the dynamic interactions among the conflict types (before their functional and dysfunctional impacts on organisational outcomes) provides significant insights to these discussions. Yet, the final outcomes of these interactions are determined by the functional and dysfunctional impacts of the conflict types. Therefore, an important implication of this study is that it provides insights to the ambiguous results obtained from the curvilinear relations between functional and dysfunctional conflict. That is, conflict types are intertwined, and these interactions are dynamic. Consequently, obtaining a functional or dysfunctional outcome every time the concept has been investigated becomes difficult. By focusing on the phenomenon through a qualitative study, this research has expanded the concept of interorganisational conflict in market-creation practice.

Although these interactions within groups of tension and conflict types are important, a more significant implication for market creation lies in the interactions between tension and

conflict. These interactions have been demonstrated through the conceptual framework in Chapter Five, Section 5.2.5 (Figure 5-17, p. 190). Next subsection explains this framework.

6.6.3 Interactions between Interorganisational Tension and Conflict

Chapter Five demonstrated that interorganisational tension and conflict types have intertwined relations (see Chapter Five, Figure 5-17, p. 190). The data also showed that these relations are not static; instead they are dynamic relations. In other words, while one tension type induces another tension type, it can also generate a conflict type. These interactions can happen in any order and repeat multiple times. For example, the lack of a business plan (business process tension) causes resistance (manifest conflict) to continue on the market-creating tasks, which in effect, generates frustration (relational tension). The example can continue until an outcome occurs, such as the market is created or the collaboration dissolves. The outcome is determined by the productive, unproductive impacts of tension and functional, dysfunctional impacts of conflict. Anderson and Gatignon (2005) suggest that uncertainties during market creation have important effects on organisations' activities. Organisations react to uncertainties, and create rules and mechanisms to stabilize them (Kjellberg and Helgesson, 2007). This study demonstrates that in interorganisational situations, these attempts generate tension and conflict and the interorganisational outcome is dependent on the productive, unproductive tensions and functional, dysfunctional conflicts.

In order to portray these impacts, this study proposes a framework that demonstrates these interactions and their impacts on market creation (see Chapter Five, Figure 5-17, p. 190). This framework presents four quadrants divided into productive, unproductive impacts of tension and functional, dysfunctional impacts of conflict.

According to the data, in the case of productive tension and dysfunctional conflict interaction, low levels of market creation can be observed (Quadrant 1). Isaksen and Ekvall (2010) suggest that organisations need to increase the productive impacts of tension to augment creativity and innovation. On the other hand, dysfunctional conflict is seen as an impediment to creativity and innovation (De Dreu, 2006). When these two impacts are combined, the data shows that the productive impacts of tension reduce the dysfunctional impacts of conflict. Consequently, market creation practice is not terminated completely. However, the dysfunctional impacts of conflict hamper the market creation, and hence the market creation practice is limited. An example of this is the NFC (near field communication) technology implementation in mobile phones. Despite the productive impacts of tension within the NFC Forum, who enthusiastically prepares business cases, standardisations and who announces deadlines, the dysfunctional approach of Forum partners such as Nokia, deciding not to

produce NFC phones (territorial conflict, independence) hampered the birth of the NFC phone market, and thus the NFC contactless market. As a result, whilst in 2012 the NFC enabled mobile phones became more common (such as Samsung Galaxi III), the contactless payment feature has not been adopted by the masses.

When the interaction is between productive tension and functional conflict, the productive and functional impacts of both tension and conflict increases the likelihood of market creation (Quadrant II). Subsequently, these positive impacts (both tension and conflict) lead partners to create the market. Although the conflict literature has different findings regarding the impacts of functional conflict (De Dreu, 2006; Gisbert-López et al., 2013; McAdam, 2005), the findings of this study suggest that the functional impacts of conflict is boosted when coupled with productive tension. This is usually observed in first-to-market activities. An example of this situation is Google and the glut of numerous "app" developers. They have created an open-source, collaborative smart devices market which challenged both the expensive handset and PC manufacturers, such as Nokia and Microsoft, and software innovators such as Apple. It can be argued that the partners aiming to create a market and who have an agenda of leading this entrepreneurial activity in the industry simply work towards their targets and implicitly use tension and conflict as a market enabler. Levitt et al. (1999) note that partners in collaborations look for productive tension to get the most out of functional conflict in order to achieve their market-creating tasks. Another explanation of this is partners, by exploiting productive tension, foster creativity and innovation through functional conflict (Dyer and Song, 1998).

Alternatively, if the interaction happens between unproductive tension and functional conflict, despite the unproductive impacts of tension, market creation practice is moderate-high (Quadrant III). According to De Dreu (2006), collaborations perform better and become more innovative, when in conflict, because they openly discuss their issues and create alternatives. Despite unproductive tension taking place during these debates, the functional impacts of conflict encourage innovation, and hence, market creation. In a recent study, Gisbert-López et al. (2013) identified that unproductive tension reduces the partners' commitment to market creation. Thus, when unproductive tension is coupled with functional conflict, unproductive tension reduces the impacts of functional conflict. As a consequence, compared to Quadrant II, market creation becomes moderate-high. Examples of this can be seen in electronic book reader devices versus tablet PCs. The compatibility issues (every book reader has its own standards, and one book cannot be read on different devices carrying different operating systems) limit their market. In other words, while these compatibility issues produce constraints to the consumers (unproductive business process

tension), a tablet PC can offer a similar platform and can turn into a book reader for multiple brands (productive manifest conflict – competitiveness).

In Quadrant IV, the interaction of both unproductive tension and dysfunctional conflict can be seen. Here, the market creation practice is either very low or completely hindered. According to the data, the negative impacts of both tension and conflict reduce the likelihood of market creation. Collaborations under these circumstances are likely to dissolve or delay market creation. This explains the global acceptance of the negative relationship between tension and conflict in the previous studies that acknowledge tension as a uni-dimensional negative concept (see for ex. DeChurch et al., 2007; De Dreu, 2006; Jehn, 1995; Tekleab et al., 2009). As Levitt et al. (1999) suggest, this result is often generated by the increased coordination needs, and the inexperience caused by the new market creation. For instance, the data suggest that partners have doubts due to the lack of standards and business plans. Furthermore, they have disagreements on how to share customer data; more importantly who would own the customer. These unproductive tensions and conflicts have resulted in some partners leaving the collaboration (Vodafone, Visa, MasterCard and NFC project).

Finally, the conceptual framework demonstrates an area that is called the "disintegration zone". This zone, in particular, explains that when partners are individually willing to create the market, but cannot reach a consensus within the collaboration to act together. Gisbert-López et al. (2013) suggest that unproductive tension increases the independence and autonomy requirements in organisations and decreases the achievement of collaborative market creation tasks. While this study supports this argument, it further suggests that the impacts of both tension and conflict change direction. That is, the partners, by losing their will to work together, rationalize their activities towards individual directions rather than a collaborative action. This breaking point, therefore, produces productive tension and functional conflict, but at an individual level rather than the collaborative level. The partner who decides to move into the disintegration zone keeps its individual market creation agenda. Market-leading organisations have a tendency to move to this zone as this gives them a unique competitive advantage (Kumar et al., 2000). As Barney (1991) notes, these types of firms exploit the collaboration through acquiring their resources, and then move to the disintegration zone. Once again, Apple is a good example to this type of firms. Apple forms collaborations (Ozcan and Eisenhardt, 2009), and then walks out of them. This way, it keeps a leading role in the market.

6.7   A TYPOLOGY OF MARKET-CREATING PARTNER FIRMS

Until now, the impacts of interorganisational productive, unproductive tension and functional, dysfunctional conflict on market creation are discussed. These impacts result from the strategic activities of the partnering firms. To explain this, in Chapter Five, Section 5.4, Figure 5-18 (p. 194) a typology which comprises four types of organisations is presented: nonconformists (quadrant I), pioneers (quadrant II), conformists (quadrant III) and retreaters (quadrant IV).

Oliver (1991) and Vit (2007) note that organisations that contradict the collaborative tasks to achieve their individual expectations rather than collaborative tasks are referred as "nonconformist organisations". A common characteristic of these organisations is to avoid collaborative pressures, or escape from collaborative achievements and expectations (Lumpkin and Dess, 1996). Examples of this can be seen in the highly competitive handset market collaborations where handset producers, semiconductor firms and GSM providers ally in innovative break through projects, and then dissolve very rapidly and re-ally in new projects (Kenney and Pon, 2011). Consistent with these arguments, the data showed that the firms which fall into Quadrant I have a tendency to act independently. However, this does not stop them forming new collaborations with the same or new partners. These firms, in general, use collaborations either to stop other firms from gaining an early market entry, or create opportunities for themselves by dominating the collaboration. Consequently, these strategies cause unproductive tension and dysfunctional conflict, despite the existence of productive tension at first. These firms also have a higher tendency to go into the disintegration zone where they disengage from the collaboration to create the market on their own, or form collaborations with firms which are conformists (see quadrant III).

On the other hand, pioneers in Quadrant II produce a more willing attitude towards collaborative market creation. Prashantham and McNaughton (2006) note that interorganisational collaborations are a critical market-creating practice. Indeed, actual market conditions do not facilitate a single firm to create a new market as inputs from diverse industries that have only been minimally related in the past are required (Humphreys, 2010). Here, collaboration is a prerequisite for the creation of new markets. Pioneers shape markets and collaborative outcomes, and receive a disproportionate share of the collective benefits (Lenway and Rehbein, 1991). However, in an interorganisational collaboration, where productive tension and functional conflict exist, these benefits are distributed between the collaboration partners. Thus, collaborations that are formed by firms in this quadrant tend to have a longer life compared to the other quadrants.

Partners often deal with collaborative demands, inconsistencies between individual expectations and interorganisational objectives. Partners facing these conditions may attempt to balance or pacify these conditions (Oliver, 1991). Their efforts to balance these conditions lead to unproductive tension. The firms that fall into quadrant III, the conformists, actively apply the collaborative procedures by following the established standards across the collaboration to keep the balance (Vit, 2007). In accordance with these views, this study demonstrates that some firms choose to be conformists, which typically produce unproductive tension. Nonetheless, through this strategic attitude they also generate functional conflict. Thus, these firms are essential for collaborations to survive and create markets.

An alternative strategy for a partnering firm is to be a retreater (Quadrant IV) (Santos and Peffers, 1995). In cases where the unproductive tension and dysfunctional conflict are destructive, retreating is an indispensable strategic movement for collaborations (Karakaya, 2000). Retreaters are different to conformists. This difference lies in their active strategy to retreat which threatens the achievement of market creation.

The final zone in Figure 5-18, (p. 194) is the "disintegration zone". Firms which try to pursue their "own model", fall into this zone. According to the findings of this study, when there is more than one pioneer in an interorganisational collaboration; and if one or more pioneer partners are also nonconformists, all the partners show a tendency to move into the "disintegration zone". In the "disintegration zone", firms either create the market on their own or collaborate with conformist firms, or both. As earlier noted, Samsung's and Apple's smart phones relationship fall into this category.

Heterogeneity among partners is a common characteristic of interorganisational collaborations (Sakakibara, 1997), specifically when multi and cross-industry collaborations are explored. Moreover, new market creation practice produces a complicated arena where the actions, inactions or responses of interorganisational collaborations of tension and conflict are equally diverse. It is a long acknowledged concept that the process of starting a market is not a single well-trodden route, marched along by identical firms (Gartner, 1985). Consequently, this typology attempts to group these firms and their strategic positioning which is induced by interorganisational tension and conflict. Despite this attempt, one of the risks in presenting such a typology and analysis of the interorganisational collaborations in market creation is that this typology does not provide a single answer to the interorganisational arrangements to accomplish a given goal without considering the organisational and contextual constraints of the situation.

6.8 CHAPTER SUMMARY

This chapter presented the discussions regarding the findings of the study. Thus, interorganisational tension types; their two dimensions, and their relation to functional and dysfunctional conflict are discussed through the literature. The findings of the study offered interactions within and across tension and conflict types, as well as their productive, unproductive, and functional, dysfunctional impacts. While the consistencies with the previous literature were identified, the significant implications of the study were also noted. These discussions centred around the tension and conflict types, their dynamic interactions and their impacts on market creation. Next chapter is the last chapter of this study, and presents the concluding remarks.

7 CHAPTER SEVEN: CONCLUSIONS, LIMITATIONS AND FUTURE RESEARCH

CONTENTS

The conclusions of the study are outlined in this chapter. The chapter starts by revisiting the research outcomes and research objectives. Then the contributions of the research are discussed. Research implications, which follow this section, are discussed through the practical implications. Next, the limitations of the research are presented. Finally, the chapter concludes with the future research directions.

7.1 INTRODUCTION

This chapter reports the final conclusions of this research. Chapter One introduced the research background and presented the research objectives. Chapter Two reviewed the literature on market creation, interorganisational collaborations, tension and conflict, and identified that social exchanges are significant in market creation practice as they shape the markets. Therefore, by looking at these social exchanges, the literature suggested three market creation mechanisms: interorganisational collaborations, tension and conflict. Although these three mechanisms are crucial for market creation, few studies allude to the importance of interorganisational tension and conflict on market creation practice. Yet, these studies are constrained to the investigation of these concepts individually and ignore their interactions in market creation practice. Although conflict literature has outlined the functional and dysfunctional aspects of conflict on group outcomes, studies on market creation are limited. Furthermore, all these studies acknowledge that tension is a component of dysfunctional conflict and that it is detrimental to interorganisational collaborations. On the other hand, although small in number, there is a body of literature which argues for the productive impacts of tension on market creation. The academic calls and the theoretical gaps presented the opportunity for this research. Chapter Three presented the research methodology and explained in detail the data preparation as well as the analysis procedures. Next, the detailed findings from the qualitative phase of the study were presented in two chapters, Chapters Four and Five. The findings were illustrated by the tables which demonstrated symbolic identifiers, level of awareness, focus of, and the impacts of tension or conflict. Chapter Six presented discussions on research findings from the previous chapters. Finally, in this chapter, the research outcomes are summarised, and are followed by the main research objectives. The chapter continues with the presentation of the research

contributions, and the implications for practice. The chapter concludes with the limitations of the study and future research directions.

7.2   CONCLUDING THE FINDINGS

In order to draw conclusions from the findings of the research, it is useful to remind the reader the outcomes of the research.

Markets are important because they provide fields where exchanges take place which form the basis for the marketing process (Buzzell, 1999; Humphreys, 2010). As Buzzell (1999) says, it is important to investigate the nature of these interactions to understand the markets. In market creation conditions, when firms collaborate to eliminate environmental uncertainties, they in fact find themselves struggling with tension and conflict (Santos and Eisenhardt, 2009). This study, by looking at collaborative market creation practice, has suggested three mechanisms: collaborations, tension and conflict. Despite the negative expectations regarding the impacts of tension (Das and Teng, 2000), tension is necessary in market creation conditions (Isaksen and Ekvall, 2010; Levitt et al., 1999; Perez-freije and Enkel, 2007). Akin to tension, conflict has both positive and negative impacts on group outcomes (De Dreu, 2006; McAdam, 2005). These impacts become more significant when the market under consideration is at the in-creation stage, when there are uncertainties and ambiguities. Thus, a closer look at the dynamics of market creation practice has revealed the interactions among these mechanisms.

This study, by looking at market creation practice, has identified six interorganisational tension and three interorganisational conflict types that have dynamic and intertwined relations. The findings further suggest that market creation depends on both productive, unproductive tension and functional, dysfunctional conflict. Moreover, the six tension and three conflict types identified in this study explains how these tensions and conflicts are generated through the strategic activities of partner.

7.2.1   Interorganisational Tension and Conflict Types in Market Creation Practice

The findings of the study identified that market-creating collaborations are faced with six types of interorganisational tensions. These are structural, political, strategic, business process, temporal and relational tensions (see Chapter Four, Section 4.3, and p. 123). Interorganisational collaborations have exclusive organisational structures (Mohr and Spekman, 1994). A multi-industry collaboration possesses inherent tension, specifically in

market creation, inherent to its structure. For example, where the institutions of a market have not been established yet, bureaucratic approaches of one partner would generate tension among the partners. The tension among partners is not limited to their structure. Because of this multi-firm structure, partners have their own expectations alongside the collaborative aims and goals. In order to reach their individual aims, partners often use political mechanisms, such as lobbying on a subject which requires a common decision. These activities pose political tension during the achievement of the market-creating tasks. Another type of tension observed was strategic tension. Strategic tension occurs because of the strategic activities, such as leadership concerns of the partners. Indeed, leadership concerns are critical in market creation (Santos and Eisenhardt, 2009). Furthermore, due to the newness of the market, uncertainties about the business processes, such as standards or lack of knowledge, generate business process tension. The temporal concerns also become very important, specifically when creating markets. For example, while one partner wants to be the first in the market, the other partner might not be able to meet this requirement. Therefore, temporal tension is generated among partners. Finally, the uncertainties and ambiguities of market-creating activities facilitate relational tension. Some partners become very enthusiastic and try to influence other partners, but these other partners become frustrated.

Alongside these tensions, conflicts are also observed in market creation conditions. The data revealed that there are three types of interorganisational conflicts associated with market creation: progressive, territorial and manifest conflicts. Progressive conflict is related to the attitudes of partners towards the disagreements. For instance, partners compromise on their own expectations. Yet, this attitude develops into progressive conflict as their original expectations have not been met. Territorial conflict is generated when partners step into other partners' strategic territories. For example, this can be caused if partners try to dominate the collaboration or use the interdependencies of other partners. Lastly, manifest conflict is facilitated by the deliberate activities of partners, such as resistance to collaborative tasks or competitive activities.

7.2.2 Productive and Unproductive Impacts of Interorganisational Tension

The second major finding in this study is that in market creation practice, tension, similar to conflict, has two dimensions: productive and unproductive. In general, when tension types have productive impacts, the collaborative market-creating tasks are achieved and market is created successfully. On the other hand, when the impacts of tension types are

unproductive, the collaborative tasks are negatively affected and market creation is often hampered. Unproductive impacts of tension, in some certain situations, can lead to dissolution of the collaboration.

However, the productive and unproductive impacts of tension are not a straight forward concept. In the preceding subsection, six different tension types have been explained. Each of these tension types has either productive or unproductive impacts on market creation. Furthermore, the data also revealed that tension types do not occur in isolation, and one tension type can generate another tension type, or two or more tension types can occur at the same time. Consequently, tension types have intertwined and dynamic interactions. The impact of these interactions is determined by the spill over of either the unproductive or the productive impacts of tension. On the other hand, these interactions are not limited to tension types. Another major finding of this study is that conflict types interact among themselves and there are further interactions across tension and conflict types. The next section explains these interactions.

7.2.3   Interactions within and across Interorganisational Tension and Conflict Types

Previous research demonstrated that functional and dysfunctional conflicts have curvilinear relations (DeChurch et al., 2007; De Dreu and Weingart, 2003). Furthering this argument, this study has shown that in market creation practice, both tension and conflict are intertwined and have dynamic interactions within and across tension and conflict types. When combined with their productive, unproductive and functional, dysfunctional impacts, these intertwined relations become complex. The diagram in Chapter Five, Figure 5-16, and p. 179 has been developed to better portray these relations.

As the Figure 5-16, p. 179 shows, tension and conflict types move from one to the other one in no particular order. These interactions happen in the interaction zone. Yet, the data also revealed a disintegration zone where partners leave the collaboration. Building on this diagram, a framework was developed to show the impacts of these interactions on market creation. This framework demonstrates the interplay between productive, unproductive tensions and functional, dysfunctional conflicts (see Chapter Five, Figure 5-17, p. 190). Thus, the market creation practice depends on this interplay. That is, the interaction between tension and conflict either hampers the market creation or facilitates it. For example, when tension is productive and conflict is functional, a high level of market creation practice is expected. Contrary to this, when tension is unproductive and conflict is dysfunctional market

creation practice is hindered. The other two combinations of tension and conflict have more complicated outcomes for market creation. While the contribution of unproductive tension and functional conflict has a moderate market creation practice, the amalgamation of productive tension and dysfunctional conflict results in low market creation practice.

7.2.4 Typology of Market-Creating Partner Firms in Market Creation Practice

According to the findings of this study, market-creating firms' have particular strategic attitudes when acting under productive, unproductive tensions and functional, dysfunctional conflicts. Using these strategic attitudes a typology is developed which classifies the market-creating partner firms in four categories along productive, unproductive tensions, and functional, dysfunctional conflicts. These four categories are: non-conformists, pioneers, conformists and retreaters (Chapter Five, Figure 5-18, p. 194). These four segments categorize the firms and their attitude towards market creation. Partnering firms that fall into the quadrant, where tension is productive, but the conflict is dysfunctional, are non-conformists. That is, they have a tendency of not following collaborative norms. Pioneering firms fall into the productive tension and functional conflict area. These firms are the ones that show the most enthusiasm for market creation and to be the first-to-market. Unproductive tension and functional conflict combined calls for conformists. In this category, firms have a conforming attitude and they are ready to compromise to achieve the market creation. In the final area lie the retreaters who were affected by the unproductive tension and dysfunctional conflict. These firms strategically retreat from the market creation practice under these negative influences.

Finally, a "disintegration zone", which contains the partnering firms that decide to leave the collaboration and pursue their own path, was identified. These firms have an individual agenda of creating the market and often being the first-to market. To achieve their aims they will quit the collaboration if necessary.

7.3 RESEARCH AIM AND OBJECTIVES REVISITED

The overall aim of this research is to investigate interorganisational tension and conflict in market creation practice.

Objective 1: to expand the concepts of interorganisational tension and conflict and to provide insights to these concepts, as well as to establish a two-dimensional interorganisational tension (productive and unproductive) understanding.

Objective 2: to explore the reciprocal interactions between interorganisational tension and conflict.

Objective 3: to develop from the empirical evidence a conceptual framework that explains the level of market-creation depending on the effects of interorganisational tension and conflict.

Objective 4: to develop a typology of partnering firms based on interorganisational tension and conflict practice.

This study aimed to achieve this objective by using a grounded theory approach (Greene et al., 1989). To capture a wider and more focused perspective, the research spanned several data sources, ranging from interviews to online data sources and observations. Through data triangulation, the information gathered from these sources was analysed. First, three market creation mechanisms, which were collaborations, tension and conflict, were identified. According to the data analysis, six interorganisational tension types and three interorganisational conflict types and their sources emerged. In line with "objective two", the productive and unproductive impacts of tension were explored. At this point the findings of the study pointed to the interactions and convergences within and across the tension and conflict types. Moreover, these interactions showed dynamic convergences that stem from the social interactions among the partners. Previous research on conflict types also suggest intertwined interactions and quadratic relations between the conflict types (DeChurch et al., 2007; De Dreu and Weingart, 2003; Guerra et al., 2005), in which the inconsistencies in these results and future research calls challenged the common understanding that functional conflict has positive outcomes and dysfunctional conflict to has negative outcomes (Dyer and Song, 1998; Janssen et al., 1999; Jehn, 1995; Jehn et al., 2010). The findings of this study enhance the research on market creation, collaborations, tension and conflict by distinguishing productive and unproductive tension from functional and dysfunctional conflict and demonstrate that each of these elements has impacts on market creation. This finding is significant as it offers an explanation to the interactions between interorganisational tension and conflict in a dynamic and intertwined manner, and demonstrates the continuity and convergence between the tension and conflict types.

To search for the impacts of both interorganisational tension and conflict on market creation practice, a conceptual framework was proposed which attempted to explain the combined impacts on market creation of productive and unproductive interorganisational tension with

functional and dysfunctional interorganisational conflict. That is, this conceptual model provided insights to the level of market creation in the presence of interorganisational tension and conflict. Furthermore, partnering firms were classified through a typology which was divided into four sections along productive, unproductive tension and functional, dysfunctional conflict. This typology, in essence, demonstrated the strategic actions of partnering firms that are led by the tensions and conflicts.

7.4   RESEARCH CONTRIBUTIONS

This research contributes to the marketing, interorganisational collaborations and conflict literatures in several ways. First, it explores the social interactions in interorganisational collaborations during market creation and suggests that interorganisational collaborations, tension and conflict are the three market-creating mechanisms. This finding is specifically important as it looks at the market creation practice from a micro-level perspective and adds to the marketing and market-creation literatures by identifying the combined impacts of collaborations, tension and conflict on market-creation. It also theorizes the concepts of interorganisational tension and conflict as productive, unproductive tension, and functional, dysfunctional conflict, and contributes to both marketing and conflict literatures. It offers a conceptual framework to explain the dynamic interactions within and across tension and conflict types where it contributes to marketing and conflict literatures. Second, by empirically exploring the relationships among the two-dimensional interorganisational tension (productive and unproductive), functional, dysfunctional conflict, a role is suggested for productive and unproductive tension in interorganisational collaborations literature across disciplines. Third, the conceptualization of the market creation levels depending on the productive, unproductive impacts of tension and functional, dysfunctional impacts of conflict, adds to the marketing literature. Finally, this research offers a typology of partnering organisations in collaborations through the interactions of productive, unproductive tension, and functional, dysfunctional conflict.

7.4.1   Interorganisational Tension and Conflict in Market Creation Practice: A Social Interactions Perspective

As mentioned in Chapter One, Section 1.1(p. 10) recent studies in marketing point out the dynamic social interactions that are taking place among the web of market actors in the practice of market creation (Araujo et al., 2008; Buzzell, 1999; Humphreys, 2010). North (2005) suggests that markets, and in particular the way in which markets socially emerge,

bears significant information. Within these social interactions, interorganisational collaborations, tension and conflict appear as mechanisms of market creation practice that shape new markets (Araujo et al., 2008). In established markets, collaborations are significant mechanisms to extract more benefits (Shah and Swaminathan, 2008), power and value from the markets (Eisenhardt and Schoonhoven, 1996; Shah and Swaminathan, 2008). Araujo (2007) argues that market creation practice needs more distributed and heterogeneous sets of practices and bodies of expertise such as interorganisational collaborations. By collaborating, market-creating firms expose themselves to partner related issues, such as tension and conflict (Santos and Eisenhardt, 2009).

On the other hand, tension and conflict are also crucial mechanisms for market creation practice as they create opportunities and facilitate innovation and creativity (Isaksen and Ekvall, 2010; Lichtenstein et al., 2007; Perez-freije and Enkel, 2007). However, despite the importance of interorganisational tension and conflict in market creation, the few studies that focus on these mechanisms investigate them in isolation and ignore any interactions among them. This study has gone further by looking from a micro perspective at these mechanisms and their interactions in market creation practice. Consequently, the findings of this study pointed to six interorganisational tensions (structural, political, strategic, business process, temporal and relational) and three interorganisational conflict types (progressive, territorial, and manifest). Taken together, these findings suggest that both interorganisational tension and conflict take place in the social exchanges level of market creation and they have dynamic characteristics. Interorganisational tension and conflict interact within and across each other, and they converge from one tension or conflict type to another. Consequently, a conceptual framework that helps to understand the role of interorganisational tension and conflict has been developed. This framework shows the dynamic interactions within and across tension and conflict types which take place in the interaction zone. Alternatively, this framework offers a disintegration zone where excessive amounts of interorganisational tension and conflict lead partners to leave the collaboration.

7.4.2   The Productive and Unproductive impacts of Interorganisational Tension

The evidence from this study suggests a two-dimensional (productive and unproductive) interorganisational tension, while confirming previous findings regarding the two-dimensional aspect of conflict (Jehn, 1995). In contrast to earlier studies which suggest a uni-dimensional tension either pointing to the positive (Huxham and Beech, 2003; Levitt et al., 1999; McInerney, 2006) or the negative (Das and Teng, 2000; Gill and Butler, 2003) aspects of

tension, this study demonstrates the occurrences of both productive and unproductive impacts of tension. This is particularly important as tension has impacts on innovation and creativity (Autio, 2005; Dyer and Song, 1998; Isaksen and Ekvall, 2010). Consequently, productive tension is crucial for the creation of new markets.

On the other hand, interorganisational collaborations literature argues that tension is detrimental to collaborations (Das and Teng, 2000; Inkpen, 2000; Khanna et al., 1998). This stream of literature explains the instabilities and failures of collaborations by looking at the unproductive impacts of tension. However, these studies lack the scope to explain the successful collaborations that are also exposed to tension (Inkpen and Beamish, 1997). By conceptualizing a two-dimensional interorganisational tension concept, the findings of the current study make a substantial contribution to the interorganisational collaborations literature. That is, this study demonstrates when tension can be unproductive and hampers the market creation and when it can be productive and facilitates market creation. This finding not only contributes to the market creation literature, but also adds to the conflict literature by offering an explanation of the ambiguous results related to the functional and dysfunctional impacts of conflict.

7.4.3 Interactions between Interorganisational Tension and their impacts on Market Creation Practice

The findings of this study pointed out that both tension and conflict types have interactions within and across tension and conflict types. These interactions do not happen in a linear order; rather they are intertwined and have a dynamic convergence from one type of tension or conflict to the other type (see Chapter Five, Figure 5-16, p. 179). The more important concept here is the two-dimensional aspects of both tension and conflict. That is, in these convergences the productive, unproductive impacts of tension and functional, dysfunctional impacts of conflict have significant impacts on market creation. De Dreu and Weingart (2003) have identified these types of curvilinear relations for conflict types. Yet, the existing conflict studies are inconsistent, in their analysis of conflict and its effects on group and task outcomes. Consequently, in acknowledging these limitations, this study looked at tension and conflict separately. The findings corroborate to an extent the results of DeChurch et al. (2007), De Dreu and Weingart (2003) and Tekleab et al. (2009) regarding the intertwined nature of conflict types. On the other hand, this study makes a noteworthy addition to these discussions by suggesting a role for the intertwined tension types and their interactions with the conflict types.

To explain this, a conceptual framework was developed that provides insights into the impacts of the interactions between productive, unproductive tension and functional, dysfunctional conflict on market creation. Isaksen and Ekvall (2010) highlight the importance of productive tension for market creation. They argue that while creativity is increased by productive tension, it is decreased by unproductive tension and unproductive tension generates conflict. Once again, this approach is constrained in only looking at conflict from a dysfunctional perspective. Alongside this argument, Perez-freije and Enkel (2007) draw attention to interorganisational collaborations and propose that in order to create markets; collaborations need to emphasize the productive impact of tension, while minimizing the dysfunctional conflict. Yet, these arguments do not explain the impacts of both tension and conflict interactions. Given the inevitability of tension (Isaksen and Ekvall, 2010) and conflict (Janssen et al., 1999) in collaborations, as well as their productive, unproductive, functional and dysfunctional intertwined impacts, this framework adds substantially to marketing, conflict and collaborations literatures. The framework also comprises a "disintegration zone" which enhances the understanding of instabilities of collaborations generated by tension and conflict. That is, excessive unproductive tension and dysfunctional conflict leads partners to this zone. Firms that move into this zone individually develop productive tension and functional conflict to create the market.

7.4.4   Typology of Market-Creating Partner Organisations

According to market creation literature firms collaborate to stabilize the uncertainties and ambiguities associated with market creation (Aspers and Darr, 2011; Sarasvathy and Dew, 2005, 2005; Teubal and Zuscovitch, 1997). A substantial amount of studies is circling around the partner selection process in the interorganisational field (Eisenhardt and Schoonhoven, 1996; Goerzen, 2007; Guidice et al., 2003; Shah and Swaminathan, 2008). Most of these studies focus on the reasons behind the "collaboration formation" from a resource-based view. Subsequently, Hitt et al. (2000) found that the determinants of entering into collaborations are the access to resources and opportunities for learning capabilities rather than partner characteristics. On the other hand, Morris and Cadogan (2001) noted that functional and dysfunctional conflicts depend on partner characteristics. By researching these characteristics it is possible to classify partnering firms under four categories through a typology that is divided along two dimensions: interorganisational tension (productive and unproductive) and interorganisational conflict (functional and dysfunctional). According to the typology the four types of partnering firms are: non-conformists, pioneers, conformists and

retreaters. The distinctive features of these four partnering firm types, and their strategic positioning were explained in Chapter Five, Section 5.4 (p. 193) and Chapter Six Section 6.7 (p. 215). While the effort here has been directed at clarifying the key strategic positioning of partnering firms in a tension and conflict dynamic environment, it has contributed to the literature on the achievement of collaborative tasks, specifically market creation. Finally, the typology offers a "disintegration zone", which is in line with the interorganisational tension and conflict framework, providing an additional perspective to the unplanned dissolutions of collaborations.

7.5   RESEARCH IMPLICATIONS

The implications of this research for industrial practices are multi-faceted. One implication of the findings of this research is that market creation practice requires firms to deal with social interactions among the partners in collaborations which bear interorganisational tensions and conflicts. As mentioned earlier, the findings of this study have suggested six different interorganisational tension and three different interorganisational conflict types. This information is crucial as it helps to build management techniques based on the tension and conflict types. Furthermore, management of conflict has long attracted both academic and managerial interest (Bradford et al., 2004; Tekleab et al., 2009; Thomas, 1992). However, this study, by suggesting six tension and three conflict types, helps organisations to understand differences between these concepts when achieving their market-creating tasks. More clearly, this study suggests that some conflict management types cause further tensions and conflicts. For example, avoidance, one of the major conflict management methods (Thomas, 1992), also generates relational tension. By understanding the differences between tension and conflict, managers can position their solutions accordingly. They can also better understand the sources of these tensions and conflicts and develop their strategic actions based on their expectations. The levels and directions of tension and conflict demonstrated in Chapter Five can help organisations to interpret these tensions and their possible impacts on market creation practice.

Another important implication of this study is to develop the two-dimensional tension concept alongside conflict. Thus far, organisations have acknowledged tension as a component of dysfunctional conflict. However, by understanding the productive and unproductive impacts of tension, managers will be able to use these impacts to their benefit. This is important, in particular, when the common aim is to create a new market, because productive tension has positive impacts on innovation and creativity (Isaksen and Ekvall, 2010). In fact, by

acknowledging the significance of the productive tension and functional conflict on market creation, managers can allocate resources to increase their effectiveness. It is also important here to highlight that by using the outcomes of this study, managers can understand the intertwined relations between tension and conflict types which are dynamic and which converge from one type to the other. Therefore, if one type of tension and conflict is identified, it might not be sufficient to consider a single technique to manage it as this might generate further tensions and conflicts. For example, compromising can be used to eliminate conflicts, but it also generates further progressive conflict.

An alternative noteworthy managerial implication of this study is the framework which identifies the level of market creation based on the combination of productive, unproductive tension and functional, dysfunctional conflicts. Using this framework, managers can decide if they would be successful in creating the market. More importantly, they can see that it is still possible to create the market when unproductive tension is combined with functional conflict. They can also act cautiously, if there are extreme levels of unproductive tension and dysfunctional conflict, as this might drive some partners to the disintegration zone. All in all, this framework can produce a road map for managers, and they can decide on their strategic positioning regarding the achievement of market creation.

Furthermore, managers can use the typology of partnering firms to understand their own and partners' characteristics. The typology offers managers the strategic attitudes of partnering firms under productive, unproductive tensions and functional, dysfunctional conflicts. By using this information firms can identify their partners' possible strategic reactions. For example, in the case of both unproductive tension and dysfunctional conflict, firms can expect their partners to retreat from the market-creating tasks. Thus, by identifying such information, they can strategically position themselves or try to resolve the negative impacts of both tension and conflict. Taken together, all the above implications give managers guidance on how to approach interorganisational tension and conflict when creating markets and deciding on their strategic position in order to achieve the market creation.

The final managerial implication that can be derived from this research is the "disintegration zone" that draws attention to the breaking point of the collaboration. This zone has particular implications for market-creating tasks as partnering firms may break the collaboration to create the market individually. What is more important here is that the firms that move into this zone are highly motivated and have a first-to-market agenda. Partnering firms do not

want potentially destructive levels of unproductive tension and dysfunctional conflict to threaten market creation, and will therefore be driven to the disintegration zone. This status allow for the abrogation of the partnership while retaining the possibility of market creation, either individually or with new, preferably conformist partners. This strategic action therefore helps them to be the first in the market.

7.6 LIMITATIONS OF THIS RESEARCH

This thesis produces exciting findings in the domains of market creation practice, interorganisational tension and conflict. Yet the research is not without limitations, and results must be interpreted with caution.

7.6.1 Research Design Limitations

The first limitation of the research comes from its research design. This study answered the research calls for a deeper understanding of interorganisational tension and conflict using qualitative research techniques (Kale et al., 2000; Kor, 2006; Tiwana, 2008). Furthermore, qualitative techniques are suggested if the attempt is to investigate a nascent area or an underdeveloped phenomenon (Aspers and Darr, 2011), specifically when investigating social interactions (Morgan and Smircich, 1980). Thus, this study followed these suggestions and used a qualitative research design. However, using a single method to investigate a phenomenon produces constraints on the subject under research (Hall and Rist, 1999). For instance, generalizability and subjectivity and researcher bias issues are often related to qualitative methods. In order to avoid these limitations, systematic data collection and triangulation, analysis and conceptualization techniques are used and reported in Chapter Three. However, a mixed methods research, which would provide the missing quantitative perspective, could have improved these issues associated to qualitative techniques.

Furthermore, given the underdeveloped concepts of interorganisational tension and a nascent market, this study employed a grounded theory approach (Charmaz, 2006). Although grounded theory is one of the mostly cited research techniques (Gummesson, 2003), it is not without its limitations. For instance, the rigour of the research can be lost due to the subjectivity of the data and researcher bias (Corbin and Strauss, 1990). These, considerations can be overcome by using a systematic data collection and analysis procedures, as well as clearly reporting them (Corbin and Strauss, 1990). In order to avoid these limitations this study followed Corbin and Strauss' (1990) suggestions as described in Chaper Three.

According to (Corbin and Strauss, 1990) grounded theory applies a "blank page" perspective that ignores the previous theories until end of the analytical process. Although the use of a "blank page" approach provides substantial richness to the subject under research, Glaser (1978) suggests that knowledge and theory are inseparable and theory should be used as if it is another informant. Consistent with this argument, Goulding (1999) posits that grounded theory requires the understanding of the existing theory in order to enhance and develop new theoretical concepts. Thus, this study used Glaser's (1978) approach and cycled between existing theory and the new theory emerging from the study. Although a "blank page" approach might have enriched the findings of the study, the Glaser (1978) perspective provided a systematic cycling between theory and data and conceptually expanded the current knowledge.

7.6.2 Sampling Limitations

A second weakness of the study originates from the limitations of researching market creation. As mentioned in Chapter Three, Section 3.5.1, p 93 of this study, the difficulties in obtaining data and the lack of established theoretical understanding are the major characteristics that discourage studies on new markets (Shane and Venkataraman, 2000). In a broader context, interorganisational research suggests the utilization of industry-representative organisations' database (Daniel et al., 2002; Sakakibara and Dodgson, 2003). The nonexistence of such databases produces a difficulty in reaching the necessary sample sizes. Here the problem is the "small sample" phenomenon. Thus, this study used convenience sampling which is appropriate specifically for studies that use grounded theory (Draucker et al., 2007). Moreover, in order to avoid issues associated with the small samples, various data sources were triangulated, such as interviews, online data sources and organisational procedures. Although it can be argued that the small sample size might produce a generalizability issue, it is an expected condition in emerging fields (Shane and Venkataraman, 2000). Future research can extend the study to a wider geographic coverage to avoid this limitation.

7.6.3 Data triangulation

In this study data triangulation was used to enrich the findings. Data triangulation helps researchers to enhance their data sets and avoid limitations related to qualitative studies, such as researcher bias or subjectivity (Flick et al., 2004). In fact, triangulation adds strength to the methodology of the research (Hall and Rist, 1999). Additionally, using multiple sources

of data increases the construct validity in qualitative research (Alam, 2005). On the other hand, data triangulation raises the question of the comparability of the data collected from different sources. That is, the different sources of data, collected in different periods of time need to be comparable (Flick et al., 2004). Even by restraining the time frame of the secondary data to match the interview data, and by using similar methods to analyse the data to enable comparability, due to the nature of qualitative design, a full comparability is hard to achieve.

7.6.4   Limitations regarding the Computer Aided Techniques

Computer aided data analysis systems (CAQDAS) is becoming the standard for qualitative studies (Bringer et al., 2004). In this study NVIVO version eight has been used for the thematic analysis of the data. CAQDAS enables researchers to use systematic and organized data analyses techniques faster and with greater ease (Gummesson, 2001). The UK Economic and Social Research Council (ESRC) advises the use of CAQDAS. However, these systems are criticized because they allow a rigid, automated analysis of the data which conflicts with the interpretative nature of qualitative research (Bringer et al., 2004). Some theorists suggest that CAQDAS should be used to quantify the data, such as content analysis (Bringer et al., 2004). Although more recent software programmes are more flexible and help researchers to develop their own understanding from the data, CAQDAS need to be approached with caution (Goulding, 1999). In this study, while using NVIVO, a flexible approach was adopted, and in order to have this flexibility a cycling between theory and data was used. Therefore, at times the data was coded using CAQDAS, and at other times the coding was taken outside the software and coded using an open coding methodology to avoid limitations associated with CAQDAS.

7.6.5   Research Scope and Inclusion of other Theoretical Concepts

This study is designed to investigate the interorganisational tension and conflict under market creation conditions. Consequently, the tension and conflict management styles and tactics are not considered in this research. Moreover, management decision and organisational strategic planning processes are also left out of this study. In this perspective, this study does not offer a solution for the management of interorganisational tension or conflict. Also, the current research was not specifically designed to evaluate the process of interorganisational tension or conflict convergences into other types of tensions and conflicts. In accordance with these weaknesses, this study was limited to the exploration of the

relationship between tension and conflict. Future research can extend this study by examining several other factors such as the implications of partner avoidance or partner participation.

7.7 DIRECTIONS FOR FUTURE RESEARCH

The aforementioned limitations provide areas to be addressed by future research.

7.7.1 Managing Interorganisational Tension and Conflict and Achieving Success

The aim of this study is to provide insights to interorganisational tension and conflict in the market creation practice. The management of these tensions and conflicts are out of the scope of this study. Future research can explore the strategies that interorganisational collaborations can adopt in order to manage interorganisational tension and conflict. For instance, future research can investigate how they can achieve collaborative tasks by managing interorganisational tension and conflict. Further research can extend this topic and use this research to understand the conditions required for both individual firm's expectations, and collaborative expectations to be successfully realized. More importantly, using the findings of this study, further studies can investigate how partnering firms can manage the inevitable tensions and conflicts as well as their productive, unproductive and functional, dysfunctional impacts to create new markets.

7.7.2 Interactions within and across Interorganisational Tension and Conflict

This research proposed the idea of a two-dimensional interorganisational tension context. Furthermore, by exploring the six tension and three conflict types, as well as their productive, unproductive and functional, dysfunctional impacts, a role for a two-dimensional tension, which has intertwined relations with interorganisational conflict, has been offered by the findings of this research. Research from a wider perspective is also needed to examine the intertwined relations between productive, unproductive tension and functional, dysfunctional conflicts through a quantitative study. Conflict studies can benefit from investigating these intertwined relations specifically on the functional conflict area where current studies are far from providing a consistent result.

7.7.3 Investigating the Missing Links

It would be interesting for future studies to explore the disintegration zone. This would allow an understanding of how markets are created outside the initial collaborations. Furthermore,

future studies can shed light on how the combination of unproductive tension and dysfunctional conflict can still help firms to create markets, by using qualitative techniques that would allow the investigation of micro level perspectives. Future studies can introduce further concepts to the question and try to explore if the tension and conflict relation is associated with other factors. In this perspective, focusing on the market-creating tasks, and including concepts such as task commitment, task involvement and task avoidance, can increase the understanding of the associations between tension and conflict. Interorganisational collaborations are heterogeneous settings where multi and cross-industry firms collaborate to achieve common tasks (Sakakibara, 1997). Further studies can investigate interorganisational tension and conflict from an industrial perspective within the collaboration. This will enable them to discover the cross-industrial roots of tension and conflict in order to improve the achievement of collaborative tasks. Finally, using a multi-level approach, future studies can capture the partnering firms' and the collaborations' perspectives. This will enhance the understanding of the dynamics behind the interorganisational tension and conflict.

7.8   CHAPTER SUMMARY

This chapter is the final chapter of this study. The chapter starts by revisiting the research outcomes and objectives. The key objective of this research was to investigate interorganisational tension and conflict and their impacts on market creation practice. The basis for this research arose from the importance of interorganisational tension and conflict in market creation practice, the under researched tension concept and its relations with conflict, as well as the research calls to further investigate tension and conflict through the application of qualitative techniques. This study used a grounded theory approach to reach its objectives. At the very least, the findings of this study demonstrated that tension has two-dimensions, and both tension and conflict have dynamic and intertwined relations. These dynamics and intertwined relations are important for collaborative market creation practice. Consequently, in offering a framework to explain these impacts on market creation, this study contributed both to theory and practice. Furthermore, the typology of partnering firms bears significant information for both academic and practical use. It identifies the partnering firms under the combined impacts of tension and conflict and provides explanations regarding the collaborative market creation. This chapter concludes with the research contributions and implications for both theory and practice. As a final note, this research has been completed

with its limitations that are also addressed in this chapter. Each of these limitations can be investigated through future research that is mentioned above.

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INDEX OF TERMS

APPENDIX I. DATA SOURCES

Pilot

P1	Omniair Consortium
P2	GSDH
P3	Lodvila
P4	Converlogic
P5	Kensington
P6	Smartware
P7	Antkart
P8	Simulity

Interviews

Interview ID	Firm	Date
I01	Akbank	02.04.2010
I02	Alaric	25.01.2011
I03	Anadolubank	31.03.2010
I04	Asis	21.04.2010
I05	Aston University	08.11.2011
I06	Avea	20.04.2010
I07	Bank Asya	15.04.2010
I08	Banksoft	21.04.2010
I09	Barclaycard	11.04.2011
I10	Barnes	25.02.2011
I11	BKM	15.04.2010
I12	Citibank 1	07.04.2010
I13	Citibank 2	10.02.2011
I14	Garanti Bank 1	09.04.2010
I15	Garanti Bank 2	09.04.2010
I16	Global Prepaid Exchange	23.03.2011
I17	Halkbank	31.03.2010
I18	ING	16.04.2010
I19	Ingenico	21.04.2010
I20	Mastercard	07.04.2010
I21	Phoenix Managed Networks Limited	18.03.2011
I22	Polymath Consulting	22.02.2011
I23	Salans	02.02.2011
I24	Turkcell	12.04.2010
I25	UK GIftCard	11.03.2011
I26	Vakifbank	01.04.2010
I27	Verisoft	07.04.2010
I28	Visa 1	08.04.2010
I29	Visa 2	17.09.2010
I30	Worldpay	08.03.2011

Online Data Sources

Source ID	Title	Web Address
W01	A Little-Noted Durbin Provision Could Cripple Contactless, Hurt NFC, Experts Say	http://www.digitaltransactions.net/news/story/3025
W02	An Interview with Tony Ritchie, Vice President, Technologies Asia Pacific, American Express	http://www.fst.net.au/whoswho.aspx?id=183&op=as
W03	Apple's A5 chip is built by Samsung	http://www.guardian.co.uk/technology/2011/dec/16/apple-a5-chip-made-by-samsung
W04	Are device manufacturers & NFC another threat to operators in the mobile payments market?	http://blogs.amdocs.com/interactivities/2011/03/15/are-device-manufacturers-nfc-another-threat-to-operators-in-the-mobile-payments-market/
W05	AT&T: Mobile payments, past the hype	http://www.fiercewireless.com/story/att-mobile-payments-past-the-hype/2007-03-26
W06	Card Payments Forum - Discussion Paper	http://www.apca.com.au/docs/policy-debate/paper_cfp01.pdf
W07	Community banks call on mobile technology to deliver remote transaction services	http://www.icba.org/files/ICBASites/PDFs/feature0907.pdf
W08	Developing a Globally- Competitive Financial Services Sector: Managing the Tension between Innovation and Regulation through Self Regulation	http://www.melbournecentre.com.au/FinRegConf/Gail_Self_regulation-final.pdf
W09	Discover Stakes Its Claim to the Contactless-Payment Market	http://nfctimes.com/blog/dan-balaban/some-details-yet-be-discover-ed-about-us-telco-m-payment-plans
W10	Fed weighs future of contactless payments	http://www.infoworld.com/t/platforms/fed-weighs-future-contactless-payments-951
W11	Going Cashless at the Point of Sale: Hits and Misses in Developed Countries	http://www.cgap.org/gm/document-1.9.7885/FN51.pdf
W12	Google Preps Mobile Payment System	http://www.informationweek.com/internet/google/google-preps-mobile-payment-system/229625634
W13	Google Wallet Demo Shows Bright Future for Mobile Payments	http://www.eweek.com/c/a/Mobile-and-Wireless/Google-Wallet-Demo-Shows-Bright-Future-for-Mobile-Payments-206351/
W14	Google, PayPal See NFC Mobile-Payment Boom	http://www.eweek.com/c/a/Mobile-and-Wireless/Google-PayPal-See-NFC-Mobile-Payment-Boom-574060/
W15	Hard Questions for Google Wallet	http://www.baselinemag.com/c/a/Mobile-and-Wireless/Hard-Questions-for-Google-Wallet-765117/
W16	Heads up: What to look for in Google's NFC mobile payments announcement	http://www.nfcworld.com/2011/05/26/37692/heads-up-what-to-look-for-in-googles-nfc-mobile-payments-announcement/
W17	Hurdles Mobile Payment Alliance Must Clear	http://mobilemarketingandtechnology.com/2010/08/05/hurdles-mobile-payment-alliance-must-clear/
W18	I was moved by public transport	http://www.smartexpression.net/

Online Data Sources Continued

Source ID	Title	Web Address
W19	iPhone 5 NFC rumors conflict ... again	http://www.washingtonpost.com/blogs/faster-forward/post/iphone-5-nfc-rumors-conflict--again/2011/03/18/ABOxKnp_blog.html
W20	Is Apple Behaving like 70s Era IBM?	http://www.rsrresearch.com/2011/02/01/nfc-mobile-payments-is-apple-behaving-like-70s-era-ibm/
W21	Isis Challenges Google Wallet With Visa, MasterCard, Amex	http://www.eweek.com/c/a/Mobile-and-Wireless/Isis-Challenges-Google-Wallet-with-Visa-MasterCard-Amex-857133/
W22	Making payments is easy, taking payments is hard	http://www.consult-hyperion.com/media/blog-entry/making-payments-is-easy-taking-payments-is-hard
W23	Mobile Banking and Payments	http://www.vrl-financial-news.com/pdf/Mobile%20banking%20and%20payments%20executive%20summary.pdf
W24	Mobile Operators Must Accelerate Contactless Payments To Stay Relevant	http://www.mobilegroove.com/mobile-operators-must-accelerate-contactless-payments-to-stay-relevant/
W25	Mobile Trade Group Calls for More NFC Standards	http://nfctimes.com/news/mobile-trade-group-calls-more-nfc-standards
W26	Multi-functionality, Contactless and Differential Surcharging	http://www.rba.gov.au/payments-system/reforms/submissions-card-surcharging/tyro.pdf
W27	Nets reports contactless payments implementation for Singapore bus firm	http://www.finextra.com/news/announcement.aspx?pressreleaseid=35033
W28	NFC gains momentum	http://www.telecomasia.net/content/nfc-gains-momentum?page=0%2C2
W29	No cash? Just wave and run	http://www.creditcardresearcher.com.au/news-articles/No-cash--Just-wave-and-run.aspx
W30	Nokia - One Foot in the Grave	http://www.smartcard.co.uk/members/newsletters/2011/SCN%20February%202011.pdf
W31	Orange taps Gemalto for mobile NFC in Poland	http://www.finextra.com/news/fullstory.aspx?newsitemid=22681
W32	Out of touch? - Mobile Banking & Payments	http://www.usfst.com/article/Out-of-touch/
W33	Q&A: How SK Telecom figured out the mobile payments biz	http://connectedplanetonline.com/bss_oss/news/QA-How-SK-Telecom-figured-out-the-mobile-payments-biz-1111/
W34	Retailers lobby for lower charges for contactless payments	http://www.theregister.co.uk/2010/06/17/contactless_mobile_charges/
W35	RIM to Release First NFC BlackBerry Models Later This Month	http://nfctimes.com/news/rim-release-first-nfc-blackberry-models-later-month
W36	Scenarios for The future of The Canadian Payments system	http://www.viewpointlearning.com/wp-content/uploads/2011/05/FINANCE_Viewpoint_Report_English.pdf
W37	Slicing an Apple, Apple and Samsung's symbiotic relationship	http://www.economist.com/blogs/dailychart/2011/08/apple-and-samsungs-symbiotic-relationship

Online Data Sources Continued

Source ID	Title	Web Address
W38	Smart Phone Wars	http://regulation2point0.org/wp-content/uploads/downloads/2010/02/Smartphone-Wars.pdf
W39	Structuring the Smartphone Industry: Is the Mobile Internet OS Platform the Key?	http://ideas.repec.org/p/rif/dpaper/1238.html
W40	Telcos and banks Tussle over NFC	www.cardtechnology.com
W41	The economics of mobile payments	http://www.vrl-financial-news.com/cards--payments/cards-international/issues/ci-2009/ci429/the-economics-of-mobile-paymen.aspx
W42	The evolution of prepaid	www.vrl-financial-news.com
W43	Verizon, ATandT, T-Mobile Join to Launch Isis NFC Payment Service	http://www.eweek.com/c/a/Mobile-and-Wireless/Verizon-ATandT-TMobile-Join-to-Launch-Isis-NFC-Payment-Service-470769/
W44	Weekly i-mod business news letter	http://www.imodestrategy.com/imode_world/#61015-3
W45	You can bank a telco showdown	http://technologyspectator.com.au/industry/financial-services/you-can-bank-telco-showdown
W46	Email – Tyro Payments	

Mission Statements

Mission Statement ID	Company
M01	Alaric
M02	Avea
M03	BarclayCard
M04	Barnes
M05	BKM
M06	Citibank
M07	Garanti Payment Systems
M08	Ingenico
M09	MasterCard
M10	Mobey Forum
M11	Orange
M12	Polymath
M13	NFC Forum
M14	Turkcell
M15	UK Gift Card
M16	Verisoft
M17	Visa

Standardization Protocols

Protocol ID	Protocol Name	Issuing Body
S01	3rd Generation Partnership Project; Technical Specification Group Services and System Aspects; Specification drafting rules	3GPP
S02	Accepting Contactless payments: A Merchant Guide	Smart Card Alliance
S03	Card Personalization Validation	MasterCard
S04	Co-Branded Multi-Application Contactless Cards for Transit and Financial Payment	Smart Card Alliance
S05	Contactless Payment and the Retail Point of Sale: Applications, Technologies and Transaction Models	Smart Card Alliance
S06	Contactless Specifications for Payment Systems Book B Entry Point Specifications	EMVCo
S07	Contactless Specifications for Payment Systems	EMVCo
S08	Government Smart Card Handbook	U.S. General Services Administration
S09	Implementation of Market Standards for Corporate Actions Processing	Association for Financial Markets in Europe
S10	Interoperability Specification for ICCs and Personal Computer Systems Part 3. Supplemental Document for Contactless ICCs	PC/SC Workgroup
S11	Interoperability Specification for ICCs and Personal Computer Systems Part 1. Introduction and Architecture Overview	PC/SC Workgroup
S12	Mobile Contactless Payments Service Management Roles Requirements and specifications	European Payments Council – GSMA
S13	Mobile Contactless Proximity Payment: Book 0 General Description	PAYEZ
S14	NFC in Public Transport	NFC Forum
S15	PayPass Testing Environment	MasterCard
	Requirements for an EMVCo Common Contactless Application (CCA)	CIR Technical Working Group
S16	The Consequences to Citizen Privacy and National Security in Adopting RFID Technology for Border Crossing Identity Documents	Smart Card Alliance Identity Council

Standardization Protocols Continued

Protocol ID	Protocol Name	Issuing Body
S17	Transaction Acceptance Device Guide	Visa
S18	Trusted Service Manager Service Management Requirements and Specifications	European Payments Council – GSMA
S19	Type 2 Tag Operation Technical Specification	NFC Forum
S20	White Paper: The Role and Scope of EMVCo in Standardising the Mobile Payments Infrastructure	EMVCo

Task non- specific

- What happens if compromise is not achieved in the accomplishment of alliance tasks? Can you give any examples?
  - What (market/alliance) cues do you look out for to observe this? Where?

- There are interdependencies among partners, such as providing the services or like card manufacturer and card issuer.
  - What kind of effects these interdependencies create while accomplishing tasks?
  - How do you observe these?

- Despite these interdependencies the partners have some independent aspects, such as their understanding of market, their own expectations.
  - What do you think about these independencies of partners while accomplishing tasks?
  - What (market/alliance) cues do you look out for to observe this? Where?

- What if the
  - Balance
  - Harmony
  - Disagreements (to challenge ideas)

  is not achieved?

- What are the indicators of
  - Balance
  - Harmony
  - Disagreement
  - Impediment

- During the accomplishment of an alliance task if a partner's market is threatened what are the likely reactions of the partners?
  - How do you observe these?

- How do partners try to hamper other partners' entries to their markets?

- Do partners dominate?
  - In what ways?
  - How does it affect the accomplishment of tasks such as Mission and Standardization?
  - In case of dominating partners, how does the achievement of alliance tasks is affected?
  - What (market/alliance) cues do you look out for to observe this? Where?

- Lobbying is a mechanism utilised in alliances. What kind of reactions does it cause amongst partners with regard to the achievement of tasks?
  - What (market/alliance) cues do you look out for to observe this?
  - Where?
- Alliance members have social relations outside the alliance?
  - What is the impact of these relations to the alliance tasks?

- o What (market/alliance) cues do you look out for to observe this?
- o Where?

- When there are uncertainties regarding the achievement of tasks, what type of reactions do they cause among partners?
    - o What (market/alliance) cues do you look out for to observe this?
    - o Where?

- Does the accomplishment of tasks create pressure on partners?

- If partners are doubtful about the achievement of alliance tasks, what kind of reactions do they show?
    - o What (market/alliance) cues do you look out for to observe this?
    - o Where?
    - o What are the results of these reactions?

- Do you think resentfulness among partners affect the achievement of tasks?
    - o If so in what ways?
    - o What (market/alliance) cues do you look out for to observe this?
    - o Where?

- Do you think annoyance among partners affect the achievement of tasks?
    - o If so in what ways?
    - o What are the indicators of annoyance?
    - o What are the indicators of annoyance among partners?
    - o Can you recall any incidents of this happening?

- Why are certain alliance partners more eager to achieve the alliance tasks?
    - o What (market/alliance) cues do you look out for to observe this?
    - o Where?

- Why are certain alliance partners less eager to achieve the alliance tasks?
    - o What (market/alliance) cues do you look out for to observe this?
    - o Where?

- Obviously not all partners participate – they abstain. What effect does abstinence have on the nature of the alliance, particularly in relation to tasks?

- Motivation is important in the achievement of tasks. What do you think the impacts of motivation?
    - o What (market/alliance) cues do you look out for to observe this?
    - o Where?

- Can we talk about myopic (too much focused) eagerness?
    - o If so what are the effects?
- Elitism is often a common issue arising from multi-industry alliances – what is the nature of this disdain?
    - o What are the effects of disdain on partnering, specifically on the achievement of tasks?
    - o What (market/alliance) cues do you look out for to observe this?
    - o Where?

- Would you consider some partners being self-centric, with issues like grandiose and superiority (narcissism?)
    - If so how does this affect the nature of alliance task accomplishment?
    - What (market/alliance) cues do you look out for to observe this?
    - Where?

- What are the effects of persuasive partners on the achievement of alliance tasks?
    - What (market/alliance) cues do you look out for to observe this?
    - Where?

Task specific – Mission Statements

- What are the effects of the individual entrepreneurs on the advancements of partners on mission statements?
    - What (market/alliance) cues do you look out for to observe this?
    - Where?

- Some partners adopt an affirming attitude – in other words they choose to follow what other partners are saying or deciding.
    - How do these affect the achievement of alliance missions?
    - What (market/alliance) cues do you look out for to observe this?
    - Where?

- If a consensus on mission statements is not achieved, what are the effects on (standardization/innovation)?
    - What (market/alliance) cues do you look out for to observe this?
    - Where?

- How important is the harmony among the partners regarding the missions of the alliance?

- What about discord? How does discord affect alliance missions?
    - What (market/alliance) cues do you look out for to observe accord and discord?
    - Where?

- Sometimes decisions are reached through compromise. What if there is no compromise?
    - How do the alliance missions affected?
    - What (market/alliance) cues do you look out for to observe this?
    - Where?

- What are the impacts of autonomy (independency) of partners on alliance missions?
    - What (market/alliance) cues do you look out for to observe this?
    - Where?

- What effects create interdependencies of partners on the alliance mission?
    - What (market/alliance) cues do you look out for to observe this? Where?

- What are the indicators of;
    - New business development,
    - Being first-to-market

- o Being innovative
- o Shaping the market on mission statements?

- o What (market/alliance) cues do you look out for to observe this?
- o Where?

- What are the effects of these to the market?

- What do you understand are the effects of business models on the mission of the alliance?
  - o What (market/alliance) cues do you look out for to observe this?
  - o Where?
- What could be the possible effects of avoidance from some tasks on the alliance missions?

- What happens to the alliance missions if some partners avoid taking part in some tasks?
  - o What (market/alliance) cues do you look out for to observe this?
  - o Where?

- How do the individual aims of partners affect alliance missions?
  - o What sort of reactions do they create and how do you observe them?

- What are the impacts of voting mechanism on alliance missions?
  - o Do they create any reactions?
  - o What are the indicators of these reactions?

- How does the strategic focus of partners affect alliance missions?
  - o What (market/alliance) cues do you look out for to observe this?
  - o Where?

Task specific – Standardization Protocols

- How does resistance of members affect the alliance standardization processes?
  - o What (market/alliance) cues do you look out for to observe this?
  - o Where?

- What are the impacts of partners' accommodating behaviours to the alliance standardization processes?
  - o What (market/alliance) cues do you look out for to observe this?
  - o Where?

- What are the effects of compromising behaviours?
  - o What (market/alliance) cues do you look out for to observe this?
  - o Where?

- What are the impacts of differences in the approaches of the partners on the alliance standardization processes?
  - o What (market/alliance) cues do you look out for to observe this?
  - o Where?

- How do the organizational differences of members affect the alliance standardization processes?
  - What (market/alliance) cues do you look out for to observe this?
  - Where?

- What are the effects of authoritative attitudes of partners on the alliance standardization processes?
  - What (market/alliance) cues do you look out for to observe this?
  - Where?

- How does the competitive aggression of partners affect the alliance standardization processes?
  - What (market/alliance) cues do you look out for to observe this?
  - Where?

- What are the impacts of domination of partners on the alliance standardization processes?
  - What (market general /alliance specific) cues do you look out for to observe this?
  - Where?

- What are the effects of reactive moves of partners on other partners' competitive activities on the alliance standardization processes?
  - What (market general /alliance specific) cues do you look out for to observe this?
  - Where?

- When there are incidents of rule violations, how are the alliance standardization processes affected?
  - What (market general /alliance specific) cues do you look out for to observe this?
  - Where?

- Can you name any other impeding attitudes considering the achievement of market standardization?

- What are the effects of market standardization processes to the market?

- How do you observe partners'
  - Pushing,
  - Pulling each other during the process of standardizations?

- What are the effects of market shaping activities on the alliance standardization processes?
  - What (market general /alliance specific) cues do you look out for to observe this?
  - Where?
- When partners are being ambiguous, how does this affect standardization processes?
  - If so, what are those effects?
  - What (market general /alliance specific) cues do you look out for to observe this?
  - Where?

- What are the effects of lack of
  - Industrial know-how

- o Information
- o Standardizations on the alliance standardization processes?
- o What (market general /alliance specific) cues do you look out for to observe this?
- o Where?

- How does the uncertainty in responsibilities among partners affect the alliance standardization processes?
  - o What (market general /alliance specific) cues do you look out for to observe this?
  - o Where?

- Can you think of any other thing that might lead to anxiety among partners?

- What are the impacts of bureaucratic approaches of some partners on the alliance standardization processes?
  - o What (market general /alliance specific) cues do you look out for to observe this?
  - o Where?

- What are the impacts of flexible approaches of some partners on the alliance standardization processes?
  - o What (market general /alliance specific) cues do you look out for to observe this?
  - o Where?

- How do the cross-functional tensions affect the alliance standardization processes?
  - o What (market general /alliance specific) cues do you look out for to observe this?
  - o Where?

- What about the hierarchical uneasiness? How does it affect the alliance standardization processes?
  - o How do you observe these?

APPENDIX III. QUALITATIVE DATA CODING

First order categories – NVIVO FILE EXTRACT

Free Node	Strategic Focus	17	117	09/05/2010 19:04	I	30/06/2010 13:35	I
Free Node	Partner expectations	14	58	20/05/2010 14:02	I	30/06/2010 13:30	I
Free Node	Active persuasion	8	55	17/05/2010 12:53	I	30/06/2010 13:10	I
Free Node	Annoyance	11	53	27/05/2010 23:59	I	30/06/2010 16:18	I
Free Node	Domination	12	49	17/05/2010 12:36	I	30/06/2010 00:18	I
Free Node	Shaping	10	41	28/05/2010 13:57	I	30/06/2010 13:36	I
Free Node	First-to-market	13	40	20/05/2010 19:18	I	30/06/2010 13:11	I
Free Node	Disdain	11	38	28/06/2010 15:58	I	30/06/2010 13:40	I
Free Node	Innovation	12	37	09/05/2010 14:49	I	30/06/2010 13:37	I
Free Node	Standardization	14	35	09/05/2010 19:15	I	30/06/2010 13:38	I
Free Node	Regulations	12	33	09/05/2010 14:53	I	30/06/2010 13:33	I
Free Node	Discord	13	31	27/05/2010 16:53	I	30/06/2010 16:16	I
Free Node	Constructing market	5	30	28/05/2010 14:11	I	29/06/2010 17:39	I
Free Node	Strategic manoeuvring	10	29	27/05/2010 14:07	I	30/06/2010 11:38	I
Free Node	Personal frustrations	7	27	20/05/2010 18:49	I	30/06/2010 13:41	I
Free Node	Competitive aggression	8	25	09/05/2010 14:42	I	30/06/2010 13:11	I
Free Node	Authority	9	24	27/05/2010 17:24	I	30/06/2010 13:31	I
Free Node	Experience	8	24	17/05/2010 12:50	I	29/06/2010 22:31	I
Free Node	Interdependency	9	24	27/05/2010 18:51	I	30/06/2010 00:04	I
Free Node	Lack of business model	8	24	20/05/2010 15:47	I	30/06/2010 12:44	I
Free Node	Leading aim	10	24	28/05/2010 14:07	I	30/06/2010 13:24	I
Free Node	Consensus	7	23	20/05/2010 13:05	I	29/06/2010 22:51	I
Free Node	Contracting	8	23	17/05/2010 12:44	I	30/06/2010 13:33	I
Free Node	Temporality	9	23	27/05/2010 16:35	I	30/06/2010 11:56	I
Free Node	Accommodation	9	21	27/05/2010 17:21	I	30/06/2010 11:57	I
Free Node	Methodological differences	6	21	27/05/2010 17:20	I	30/06/2010 11:56	I
Free Node	Pulling	7	21	28/05/2010 14:00	I	30/06/2010 13:35	I
Free Node	Seizure-of-power	9	21	27/05/2010 17:14	I	29/06/2010 22:20	I
Free Node	Social relations	8	21	27/05/2010 16:39	I	29/06/2010 23:46	I
Free Node	resentful	7	19	27/05/2010 16:45	I	30/06/2010 16:19	I
Free Node	Lack of industrial know-how	7	18	09/05/2010 14:33	I	29/06/2010 12:43	I
Free Node	Autonomy	8	17	27/05/2010 17:04	I	30/06/2010 13:02	I
Free Node	Cross-functional tension	8	17	27/05/2010 16:38	I	30/06/2010 00:36	I
Free Node	Passive persuasion	8	16	20/05/2010 18:09	I	30/06/2010 00:14	I
Free Node	Hindering	4	15	27/05/2010 16:41	I	30/06/2010 00:19	I
Free Node	Lack of information	7	15	09/05/2010 14:34	I	30/06/2010 12:01	I
Free Node	Lobbying	6	15	17/05/2010 14:51	I	29/06/2010 23:04	I
Free Node	Benevolent dictatorship	6	14	27/05/2010 16:55	I	30/06/2010 00:10	I
Free Node	Organizational structure	6	14	09/05/2010 21:15	I	29/06/2010 21:58	I
Free Node	Partner elitism	6	14	09/05/2010 19:49	I	30/06/2010 11:55	I
Free Node	Belief	5	13	04/06/2010 20:53	I	29/06/2010 21:48	I

Free Node	Representation	4	13	28/05/2010 00:01	I	29/06/2010 23:55	I
Free Node	Balance	7	12	28/05/2010 23:02	I	30/06/2010 16:09	I
Free Node	Eager	3	12	27/05/2010 16:48	I	29/06/2010 17:27	I
Free Node	Enthusiastic	5	12	27/05/2010 16:47	I	29/06/2010 23:37	I
Free Node	Motivated	6	12	27/05/2010 16:48	I	29/06/2010 16:23	I
Free Node	Support	6	12	28/06/2010 16:12	I	30/06/2010 12:28	I
Free Node	Compromise	8	11	27/05/2010 17:22	I	30/06/2010 00:07	I
Free Node	Unclear responsibilities	4	11	27/05/2010 17:10	I	29/06/2010 13:02	I
Free Node	Accord	6	10	28/05/2010 13:53	I	30/06/2010 14:14	I
Free Node	Adaptation	5	10	28/05/2010 18:18	I	29/06/2010 23:49	I
Free Node	Affirmation	4	10	17/05/2010 12:38	I	29/06/2010 23:49	I
Free Node	Convention	6	10	27/05/2010 16:05	I	29/06/2010 23:49	I
Free Node	Engaged	4	10	27/05/2010 16:46	I	29/06/2010 16:23	I
Free Node	Lack of standardizations	6	10	09/05/2010 14:34	I	30/06/2010 11:38	I
Free Node	Masking tension	3	10	20/05/2010 16:51	I	29/06/2010 21:58	I
Free Node	Pushing partners	4	10	09/05/2010 19:13	I	30/06/2010 00:09	I
Free Node	Rivalry reaction	4	10	20/05/2010 18:07	I	29/06/2010 23:34	I
Free Node	Advancement	3	9	28/05/2010 18:06	I	30/06/2010 16:16	I
Free Node	Doubtfulness	4	9	28/05/2010 18:17	I	29/06/2010 23:49	I
Free Node	Independency	4	9	28/06/2010 16:00	I	29/06/2010 21:07	I
Free Node	Personal dilemmas	4	9	20/05/2010 18:56	I	29/06/2010 23:51	I
Free Node	Rule violation	4	9	27/05/2010 15:36	I	30/06/2010 12:24	I
Free Node	Compatibility	4	8	28/06/2010 17:18	I	30/06/2010 12:42	I
Free Node	Pressure	6	8	20/05/2010 15:50	I	30/06/2010 12:29	I
Free Node	Market boundaries	3	7	20/05/2010 15:46	I	28/06/2010 22:03	I
Free Node	Responsibility	5	7	28/05/2010 13:49	I	30/06/2010 00:37	I
Free Node	Flexibility	4	6	28/06/2010 16:22	I	29/06/2010 14:10	I
Free Node	hampering	3	6	28/06/2010 15:46	I	29/06/2010 23:34	I
Free Node	Unfair competition	3	6	20/05/2010 21:04	I	29/06/2010 14:17	I
Free Node	Bureaucracy	1	5	27/05/2010 17:00	I	27/05/2010 18:38	I
Free Node	Confusion	2	5	28/05/2010 18:37	I	28/05/2010 23:25	I
Free Node	Uncertainty	4	5	27/05/2010 18:02	I	29/06/2010 12:58	I
Free Node	Denial	1	4	20/05/2010 18:59	I	27/05/2010 23:49	I
Free Node	Excited	4	4	27/05/2010 16:47	I	29/06/2010 17:33	I
Free Node	Involved	3	4	27/05/2010 16:47	I	29/06/2010 12:43	I
Free Node	opportunism	2	4	28/06/2010 15:47	I	29/06/2010 23:41	I
Free Node	Agitation	2	3	27/05/2010 16:43	I	30/06/2010 12:24	I
Free Node	Diversification	2	3	28/05/2010 14:21	I	28/05/2010 17:35	I
Free Node	Inertia	2	3	28/05/2010 18:37	I	28/06/2010 18:09	I
Free Node	Muted	1	3	27/05/2010 16:53	I	27/05/2010 19:04	I
Free Node	Positive provocation	3	3	20/05/2010 19:44	I	30/06/2010 11:48	I
Free Node	Strategic avoidance	2	3	28/06/2010 18:49	I	29/06/2010 21:17	I

Free Node	Inadequacy		1	2	28/05/2010 18:51	I	28/05/2010 18:56	I
Free Node	Impatience		1	1	27/05/2010 16:39	I	28/06/2010 23:51	I
Free Node	Optimistic		1	1	27/05/2010 16:48	I	28/06/2010 23:19	I
Free Node	Surrender		1	1	28/06/2010 15:42	I	29/06/2010 23:49	I

Source: NVIVO initial nodes, triangulated data

283

Title of the Project: An Examination of Partner Relationships in Strategic Alliances in the Contactless Payments Industry

Researcher(s): Inci Nur TORAL, Aston Business School, Aston University

This is to certify that I, _____ have been given the following information with respect to my participation in this study.

1. **Purpose of the research:** the purpose of the research is to enhance the knowledge on the partner relationships in strategic alliances which bear strategic challenges. This research also aims to contribute to the strategic alliances practice through outlining the positive and negative aspects of partner relationships.

2. **Procedure to be followed:** The research will be conducted in two phases. In the first phase of the research the data will be collected through interviews and organizational documentations. In the second part of the research a survey will be carried out to collect information. The data collected from each of these resources will be analyzed and used for the purpose of this research.

3. **Discomforts and risks:** This research is conducted in commonly accepted educational purposes and involves the study of normal educational practices that would not reasonably be assumed to create distress or harm. Moreover, this research involves only anonymous interviews, questionnaires, observations, or documental research through which participants cannot be identified and participants' responses would not place them at risk of criminal or civil liability or be damaging to the participant's financial standing, employability, or reputation or that would not reasonably be assumed to create distress or harm. It is also acknowledged that the research is conducted in organizational settings and therefore through the anonymity and confidentiality procedures applied to this research, participants cannot be identified and the disclosure of the participants' responses would not place their employability at risk.

4. **Statement of confidentiality:** The data collected for this research are subject to strict confidentiality procedures to which only the researcher would have the access. Moreover, the research outcomes may be published while all the participant information will be kept anonymous. The electronic content of the data will be destroyed after five years and all the other documented data (organizational documents, notes and audio recordings) will be destroyed after two years.

5. **Voluntary participation:** Participation to the research is completely voluntary. Participants may withdraw from this study at any time at their free will.

6. **Termination of participation:** The participation terminates when the research is finalized or at the free will of the participants' withdrawal from the research.

7. **Questions regarding the research should be directed to:**

Inci N. TORAL
Aston Business School,Aston University
Aston Triangle Birmingham, B4 7ET
toralin@aston.ac.uk

I agree to participate in this study and have read all the information provided on this form.

Name (please print) :

Signature :   **Date :**

Research Methods Used to Investigate Interorganisational Collaborations

Authors	Title	Journal	Method	Year
Daniel, H. Z., D. J. Hempel, et al.	A model of value assessment in collaborative R&D programs	Industrial Marketing Management	Quantitative	2002
Lane, Peter J. and Salk, Jane E. and Lyles, Marjorie A.	Absorptive Capacity, Learning, and Performance in International Joint Ventures	Strategic Management Journal	Quantitative	2001
Das, T. K. and Teng, Bing-Sheng	Alliance Constellations: A Social Exchange Perspective	The Academy of Management Review	Qualitative	2000
Sarkar, M. B. and Echambadi, Raj and Harrison, Jeffrey S.	Alliance Entrepreneurship and Firm Market Performance	Strategic Management Journal	Mix methods	2001
Goerzen, Anthony	Alliance networks and firm performance: The impact of repeated partnerships	Strategic Management Journal	Quantitative	2007
Silverman, Brian S. and Baum, Joel A. C.	Alliance-Based Competitive Dynamics	Academy of Management Journal	Quantitative	2002
Gulati, Ranjay	Alliances and Networks	Strategic Management Journal	Qualitative	1998
Shamdasani, P. N., & Sheth, Jagdish N.	An experimental approach to investigating satisfaction and continuity in marketing alliances	European Journal of Marketing	Quantitative	1995
Alter, Catherine	An Exploratory Study Of Conflicts And Coordination In Interorganizational Service Delivery System	Academy of Management Journal	Mix methods	1990
Lavie, D. and L. Rosenkopf	Balancing Exploration and Exploitation In Alliance Formation	Academy of Management Journal	Quantitative	2006
Yan, Aimin and Gray, Barbara	Bargaining Power, Management Control, and Performance In United States-China Joint Ventures: A Comparative Case Study	Academy of Management Journal	Qualitative	1994
Greve, Henrich R. and Baum, Joel A. C. and Mitsuhashi, Hitoshi and Rowley, Timothy J.	Built To Last But Falling Apart: Cohesion, Friction, And Withdrawal From Interfirm Alliances	Academy of Management Journal	Mix methods	2010
Kaufman, Allen and Wood, Craig H. and Theyel, Gregory	Collaboration and Technology Linkages: A Strategic Supplier Typology	Strategic Management Journal	Quantitative	2000

Research Methods Used to Investigate Interorganisational Collaborations Continued

Authors	Title	Journal	Method	Year
Mesquita, Luiz F. and Anand, Jaideep and Brush, Thomas H.	Comparing the resource-based and relational views: knowledge transfer and spillover in vertical alliances	Strategic Management Journal	Quantitative	2008
Santos, Filipe M. and Eisenhardt, Kathleen M.	Constructing Markets And Shaping Boundaries: Entrepreneurial Power In Nascent Fields	Academy of Management Journal	Qualitative	2009
Huxham, Chris and Beech, Nic	Contrary Prescriptions: Recognizing Good Practice Tensions in Management	Organization Studies	Qualitative	2003
Oliver, Christine	Determinants of Interorganizational Relationships: Integration and Future Directions	The Academy of Management Review	Qualitative	1990
Baum, J. A. C., T. Calabrese, et al.	Don't Go It Alone: Alliance Network Composition and Startups' Performance in Canadian Biotechnology	Strategic Management Journal	Quantitative	2000
M'Chirgui, Zouhaïer	Dynamics of R&D networked relationships and mergers and acquisitions in the smart card field	Research Policy	Quantitative	2009
Carlos, M. R. (2005)	Emergence of a third culture: shared leadership in international strategic alliances	International Marketing Review	Quantitative	2005
Steensma, H. Kevin and Lyles, Marjorie A.	Explaining IJV Survival in a Transitional Economy through Social Exchange and Knowledge-Based Perspectives	Strategic Management Journal	Quantitative	2000
Prashantham, Shameen and McNaughton, Rod B.	Facilitation of links between multinational subsidiaries and SMEs: The Scottish Technology and Collaboration (STAC) initiative	International Business Review	Quantitative	2006
Doz, Yves L. and Olk, Paul M. and Ring, Peter Smith	Formation Processes of R&D Consortia: Which Path to Take? Where Does It Lead?	Strategic Management Journal	Quantitative	2000
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Source: Reviewed literature