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# Competing Through Coopetition: A Strategy for Success in Hotel Marketing Consortia

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## Abstract

Coopetition is a strategy for a company to achieve a competitive advantage in the market environment. However, little is known about how coopetition works in the hotel sector and which organizational departments perform better in terms of coopetitive behaviour. In this research, coopetition is analysed in the context of international hotel marketing consortia (HMC) operating in Portugal. Exploratory interviews and a survey were conducted to consortia members to analyze managers' perceptions on coopetitive behaviour and the organizational departments engaged in coopetition. The results show that there is higher cooperation than competition in the marketing and research & investigation departments. The research findings support consortia managers to make an informed decision to augment or reduce coopetition inside and outside companies based on two dimensions: internal and external. Internally by enhancing cooperation and reducing competition behaviour according to relationships observed between members; externally, by formulating strategies for the future, thereby increasing the intensity of coopetition according to expansion goals. Finally, theoretical and managerial contributions are presented, followed by recommendations for further research.

**Keywords:** coopetition, cooperation, competition, hotel marketing consortium, hotel sector

## Introduction

Coopetition was first discussed by Brandenburguer and Nalebuff (1996), referring to a market situation in which two or more organizations cooperate and compete simultaneously. Prior research emphasizes coopetition as a strategy to achieve a firm's competitive advantage and its sustainable development (Della Corte & Aria, 2016). The findings in the literature show that it materializes in different forms of alliances (Doz & Hamel, 1998) and networks (Bengtsson & Kock, 2000; Gnyawali & Madhavan, 2001; Gomes-Casseres, 1994; Grängsjö & Gummesson, 2005). Coopetitive behaviour is evident in the hotel sector (Almeida & Guerreiro, 2012; Titmas, 2012), however, the research on coopetition dynamics is still scarce (Chim-Miki & Batista-Canino,

2017; Luo, 2007), in particular with a focus on analysis and measurement of coexistence of cooperative and competitive behaviours in networks.

Given the scarcity of the research on coopetition in the hotel sector, the question addressed in this research is to which extent are HMC informed by a cooperative orientation, assuming HMC differ in their internal dynamics. Coopetition is here discussed from a business management perspective focused on the hotel sector, characterized by a lack of consistency in theory and conceptualization. Accordingly, the research objectives are: i) to analyse the cooperation and competition dynamics in the HMC operating in Portugal; ii) to identify the consortia departments, which perform better in terms of cooperative behaviour; iii) to explore if the HMC departments closest to the end customer outperform the others in cooperative behaviour.

The structure of this paper is as follows: firstly, a literature review is conducted on coopetition, drawing from key management and organizational research insights to the hotel sector. Then, the section of methods will describe main procedures followed the data collection methods, exploratory interviews and a questionnaire applied to seven international HMCs operating in Portugal. The last section of this paper will cover main findings and discussion, addressing also its limitations, as well as theoretical and managerial recommendations and suggestions.

## **Literature Review**

### ***Cooperation***

Astley and Fombrun (1983, p.578) refer to cooperation relations as a collective strategy: “*the joint mobilization of resources and formulation of action within collections of organisations*”. On the other hand, Mitchell and Singh (1996, p.170) describe cooperation as “*(...) cooperative agreements between legally separable organizations that do not involve establishing separate organisations*”. With a voluntary perspective, Das and Teng (2000) define strategic alliances as voluntary cooperative inter-firm agreements for the purpose of achieving competitive advantage for parties involved. Others, such as Doz and Hamel (1998); Jorde and Teece (1989) emphasize the role of cooperation and trust in alliances. In each of the definitions mentioned above, emphasis is placed on how joint action between companies allows them to compete, reducing uncertainty, through increasing interdependence. Beresecká and Papcunová (2020) studied the cooperation applied to public-private partnerships in tourism in the Slovak Republic, focusing on the combination of knowledge, involving the share of risks, costs and benefits. Networks are a perfect business model to a society in constant transformation and allow individuals and organisations to be in a relational structure and interact with other actors. Thao, von Arx and Frölicher (2020) conducted a research on cooperation in transportation and tourism companies. Interfirm cooperation allows firms to acquire access to resources, thus helping them to overcome resource constraints and to achieve their own objectives more fully (Das & Teng 2000).

### ***Competition***

The competition paradigm has dominated strategic management (Barney, 1986; Porter, 1986), organizational economics (Williamson, 1989), and marketing management (Drucker, 1996; Kotler, 1996). Brandenburger and Nalebuff (1996, p.7) claim that “*the goal is to do well for yourself. Sometimes that comes at the expense of others, sometimes not. In business, your success*

*doesn't require others to fail - there can be multiple winners*". Regarding horizontal interdependence, the competitive perspective emphasizes the search for profit, either through the acquisition of a favourable position for the company (Porter, 1986) or through the mobilization and implementation of the company's distinct resources and competences that allow offering superior quality products when compared to competitors. Some examples of the competition paradigm could be found in the tourism sector. According to Gajdošik and Šmardová (2016), creation of competitive products in urban destinations requires the cooperation of stakeholders in the development of tourism. A climate of competition stimulates improvement and discourages stagnation, although efficiency and effectiveness of resources deployment create competitive advantage, as referred by Ritchie and Crouch (2003). Vodeb (2012) added that competition between destinations plays a critical role in shaping the global tourism industry. Patsouratis, Frangouli, and Anastasopoulos (2005) research on tourism competition among the Mediterranean destinations, which could be a good example for this. Although sun and sea tourism destinations are still popular, demand is decreasing, consequently competition among Mediterranean countries increases as destinations try to keep their sharing quota in the market.

### ***Conceptualizing Cooptation***

Cooptation was first discussed by Brandenburger and Nalebuff (1996), defining a market situation in which two or more organizations cooperate and compete simultaneously. Cooptation allows superior advantage for firms, which could not be achieved if engaging separately in cooperation and competition behaviours. The term is now widely accepted among the academic community, although the literature about the topic is mainly conceptual and dispersed (Chim-Miki & Batista-Canino, 2017; Loebecke et al., 1999).

Bengtsson and Kock (2000, p. 412) define cooptation as *"a dyadic and paradoxical relationship that arises when two companies are cooperating in some activities, while competing with each other in other activities"*. Luo (2004) suggests that global success of companies in an environment of high uncertainty and dramatic change requires the simultaneous adoption of competition and cooperation strategies. However, a cooptation behaviour does not arise simply from the combination of competition with cooperation, but instead from the creation of a new form of strategic interdependence between companies which gives rise to a cooptative value system (Dagnino & Padula, 2002).

Most studies on competition propose a conceptual framework (Dagnino & Padula, 2002; Lado et al., 1997) and discuss empirical evidence as well (Bouncken et al., 2015; Gnyawali et al., 2008). Some researches focus on specific facets of cooptation. Walley (2007) examined cooptation in different economic periods and types of cooptation (internal-external). Other studies examined cooptation through the relationships developed between companies that compete in the same market and target the same consumer segments (Bengtsson & Kock, 2000; Dagnino & Padula, 2002). Bonel and Rocco (2007) identified different types of cooptation and discussed levels of analysis in types of cooptation, despite literature treating competition and cooperation as two extremes of one dimension (Gnyawali & Madhavan, 2001).

Brandenburger and Nalebuff (1996), Lado et al. (1997) and Gnyawali and Madhavan (2001) highlight the growing importance of cooptation in the market dynamics and argue that the research has so far concentrated on conceptualization. Specifically, the previous research on cooptation

strategies examined its determinants, instances and impacts on company performance (Yami et al., 2010). Thus, the implementation of strategies and management of cooperation are less studied topics (Walley, 2007), despite their critical role to the success of involved companies (Gnyawali et al., 2008). The early conceptualization of cooperation goes back to the Game Theory of Von Neumann and Morgenstern in 1944 (Bonel & Rocco, 2007). Currently, the topic faces challenges rooted in the dynamics of environmental changes, which require companies to elaborate strategic thinking and action.

### ***Cooperation Applied to Business Management and Organization***

Cooperation as approached by Brandenburger and Nalebuff (1996) broke away from the mainstream literature, usually focused on firm strategic management and competitive position in the market. The new focus is now based on value creation and competitive advantages (Hill et al., 1990), as the most stable markets eventually become *hypercompetitive*, *aggressively competitive*, or in the stage for *voracious competition* (Yami et al., 2010).

The early studies on cooperation were conducted in the context of manufacturing industry. The lack of robust knowledge in service industries has been acknowledged (Dagnino & Rocco, 2009; Drupe & Grün, 2004; Huggins & Izushi, 2007; Ritala & Välimäki, 2009). One exception to this was Lusch, Vargo and O'Brien's research (2007). Cooperation is based on trust and reciprocity, while competition rests on the assumption that individuals act to maximize their own interests (Bengtsson & Kock 2000; Bonel & Rocco, 2007; Eriksson, 2008). Companies, usually seen as competitors, increasingly cooperate to achieve a competitive advantage in a globalized, less differentiated world. By working together, companies increase customer service and create a larger market at a lower cost than any other company working exclusively on its own.

More recently, Bounken et al. (2015) refer to shared costs, mitigated risks, shared economies of scale gained through investment activities. Companies involved proactively share their activities in the cooperation in upstream research (R&D) area (Walley, 2007) and have access to knowledge and external resources, which can then apply to the company (Bengtsson & Kock, 2000), increasing the efficiency of involved companies, generating win-win results with lower global costs. As a result of cooperation, partners develop a common knowledge base, using the experience and expertise of both companies (Ritala & Välimäki, 2009), which increases innovation capacity (Bonnel & Rocco, 2007; Quintana-Garcia & Benavides-Velasco, 2004).

### ***Cooperation Strategy Applied to the Hotel Marketing Consortia***

HMC are networks of hotels, whose members share an umbrella brand, as well as resources (Almeida & Campos, 2020). According to Kotler et al. (1996, p. 460), a HMC is “*a group of hospitality organization that is allied for the mutual benefit for the members*”. Marketing is often the reason why consortia are formed (Ivanova & Ivanov, 2015). Jafari (2000, p.104) defined a consortium as “*an organization of individual trading units which combine for a common commercial purpose such as joint marketing services and purchasing*”.

Prior research on hotel management explores cooperation practices (Astley & Fombrun, 1983; Dyer & Singh, 1998; Porter, 1986) or competition strategies (Ferrier, 2001; Porter & Fuller, 1986; Zairi, 1996), but not how they do both simultaneously, within a cooperation mind-set. Cooperation

in networks has been analysed among districts or regions (Dei Ottati, 1994), industries (Mariani, 2007), consortia (Carayannis & Alexander, 2004), interest groups (Doucet, 2006), or networks of firms (Chaudhri & Samson, 2000; Ims & Jakobsen, 2006).

As a network, consortia develop a spirit of cooptation, i.e., members practice cooperative behaviours when they come together to promote the brand of a consortium or a common tourist destination, but they also compete, by developing mechanisms to obtain more reserves. Apparently, consortia are competing within networks and, thus, the type of relationship is to be an alliance between competitors. Consortia cooperate through the common promotion of services. Consortia compete, since they are opponents struggling among them to attract two target audiences, the hotel members (Business-to-business) relationship and the end-consumer (Business-to-consumer) relationship.

In tourism, firms compete locally whilst cooperating at the destination level to outperform other destinations (Pesämaa & Hair, 2008). Advantages of cooptative relationships are recognized in the sharing of industry-based information (Belleflamme & Neysen, 2006), as well as in collective marketing communication with the purpose of promoting a destination (Grängsjö & Gummesson, 2005). Titmas (2012) researched cooptation among the luxury hotels in Cape Town, concluding that both external (market environment) and internal (organizational) factors affect performance of cooptative behaviour. Additionally, Titmas (2012) also found that certain activities are more likely to result in cooperation than others and that impacts are seen in increase revenues, occupancies, brand equity and cost. Sharing knowledge, resources, cost saving, maximising revenue, customer retention, improved product quality, improved service and highly skilled staff are observed as the elements of a successful cooptation strategy.

## **Methods**

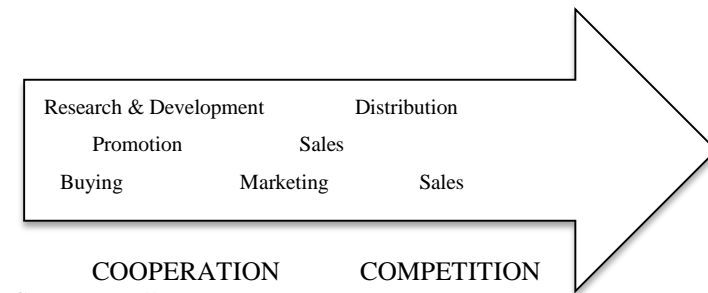
A mix-methods approach was applied in this research. This popular classification was introduced in 1989 by Greene et al. identifying five purposes for using mix-methods research: triangulation, complementary, development, initiation, and expansion. Triangulation was adopted in this study, looking for convergence, correspondence, and corroboration of results. The effectiveness of mixing methods is that qualitative and quantitative approaches are complementary rather than competitive methods (Decrop, 1999; Wilson, 1981). Accordingly, data collection methods included in this study were exploratory qualitative interviews, which were conducted in combination with literature review in the first stage of the research, so as to assist in the design of the survey. Additionally, these interviews intended to explore understanding and interpretation of technical concepts and meaning of the research themes. Subsequently, in the second stage, a survey was developed to address the research objectives. As for data analysis, exploratory interviews were content analysed according to the previously defined themes described below. The survey data were analysed by using SPSS software.

### ***Measurement of Cooptation***

The measurement of cooptation deserves some well-studied references in the literature. According to Walley (2007), cooptative relations vary, each having its own idiosyncrasies. Afuah (2000), Hamel et al., (1990) analysed micro-cooptation, i.e., between departments or divisions within a company in North America, Europe and Japan. Later, Walley (2007) researched the existence of

internal cooperation (interdepartmental, departments cooperate in certain areas and compete in others) and external cooperation (among consumers, for example, e.g., “Black Friday”). Measuring internal cooperation, Walley (2007) found that employees often cooperate in *upstream activities* and compete more in *downstream activities*, as shown in Figure 1 below. R&D activities is well documented in Luo (2007) explains the emergence of cooperation and discusses situations in the business environment that promote increased cooperation and competition, presenting a model to understand the intensity and diversity of competition between rival companies.

**Figure 1:** Cooperation and Competition at the Organizational Department Level



*Source:* Walley (2007)

### Sample

This study was conducted on two samples. The first one was composed of seven international HMC operating in Portugal, as seen in Table 1 below. Criteria for inclusion in the analysis were: (i) number of members operating in Portugal, (ii) consortia referenced in the literature in the last seven years, and (iii) consortia listed in the top 25 consortia worldwide (Hotelmag, 2020).

**Table 1:** Characterization of Hotel Marketing Consortia

Item	Headquarters	Country	International Presence	Members
ARTEH http://www.arteh-hotels.com	Portugal	Lisbon, 2000	12	137
Design https://www.designhotels.com	Germany	USA 1993	56	288
Great Hotels of the World (GHOW) https://www.ghotw.com	Portugal	London 2004	23	285
Leading Hotels of the World (LHW) https://www.lhw.com	Egypt	1928	80	430
Preferred Hotels https://preferredhotels.com	USA, Chicago	USA 1968	85	750
Relais & Chateaux https://www.relaischateaux.com	France	France, 1954	61	549
Small Luxury Hotels (SLH) https://slh.com	England	London, England 1989	90	520

*Source:* Adopted from Ayazlar (2016); Holverson (2010); Holverson and Revaz (2006); Hotelmag (2020); Roper (1995).

The second sample was composed of 57 hotels taken from a population of 688 4 and 5-star hotels operating in Portugal and the members of the above identified consortia. A survey was sent to 688 hotels and a total of 327 was validated. These 327 hotels are part of the seven consortia presented in Table 1 above.

## **Data Collection**

### ***Exploratory Interviews***

In order to prepare and design the survey, this study's key constructs were discussed with the experts in tourism. The exploratory interviews were conducted to a group of experts in the areas of sales, marketing and hotel management, using a script based on the following themes (Bengtsson & Kock, 2000; Walley, 2007): (i) definition of HMC; (ii) mention to national and international HMC; (iii) reasons behind the emergence of HMC and critical success factors; (iv) advantages and disadvantages of being part of an HMC; (v) HMC operations; (vi) evidence of cooperation and (vii) competition inside these networks. The interviews allowed validation of the questionnaire design and wording, and implementation lasted for two months. The participants were the members of ARTEH – hotels and resorts consortia. The average duration of interviews was one and a half hour. The following procedures were observed to subsequent data treatment and analysis: i) interviews were recorded with the consent of interviewees; ii) eight open questions were asked to interviewees to assess sensitivity and level of knowledge about the subject to be discussed; iii) the interviews were subsequently transcribed and content analysed. The criteria adopted to select the hotel units to participate in these exploratory interviews were size (number of rooms) of a hotel, geographic location, target market segments and affiliation with hotel HMC. A questionnaire was afterwards designed and sent to hotel managers aiming at exploring their perceptions on cooptation within these international HMC. The questionnaire application lasted for four months, from March until June.

### ***Survey Structure and Measurement of Constructs***

The questionnaire was designed from the literature review (Bengtsson & Kock, 2000; Walley, 2007) and from the results of the exploratory interviews. The first section of the survey addressed to the respondents' profiles. The second section focused on cooperation and competition in seven HMC departments. The first question was about the level of cooperation intensity and the second question was about the level of competition in consortium departments (marketing, research & investigation; distribution; purchase; sales; service provision and production activities) (Bengtsson & Kock, 2000; Walley, 2007). To measure cooptation, a scale was created based on the work of Walley (2007). For the purpose of this research, the consortia were divided in seven departments, upstream departments (production, purchasing and research & development), and downstream departments (distribution, service provision, sales and production and marketing department) (Walley, 2007). A scale from 0 to 100 was used to measure the existence of cooperation and competition activities within the company departments.

### ***Data Analysis***

As argued by Babbie (1992), qualitative content analysis is increasingly being applied in management studies (Hsieh & Shannon, 2005). Accordingly, the interviews were analysed using the predefined categories of the analysis. In turn, the data obtained from the questionnaire were analysed using a box of whiskers to measure the intensity of cooperation and competition. Quartiles are location measures that allow each variable to be accurately measured (White et al., 2015). The set of sample values between the 1<sup>st</sup> and 3<sup>rd</sup> quartiles is represented by a rectangle (box) with the median indicated by a bar. Next, two lines are considered that join the mediatrix on the



sides of this rectangle with the so-called adjacent values. An adjacent lower AI value is defined as the lowest sample value (possibly the minimum), which is greater than or equal to  $Q1 - 1.5 * (Q3 - Q1)$ . Adjacent value superior to AS is defined as being the largest value of the sample (possibly the maximum), which is less than or equal to  $Q3 + 1.5 * (Q3 - Q1)$ . Afterwards, a t-test for paired samples was run to compare the means of the variables for the same group.

## Findings

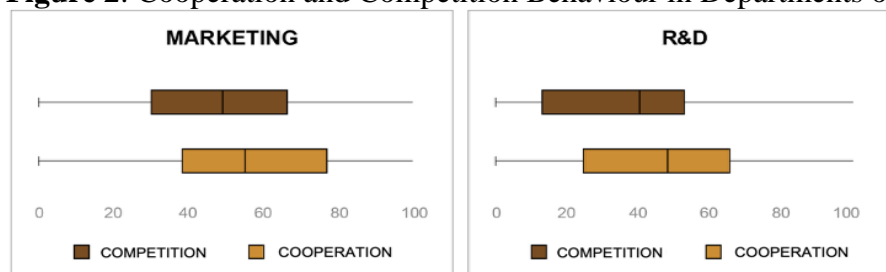
The first statistical sample, the 7 HMC are mainly located in Europe (Germany, France, the United Kingdom, and Portugal) and two in the USA (New York and Chicago). Only two *consortia* were created after the year 2000. The main services provided to the members are targeted marketing programs, joint branding advertising, sales support, social media campaigns, public relations and press office, international promotion (fairs and sales calls), advice on quality and technological solutions, marketing and branding and reservation centres.

The second statistical sample consists of 57 hotel units operating in Portugal, the majority classified as being 5 stars. The district with the largest population is Lisbon, followed by Faro district. Hotels are mostly urban and, according to more than 50% of the respondents were belonged to the luxury segment as the targeted customers. Most hotels were small-sized (less than 100 rooms) and employed between 21 and 60 employees.

The interviews provided useful insights regarding events organized by the HMC, which, according to the participants, show potential to build cooperation but achieve poor results, due to mismatch between target segments and travel agencies, concierge companies and tour operators' profiles. The interviewees also discussed the issues raised in the process of member selection, especially the one related to reputation. Often, new members did not fulfil the pre-requisites of service excellence demanded by the HMC. The participants complained about the lack of training programs for employees.

Considering cooperation vs. competition results, the data show that there is more cooperation than competition in the marketing and research & development departments in the consortia, as shown in Figure 2.

**Figure 2:** Cooperation and Competition Behaviour in Departments of Marketing and R&D



However, no statistically significant differences were found in the other departments as shown on Table 2.

**Table 2:** Differences Between Cooperation and Competition Perceptions According to Different Departments in a Consortium

Item	M (DP)	T	P
Marketing (n=53) Cooperation	57,60 (23,326)		
Competition	47,02 (25,903)	2,543	,014
I&D (n=52) Cooperation	47,63 (27,577)		
Competition	37,44 (26,417)	2,358	,022
Distribution (n=53) Cooperation	50,49 (29,168)		
Competition	47,38 (28,360)	,850	,399
Purchase (n=39) Cooperation	22,62 (25,784)		
Competition	21,41 (24,060)	,422	,675
Sales(n=50) Cooperation	51,94 (30,883)		
Competition	51,94 (31,864)	,000	,000
Service to client (n=48) Cooperation	56,29 (31,595)		
Competition	55,25 (32,359)	,252	,802
Production (n=44) Cooperation	43,36 (30,666)		
Competition	46,70 (32,785)	-,749	,458

## Discussion and Conclusions

Cooperative relationships characterize the marketing and research and development departments of the seven consortia analysed. This result corroborates Bengtsson and Kock's (2000) results on cooperation between competitors. Concerning the existence of cooperation in other departments of the network, these results are in line with Jesus and Franco (2006). In the analysed HMC, cooperation is found in Marketing and R&D departments. In the networks analysed by Jesus and Franco (2006) there is awareness of the need to develop interaction and cooperation in all areas in order to develop synergies among customers and build networks competitive advantage. Jesus and Franco (2006) recommended hotel and rural establishments involved in hospitality cooperation networks to develop cooperative behaviours to face competition, as it is easier to achieve business objectives as a group rather than in isolation. Thao et al., (2020) results show that public transportation companies generally cooperate more strictly with their homonymous companies than with their suppliers, due to their common client database and the strong political representation. In this research, the same conclusions were reached, as there was a strong perception of cooperation in the marketing and communication departments.

Walley (2007) argues that there is more competition activity in downstream activities (sales, distribution, and service) than in upstream activities (R&D, purchasing and production). However, the statistical analysis conducted in this research allows no conclusion as to whether there is more cooperation and competition in the remaining departments. Marketing is between upstream and downstream activities, as it provides contributions to both directions, by facilitating cooperation in product and service promotion, and competing in distribution and sales. The direction of the arrow highlights activities that require greater exposure to and contact with stakeholders. Gajdošík, Šmardová (2016) identified motives for stakeholders to cooperate, specifically in the marketing area, namely coherent marketing communication, brand building and image and uniform reservation system. Barriers to cooperation were also identified, in terms of non-identification with the image of the target site and a misuse of marketing for one-sided benefit.

The R&D department is linked to innovation and demands human and financial resources and, thus, employees and companies come together to share resources and get better and faster results. The purchasing department is also a cooperating area, benefitting from economies of scale brought by negotiation of best prices, lower costs, and access to top quality raw materials from suppliers. The third upstream department is the production department, which benefits from the agreement between the parties to produce the best products and services. Applied to the tourism sector, the production of a package tour is the responsibility of tour operators and, implies sharing resources and expertise of the various items that comprise it (e.g., accommodation, airline, tourist attractions, rent-a-car).

Sales is a conflict and highly competitive zone, as a company aspires to outperform competitors. Internally, the Sales department is very competitive due to employee rivalry and dispute over commissions and success fees. Thao et al., (2020) show that cooperation is more intense with brokers in the sales departments, especially useful in keeping partners together, once that involves partnership agreements and a long-term investment. This is not in line with this research's results. The hotel members did not identify cooperation or competition at sales departments. Kylanden and Mariani (2012), and Rusko (2011) show a stronger spirit of cooperation in the R&D department (back office), preventing collusion and theft of intellectual property from happening. In a perspective of pure cooperation, joint R&D allows sharing resources and increasing innovation capacity through creation of new products and services. Once again, this research's results are noted in line with other findings due that no statistical differences in the sales department were observed. The distribution department is related to the competitive relationships between suppliers, since all parties aim at negotiating the best conditions and payment terms. Finally, provision of services is also a highly competitive department, as it is the sensitive area which requires interaction with clients, ability to attract new ones, as well as competence in retaining the existing ones.

Thus, this research's results partially corroborate Walley's (2007) findings, as a higher degree of cooperative behaviour was found in the R&D department, and the Marketing department was identified as simultaneously cooperative and competitive.

This research discussed the existence of cooptition in the HMC internal departments according to the managers' perspectives. Cooptition is recognized as a business strategy potentially benefitting firms involved in a cooptitive relationship, thereby increasing the sector's overall competitiveness. Still, little is known about how cooptition works and performs in the hotel sector. This research was conducted to fill this gap in the literature. Prior research has been revealing that HMC engage in internal cooptitive relationships, however that cooptition is stronger in upstream activities than in downstream activities. The theoretical contribution of this study lies on the innovative focus on managers' perceptions about cooptition within consortia, as well as on the analysis conducted to the internal dynamics, explored by the departments. The results could help hotel companies to use cooptition to add value and to develop competitive advantage (Della Corte & Aria, 2016).

The tourism industry is fertile in cooptition dynamics (Chim-Miki & Batista-Canino, 2017). Cooptition is discerned, e.g. in destination promotion activities or in the joint efforts in capturing the interest of international tour operators. Still, hotels compete against each other for the best deals and contracts with travel agents and operators. In HMC, the level of knowledge creation and

sharing is high (Ivanova & Ivanov, 2015) but competition is also seen in individual absorptive capacity and value creation for the customer. As effective networks, HMC increase value through the sharing of knowledge, technology, promotion and distribution tools. Additionally, competitiveness is built through continuous training and teamwork. Cost reduction and economies of scale are the benefits derived from cooperative HMC. Other dimensions of value creation within HMC include mechanisms to monitor and analyse hotel performance by comparing occupancy rates and average prices per night, distribution channels, among other performance measures. So, hopefully these reflections and results will contribute the body of knowledge of cooptation in hotels.

Managerially, this research provides guidance to consortia CEOs in the strategic decision-making process. Specifically, according to decision makers there is no adequate and careful selection of tour operators and operators participating in annual events or quality data sharing. Therefore, a recommendation could be given to the managers that they should take advantage of consortia arrangements to build high quality 'get together' moments. Cooperative behaviours should be fostered, and cooperative objectives encouraged, so that number of members joining consortia and satisfaction of members increase, thereby augmenting the bargaining power of HMC and respective competitive position in the market. The management of cooperation and competition balance inside each department is crucial for the success of HMC (Bouncken et al., 2015; Roper, 1992). Thus, each department has different, sometimes conflicting, needs and goals. This management process addresses the need to stimulate cooperative behaviour while constraining competitive behaviour, based on collusion and opportunism.

Opportunities for new and pertinent research on this topic emerge from this research. Since no statistically significant differences were observed in HMC departments other than Marketing and R&D, future research should explore and measure cooptation contextualized in service companies, specifically those related to tourism and hospitality. Moreover, as innovation is currently crucial to market competitiveness, more investigation is needed to examine the influence of cooperative and competitive behaviour of HMC on ability to innovate. Pursuing the studies similar to this one presented will expectedly help consortia to better approach the current, and highly dynamic, global market by adopting a cooptation framework.

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