



# Coopetition with platforms: Balancing the interplay of cooperation and competition in hospitality

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## ABSTRACT

Coopetition—a blend of cooperation and competition—is vital for ensuring hotels work successfully with platforms. Platforms are digital hubs that enable vast numbers of hotels and customers to engage with one another. However, existing research offers limited insight into how hotels balance cooperation and competition when dealing with platforms. Using grounded theory as our research approach, we contribute to the coopetition literature by showing that, contrary to the current view of separating cooperation and competition in different departments, separation occurs at an individual level as managers internally create a boundary between the two forces. At the same time, managers synthesize cooperation and competition without maintaining any boundary among the two forces. Also, contrary to existing perspectives of coopetition that lean towards cooperation or competition depending on degree of closeness to customers, we also show that hotels pursue both forces near and far from the customer in a balanced way.

## 1. Introduction

Within the hospitality industry, platforms are interfaces that facilitate interactions between actors such as hotels and their customers who find it difficult, sometimes even impossible, to connect with one another without recourse to a platform (Cennamo & Santalo, 2013; McIntyre & Srinivasan, 2017). Examples of these platforms include *Hotels.com* and *Booking.com*. As a dominant feature of today's hospitality industry (Dogru, Mody, & Suess, 2019; Vinogradov, Leick, & Kivedal, 2020), platforms have changed the industry's business landscape by, for example, disrupting the use of traditional travel agents (Abrate, Bruno, Erbetta, & Fraquelli, 2020; Verhoef, Kannan, & Inman, 2015). Research shows that platforms account for nearly half of all hotel bookings (Rossini, 2015). As a result, these hospitality platforms, generally referred to as online travel agents (OTAs), have high market power, charge high commissions, and enact policies that significantly affect hotel profits (Toh, Raven, & DeKay, 2011; Verhoef & Bijmolt, 2019). Understanding how hotels can optimize performance outcomes from their relationship with platforms in practice is therefore vital.

Hotels consider platforms as both allies and rivals in attracting and retaining customers (Guo, Zheng, Ling, & Yang, 2014; Sharma & Nicolau, 2019). This form of business relationship, wherein hotels concurrently cooperate and compete with platforms, is termed "coopetition" in

the extant literature (Bilbil, 2019; Castañer & Oliveira, 2020; Chang, Hsu, & Lan, 2019; Czernek & Czakon, 2016; Della Corte & Aria, 2016; Fong, Hong, & Wong, 2021). Empirical work shows that, compared to cooperation or to competition alone, coopetition can lead to greater business performance (Hannah & Eisenhardt, 2018; Lado, Boyd, & Hanlon, 1997).

Existing literature in the marketing and management domain provides an in-depth understanding about coopetition in dyadic relationships and business networks. This stream of work investigates the drivers, consequences and management of coopetition (Bengtsson & Raza-Ullah, 2016; Dorn, Schweiger, & Albers, 2016). Empirical work examining the drivers of coopetition encompasses internal, relational, and environmental conditions (Bouncken & Kraus, 2013; Gnyawali & Park, 2009; Ritala & Hurmelinna-Laukkanen, 2013). For instance, when firms lack specific resources and competencies, they are open to partner with competitors (Gnyawali & Park, 2009). Existing research work also examines the consequences of coopetition, notably fostering innovation, developing knowledge, improving financial performance, developing business strategies, and enhancing competitive advantage (Chai, Li, Tangpong, & Clauss, 2020; Crick, 2019; Gnyawali, He, & Madhavan, 2006; Ho & Ganesan, 2013; Liu, Chang, Horng, & Chou, 2020). For instance, Liu et al. (2020) empirically show that when firms have a strong learning orientation, coopetition with rivals helps them develop

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superior business strategies. Management of cooptition focuses on cooptition balance, the contextual nature of that balance based on customer proximity, the tensions arising out of the contradictory demands of cooperation and competition, and the activities needed to manage these tensions (Bengtsson & Kock, 2000; Bengtsson, Raza-Ullah, & Srivastava, 2020; Fernandez, Le Roy, & Gnyawali, 2014; Hannah & Eisenhardt, 2018; Jakobsen, 2020; Zhang, Deng, Hwang, & Niu, 2020).

Comparatively, cooptition in tourism and hospitality is under-researched (Fong et al., 2021) and mainly focus on tourism destinations (Chim-Miki & Batista-Canino, 2017; Grauslund & Hammershøy, 2021). This stream of work explores how cooptition unfolds over time (Kylänen & Rusko, 2011; Mariani, 2016). For example, firms first cooperate to promote the destination but later compete once tourists arrive at the destination (Kylänen & Rusko, 2011). Research also examines how cooptition benefits the destination and the individual firms (Della Corte & Aria, 2016; Kylanen & Mariani, 2012). For instance, cooptition enhances the image of the destination and improves the financial performance of the firms. Furthermore, existing studies investigate the relational and contextual factors, such as the role of trust, governance mechanisms, and institutional logics during cooptition (Czernek & Czakon, 2016; Fong, Wong, & Hong, 2018).

However, there are deficiencies in understanding cooptition in both (i) marketing and management and (ii) tourism and hospitality literature streams. Research in marketing and management focuses heavily on cooptition between conventional firms that do not own or operate a platform, such as pharmaceuticals or beer producers (e.g., Cui, Yang, & Vertinsky, 2018; Mathias, Huyghe, Frid, & Galloway, 2018). Previous research, therefore, offers a limited understanding of cooptition with platforms, such as the relationship between hotels and platforms (Expedia.com and Hotels.com). Platforms differ from conventional firms in two ways. First, conventional firms focus on enhancing economies of scale, whereas platforms emphasize increasing network effects, that is, attracting a large number of customers and hotels on the different sides of the platform and thereby creating value for both parties (Constantinides, Henfridsson, & Parker, 2018; Rolland, Mathiassen, & Rai, 2018). Second, because platforms, unlike conventional firms, are a digital hub that connects hotels and customers, they are at the center of the business network (Bahar, Nenonen, & Starr, 2021; Perks, Kowalkowski, Witell, & Gustafsson, 2017; Perren & Kozinets, 2018). Due to these differences between platforms and conventional firms, platforms are highly influential and have greater market power than conventional firms (Parker, Van Alstyne, & Choudary, 2016; Van Alstyne, Parker, & Choudary, 2016). Hence, cooptition with platforms is likely to differ in various ways from cooptition with conventional firms.

Furthermore, prior empirical work in tourism and hospitality considers tourism destinations as the unit of analysis to explore cooptition (Kirillova, Park, Zhu, Dioko, & Zeng, 2020; Van Der Zee & Vanneste, 2015). Although this approach offers essential insight into the phenomenon, it takes on a broad network perspective that falls short of explicating the nuances within dyadic business relationships (Bengtsson, Eriksson, & Wincent, 2010; Bengtsson & Raza-Ullah, 2016), such as the role of tensions (Hahn, Pinkse, Preuss, & Figge, 2015; Ritala & Stefan, 2021). Furthermore, it has not examined how tourism firms balance the contradictory demands of cooperation and competition and the tension management practices required to uphold the balance.

Against this backdrop, the purpose of our research was to explore *how do hotels maintain cooptition balance when working with platforms*. This study adds value to the cooptition literature in marketing and management by examining cooptition with platforms. Furthermore, it enriches the cooptition literature in tourism and hospitality by exploring fine-grained insights in dyadic business relationships related to balancing the forces of cooperation and competition and the tension management approaches involved in the process.

We used the relational view of resources-based theory to investigate cooptition (Dyer, Singh, & Hesterly, 2018; Dyer & Singh, 1998) for two reasons. First, most research on cooptition has traditionally utilized

resource-based theory (Bengtsson, Kock, Lundgren-Henriksson, & Näsholm, 2016; Crick & Crick, 2020; Lechner et al., 2016). Second, it is an appropriate theoretical lens to address our research question, as it is better equipped to illuminate the nuances of how cooptition unfolds in the presence of more-or-less stable industry structures and institutions (Kozlenkova et al., 2014; Peteraf & Barney, 2003). In practice, we explored the relational resources (inputs) and activities that hotels apply to attain cooptition balance with platforms.

Our findings contribute to the cooptition literature by illustrating that, contrary to existing views of isolating cooperation and competition in different departments (Bengtsson & Kock, 2000; Dowling, Roering, Carlin, & Wisniewski, 1996), separation occurs at the individual level because employees internally establish a boundary between the two contradictory forces. Employees also simultaneously integrate cooperation and competition without the need to confine them. Furthermore, in contrast to current knowledge that cooptition shifts towards competition near the customer and towards cooperation far from the customer (Bengtsson & Raza-Ullah, 2016; Kock, Nisuls, & Söderqvist, 2010), our study shows that hotels pursue a balance of cooperation and competition whether near to or far from the customer. Moreover, while existing literature emphasizes activities to manage cooptitive tensions (Fernandez et al., 2014; Tidström, Ritala, & Lainema, 2018), our study delineates the inputs (e.g., resources) required to conduct those activities.

Our research also provides practical guidance for hotels, platforms, and policymakers. To be precise, we offer hotels detailed information into the activities, inputs, and staffing requirements by which they can achieve cooptition balance. We then offer platform owners exact insight on how they can share information with hotels without risking opportunistic hotel behaviors. Finally, we recommend useful rules for policymakers that will serve the interests of both hotels and platforms in the long run.

The article proceeds as follows. First, we describe the theoretical underpinnings of our study, drawing as we do so on understandings from current research on cooptition balance and related tension-management approaches. We also justify the need for more exploratory research on cooptition balance with platforms. Second, we describe our research methods, which rely on grounded theory. Third, we reflect on our findings and illustrate our theoretical framework. Fourth, we discuss the theoretical and practical implications of our findings. Finally, we explain the limitations associated with our research and outline future research opportunities.

## 2. Theoretical background

### 2.1. Cooptition balance

Cooptition is defined as concurrent cooperation and competition between two firms (Castañer & Oliveira, 2020; Czernek & Czakon, 2016; Della Corte & Aria, 2016; Fong et al., 2021). Cooptition balance is the ability to manage business relationships such that neither cooperation nor competition dominates the relationship (Chen, Luo, & Wang, 2019; Dorn et al., 2016; Gnyawali & Charleton, 2018; Luo, 2007). The concept of cooptition balance does not imply equal levels of cooperation and competition, as that can rarely be attained in business relationships (Gnyawali & Charleton, 2018). For example, in oligopolistic contexts, such as the hospitality sector, there are fewer online booking platforms than hotels. Under these circumstances, it is difficult for hotels to attain an equilibrium of cooperation and competition with platforms. Therefore, cooptition balance relates to managing business relationships in a way that takes into account both cooperation and competition rather than focusing predominantly on either one of the forces.

If cooperation dominates a business relationship, it may result in core expertise being shared irresponsibly (Das & Teng, 2000). For example, firms without an effective information management policy may end up sharing how they have been innovating new services. Conversely, when

competition dominates a partnership, the focus will be on maximizing self-interest, which means the working relationship may be short-lived (Khanna, Gulati, & Nohria, 1998). Thus, for instance, firms that focus only on private goals and not on common goals will experience high levels of conflict and be unable to sustain the relationship.

Furthermore, if cooperation or competition dominates a partnership, profitability will not be optimal (Brandenburger & Nalebuff, 1996; Luo, Rindfleisch, & Tse, 2007). Consider, for example, hotels that rely solely on platforms to attract customers. While these hotels might meet their occupancy targets, their profits will diminish due to the high commission they have to pay to platforms. In contrast, hotels that rely solely on their direct channels (e.g., the hotel website) to attract customers and choose not to list their property on platforms will also see their profits decrease. The reason is that these hotels miss out on the high number of customers who book via platforms and thus have low occupancy levels. Therefore, firms that can maintain cooptation balance have a competitive advantage over those that foster cooperation or competition alone (Lado et al., 1997; Zhang et al., 2020). Park, Srivastava, and Gnyawali (2014) empirically support this notion by showing that the effect of cooptation balance on innovation performance is superior to any other form of business relationship. In short, cooptation balance enables firms to create higher levels of potential benefits in a business partnership (Gnyawali & Charleton, 2018).

Cooptation balance recognizes the tensions between cooperation and competition and embraces the harmony of these opposing forces (Chen, 2008; Das & Teng, 2000; Tidström, 2014). Tension is defined as a conflict that arises out of the contradictory demands of cooperation and competition (Tidström, 2014). Empirical work has explored how managing tensions leads to cooptation balance (Gast, Gundolf, Harms, & Matos Collado, 2019; Gnyawali & Park, 2011; Hannah & Eisenhardt, 2018). Gast et al. (2019), for example, show that in order to balance knowledge-sharing and knowledge-protection tensions, firms implement appropriate knowledge-management practices by sharing task-specific information but not disclosing any core information. Gnyawali and Park (2011) describe how two high-technology firms balanced tensions by cross-licensing one set of patents to foster product development (cooperation) but excluded unique patents from the licensing contract to safeguard their core resource base (competition).

In our case, high levels of cooptative tension exist when hotels work with platforms. The source of this tension relates to two attributes of platforms—network effects and network centrality. Hotels cooperate with platforms due to high network effects but compete with platforms because of network centrality features. In regard to network effects, platforms attract a large number of customers and hotels on their different sides (Constantinides et al., 2018; Rolland et al., 2018). As a result, hotels on one side of the platform will find it more desirable when they can interact with a large number of customers on the other side of the platform (Cennamo, 2018; Dushnitsky, Piva, & Rossi-Lamastra, 2020). However, conflicts arise because platforms have network centrality attributes, that is, they are at the center of the network (Bahar et al., 2021; Perks et al., 2017). Because platforms are a hub that connects a broad network of hotels and customers, all interactions occur through the platform (Adner, 2017; Perren & Kozinets, 2018). Hence, platforms are highly influential, have high bargaining power, charge high commissions, and implement rate parity policies, all of which create disputes between hotels and platforms (Lee, Guillet, & Law, 2013; Sharma & Nicolau, 2019; Verhoef & Bijmolt, 2019). As a result, cooptative tensions emerge because the business relationship provides hotels with opportunities (access to more customers) but at high risk (reduced profitability). Hotels therefore need to develop appropriate tension-management practices to balance the interplay of cooperation and competition that feature in platform contexts.

Cooptation is also contextual in nature (Damayanti, Scott, & Ruhani, 2017; Fong et al., 2018). Relevant literature suggests that the balance tips towards cooperation or competition depending on the degree of proximity to customers (Bengtsson & Kock, 2000; Rusko, 2011;

Walley, 2007). Whereas cooptation far from the customer inclines towards cooperation, cooptation near the customer shifts towards competition (Bengtsson & Raza-Ullah, 2016; Kock et al., 2010). For example, firms may decide to cooperate when engaged in R&D directed towards developing an innovative product but compete against one another when endeavoring to provide superior after-sales service. However, in our case, and despite the literature inferring that some hotel departments (e.g., revenue management) pursue cooperation only (because they do not interact with customers and are far from them), the network centrality attribute of platforms encourages these departments to compete as well. Managers might therefore develop competitive strategies to tackle the high bargaining power of platforms for optimal profits. That said, although hotel cooptation with platforms consists of activities conducted in close proximity to customers, a situation which implies a competition-dominant relationship (Rusko, 2011), the high network-effect properties of platforms also foster cooperation because hotels want to collaborate with platforms to reach out to vast customer networks (McIntyre & Srinivasan, 2017). Given that cooptation balance maintains tensions, the next section reviews the literature on tension management.

## 2.2. Tension management in cooptation

The literature suggests two contrasting tension-management activities—separation and integration (Bengtsson & Raza-Ullah, 2016; Le Roy & Czakon, 2016). With respect to separation, cooperation and competition occur in parallel but in separate functional and/or temporal domains (Bengtsson & Kock, 2000; Poole & de Ven, 1989). Functional separation occurs when firms isolate cooperation and competition in different departments (Bengtsson & Kock, 2000). For example, firms may cooperate during manufacturing but compete with one another when it comes to retailing. However, functional separation may foster internal conflicts across the different departments (Fernandez et al., 2014). In line with the previous example, disputes may arise between the manufacturing department and the retailing department because the former focuses on cooperation and the latter emphasizes competition. Temporal separation occurs when firms isolate cooperation and competition over time (Poole & de Ven, 1989). In other words, firms pursue cooperation one time and competition another time. However, the shorter the episodes of cooperation and competition are, the higher the felt tensions will be (Hoffmann, Lavie, Reuer, & Shipilov, 2018). Thus, separation enables firms to emphasize either cooperation or competition in specific departments or during particular time periods (Dowling et al., 1996; Seran, Pellegrin-Boucher, & Gurau, 2016). Separation is typically accomplished by employees at lower organizational hierarchy levels because they can deal with only cooperation or competition, not both (Bengtsson & Raza-Ullah, 2016).

Integration occurs when individuals simultaneously manage cooperation and competition in the same functional domain and at the same time (Farjoun, 2010; Liu et al., 2020; Luo, Slotegraaf, & Pan, 2006; Tidström et al., 2018). For example, Fernandez et al. (2014) give an account of two firms that conducted a joint project, during which they established a joint team that gave the project managers from both firms responsibility for handling the tensions in the team. In an instance such as this, integration is accomplished by experienced managers at higher organizational positions who are able to deal with the contradictory demands of cooperation and competition and thereby manage tensions (Bengtsson & Raza-Ullah, 2016). However, the current literature explains little about how managers pursue integration in practice.

Finally, empirical work shows that firms pursue separation and integration simultaneously (Fernandez & Chiambaretto, 2016; Le Roy & Fernandez, 2015; Seran et al., 2016). Fernandez and Chiambaretto (2016), for example, highlight that successfully managing tensions associated with information relies on concurrent separation and integration approaches. A separation approach might see firms sharing information necessary for a joint project yet withholding information

unrelated to the project but nevertheless important for enabling each firm to maintain its competitiveness in the market. However, because the risk of the shared information being utilized for opportunistic behaviors remains, managers pursue an integration approach by modifying the information into aggregate form so that it has no value outside the joint project.

All in all, pursuing coepetition balance with appropriate tension management approaches is key to optimizing the beneficial outcomes of business relationships. However, as we previously noted, prior research in marketing and management focuses on coepetition with conventional firms and not with platforms. Platforms have greater bargaining power and market influence than conventional firms (Parker et al., 2016; Van Alstyne et al., 2016). As a result, tensions between hotels and platforms will be higher, thus placing more pressure on individual hotel managers to manage those tensions. In addition, when hotels do not isolate cooperation and competition according to the degree of proximity to customers, the resultant strong tensions may require hotels to find a way of balancing cooperation and competition that differs according to whether they are near to or far from customers.

Furthermore, prior research in tourism and hospitality focuses on the overall business network (tourism destinations) to explore coepetition (Kirillova et al., 2020; Van Der Zee & Vanneste, 2015), leaving dyadic relationships to lesser attention. Also, empirical work in this field has not explored coepetition balance, and the tension management approaches required to maintain that balance.

This consideration calls for more exploratory research on how exactly hotels maintain coepetition balance when dealing with platforms. To address this knowledge gap, we take the perspective of hotels and focus on their coepetitive relationship with platforms (see Fig. 1). This form of relationship represents vertical coepetition since hotels and platforms exchange resources and are involved in buyer-seller

relationships (Lacoste, 2012; Lechner et al., 2016). Hotel-to-hotel and platform-to-platform coepetitive relationships are outside the scope of this research. To offer more in-depth insight into coepetition balance with respect to platforms, we now discuss the empirical section of our research.

### 3. Methods

We chose grounded theory as our methodology (Strauss, 1987; Strauss & Corbin, 1997, 1998) due to four fundamental reasons. First, grounded theory is appropriate when there exists limited literature insight about a specific area of study. In our case, there exists a lack of information on how hotels pursue coepetition balance with platforms. Second, grounded theory is suitable when the research objective is to build theory. Our research objective was to build theory from qualitative data and explanations because of the lack of empirical insight on coepetition balance with platforms. Third, grounded theory is the right methodology to explore a complex phenomenon. Coepetition balance is a complex phenomenon as it includes the paradox of simultaneous cooperation and competition, requiring inductive methods to uncover its intricate details. Finally, grounded theory focuses on the participants' perspectives and explanations to come up with novel findings and does not allow prior theoretical understandings to take precedence. This study seeks to understand coepetition balance based on the interpretations of the participants involved in the process. As a result, the participants' explanations shape the development of a novel theoretical framework. These rationales are similar to those of previous marketing-based studies employing grounded theory (Flint, Woodruff, & Gardial, 2002; Malshe & Sohi, 2009; Nenonen, Storbacka, & Windahl, 2019; Ulaga, 2003).

We believe that our research purpose could have also been addressed

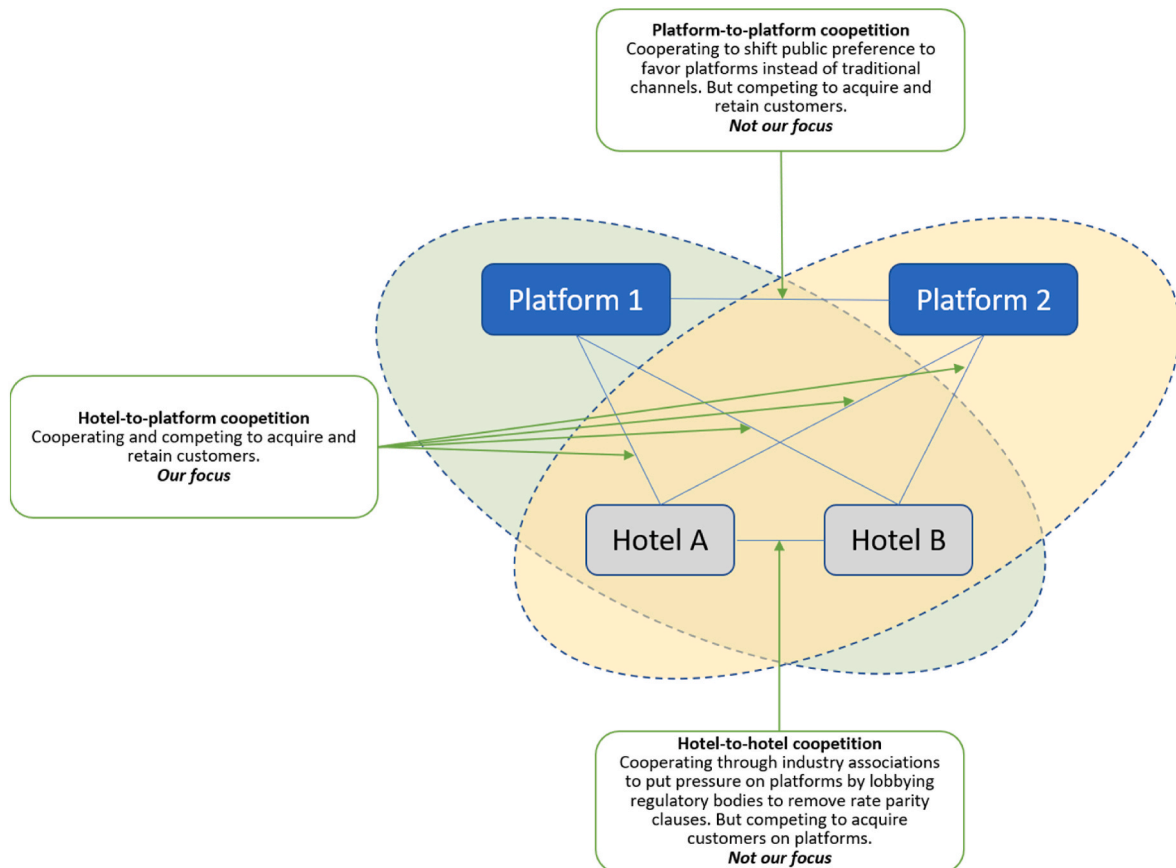


Fig. 1. Coepetitive relationships in the business network comprising hotels and platforms.

using case study methods. A single case study design involving one hotel would offer a depth of information on cooptation (Siggelkow, 2007). However, it would not enable the comparison of cooptation patterns across different hotels to develop a more robust theory (Eisenhardt & Graebner, 2007). Our choice of grounded theory ensures that we capture both depth and breadth of insight on cooptation and conduct constant comparison across participants' explanations from different hotels (Mello & Flint, 2009). However, a multiple case study design comprising 4 to 10 hotels (Eisenhardt & Eisenhardt, 1989) would most likely generate similar findings to ours.

Nevertheless, getting full access to relevant cases is difficult and time consuming. Furthermore, many qualitative studies have little transparency in how their research has been conducted, such as the emergent of themes (Denk, Kaufmann, & Carter, 2012). Our choice of grounded theory, however, offers high levels of transparency and traceability in the research process. For example, our data structures in Tables 3 and 4 visually illustrate precisely how we moved from raw data to develop the themes and aggregate dimensions (Gioia, Corley, & Hamilton, 2012).

Based on our experience, a core advantage of grounded theory is it provides a toolkit to come up with "alternative frames of reference" (MacInnis, 2011, p. 143) and develop novel theoretical contributions. In this research, we suggested alternative views on cooptation and developed fresh perspectives on the phenomenon. However, our study produced large volumes of qualitative data, which became difficult to manage. But we addressed this challenge with the use of theoretical memos, computer software, and established coding procedures. The following subsections cover our sampling, data collection, and data analysis procedures and how we assessed the trustworthiness of the methods.

### 3.1. Sampling

We explored cooptation balance in the hospitality industry, where we focused on the perspectives of hotels participating in several platforms at the same time, such as Booking.com, Expedia.com, and Hotels.com. Therefore, hotels are the unit of analysis of this research. We used the theoretical sampling procedure to generate a wide-ranging understanding of cooptation balance (Homburg, Jozić, & Kuehnl, 2017; Suddaby, 2006). Based on our understanding of cooptation balance from initial participants, we adjusted our subsequent sampling of participants so that we could pursue constant comparison (Beverland, Kates, Lindgreen, & Chung, 2010; Flint & Woodruff, 2001). In practice, we initially sampled participants from among those engaged in the functional areas of reservations management, sales management, and marketing. However, our emergent understandings lead us to consult participants in other functional areas such as revenue management, distribution management, operations management, and customer experience management. We stopped sampling for new participants after 46 respondents because at that point we reached data saturation. We relied on two signals to determine data saturation. Firstly, we realized that additional sampling would generate repetitive information (Gebhardt, Carpenter, & Sherry, 2006; Johnson & Sohi, 2016). Secondly, we had already developed an in-depth description of the themes related to cooptation balance (Glaser & Strauss, 1967).

Our final sample included 41 participants from 23 hotels, and five participants from two platform firms. The sample showed diversity in several aspects, including job position, job experience, firm size, and firm ownership structure. This diversity enabled us to tap into a wide range of perspectives and experiences relevant to cooptation. Table 1 provides details of each participant and their respective characteristics. It is worth mentioning here that because we explored cooptation from the hotel perspective, it was not required to collect data from a vast number of platform firms. The rationale behind sampling these two platform firms was to attain data triangulation. We also point out that our sampled hotels engaged in cooptation not only with these two platforms but also with other ones.

### 3.2. Data collection

Data was gathered primarily through in-depth face-to-face interviews over a period of eight months. The interviews took place at locations the participants were comfortable with, such as their offices, meeting rooms, or cafes. The interviews lasted between 26 and 76 min, with an average completion time of approximately 45 min. Each interview was audiotaped and transcribed. Although the interview guide (see Appendix A) included broad discovery-oriented questions (Charmaz, 2006), specific follow-up questions were asked to capture a thorough understanding of cooptation balance.

Secondary qualitative materials (e.g., documents on the IT systems the hotels were using to connect with platforms) were also collected to supplement our interview data. An open line of communication with the participants were kept via email and, when required, additional questions were asked on cooptation balance to gain more clarity on the phenomenon. Throughout the data collection period, field notes were written containing emerging thoughts on and understandings of cooptation (Strauss & Corbin, 1998).

### 3.3. Data analysis

Our data analysis involves four stages: (i) familiarization, (ii) coding, (iii) enfolding the literature, and (iv) developing a theoretical framework (Gioia et al., 2012; Mehmetoglu & Altinay, 2006; Strauss & Corbin, 1998). In the familiarization stage, we made an effort to develop a strong understanding of the raw interview data (Mehmetoglu & Altinay, 2006). In practice, we listened to the audio recordings and read the interview transcripts. This process helped us generate initial ideas about cooptation and make notes about interesting patterns and themes. For example, we noted that some hotels partially follow rate parity. Although these hotels offer the same rate on different platforms (cooperation), they decide to offer a lower rate on the hotel website (competition). Based on this insight, we noted that a possible theme in our findings relates to rate parity.

To analyze the qualitative data, open, axial, and selective coding methods were used (Strauss & Corbin, 1997, 1998). During open coding, the interview transcripts were carefully examined, and codes were assigned that reflected the vocabularies the participants used. At this stage, none of the codes were abstracted to ensure that the nuances in the raw data were not lost. In other words, these open codes were entirely grounded and provided a solid foundation to develop novel theoretical patterns. For example, based on the explanations of the managers around rate parity, we came up with two open codes "complying with rate parity policies across multiple platforms only" and "not complying with rate parity policies across platforms and hotel channels."

During axial coding, the open codes were grouped into themes that shared similar characteristics. In other words, we "lifted" the open codes to a higher-level theme that explains different facets of cooptation. For example, the above-mentioned two codes were synthesized into the theme "(non)compliance boundary" because they relate to how hotels simultaneously observe vs. do not observe rate parity. Finally, during selective coding, the themes were abstracted into aggregate dimensions that share similar properties. For example, we developed an aggregate dimension labeled "separation activities" comprising of themes that explain how hotels separate the forces of cooperation and competition. The three coding phases were not performed in a linear "open to axial to selective" way. Instead, coding was done in an iterative "back and forth" manner (Homburg et al., 2017). We used the Nvivo computer software to perform our coding in an organized way.

We clustered the themes and aggregate dimensions into two core categories: **activities** and **inputs**, based on their distinct (i) properties and (ii) dimensional range (Mello & Flint, 2009; Strauss, 1987). In terms of properties, the themes and aggregate dimensions under activities are actions (e.g., adjusting inventory). In contrast, the themes and aggregate

**Table 1**  
Sample characteristics.

Partici-pant ID	Hotel ID	Participant job title	Job exp. (years)	# rooms at the hotel	# of employees at the hotel	Independent hotel/part of a group
1	A	Hotel director	7	29	40	Independent
2	A	Director of sales and marketing	6	29	40	Independent
3	B	Assistant front office manager	10	78	40	Group
4	B	Reservations sales agent	1	78	40	Group
5	C	Reservations and yield manager	22	175	155	Group
6	D	Hotel manager	15	22	5	Independent
7	E	Hotel manager	15	153	85	Independent
8	E	National reservations and yield manager	16	650	300	Independent
9	F	Front office supervisor	5	122	40	Independent
10	F	Operations manager	10	122	40	Independent
11	F	Assistant manager	8	122	40	Independent
12	G	Reservations manager	8	260	30	Independent
13	G	Senior duty manager	7	260	30	Independent
14	H	Contact center supervisor	1	635	400	Group
15	H	Group revenue director	5	635	400	Group
16	H	Director of revenue management	17	635	400	Group
17	I	General manager	13	41	14	Group
18	J	General manager	14	80	26	Group
19	J	Assistant manager	5	80	26	Group
20	J	Head of strategy and business development	28	80	26	Group
21	K	Reservations agent	5	36	9	Group
22	K	Front office manager	6	36	9	Group
23	L	Hotel manager	15	76	19	Group
24	L	Franchise director	35	76	19	Group
25	M	Assistant revenue manager	4	347	200	Group
26	M	Reservations manager	7	347	200	Group
27	N	Reservations sales agent	1	352	200	Group
28	O	Channel manager	7	452	250	Group
29	P	General manager	12	25	10	Group
30	Q	Hotel manager	18	286	180	Group
31	Q	Hotel manager	10	286	180	Group
32	Q	Reservations manager	5	286	180	Group
33	Q	Revenue manager	6	286	180	Group
34	R	Director of revenue management	12	411	350	Group
35	S	General and area manager	10	100	50	Group
36	T	Hotel manager	27	41	12	Group
37	U	Director of revenue management	5	255	123	Group
38	U	E-commerce and digital manager	3	255	123	Group
39	V	General manager	20	141	66	Group
40	W	Director of revenue, Auckland region	17	<sup>a</sup>	<sup>a</sup>	Group
41	W	Director of revenue, New Zealand, Fiji, and French Polynesia	16	<sup>a</sup>	<sup>a</sup>	Group

Partici-pant ID	Platform firm ID	Participant job title	Job exp. (years)	Platforms operated (number)	Target geographical market
42	A	Area manager	6	4	Global and specific markets
43	A	Market manager	3	4	Global and specific markets
44	A	Assistant market manager	1	4	Global and specific markets
45	A	Account manager	9	4	Global and specific markets
46	B	Market executive	2	1	Specific geographic market

<sup>a</sup> The participant managed a group of hotels in a region.

dimensions under inputs are objects (e.g., communication and information exchange tools).

The dimensional range of the identified activities varies from “the hotel is highly capable in conducting the activity” to “the hotel is comparatively weak in conducting the activity.” This range explains the degree of skill and capability and is qualitative in nature. For example, some hotels have a separate revenue management department and have advanced skills in adjusting inventory. Whereas some hotels do not have a revenue management department and so, their skills in adjusting inventory are relatively weaker. In contrast, the dimensional range of the identified inputs varies from “the input is present” to “the input is absent.” This range is binary and quantitative in nature. For example, all hotels have access to business performance and market data via platforms. In comparison, some hotels do not have appropriate information exchange tools.

Furthermore, although primacy was given to the managerial insights derived from the interviews, those insights were constantly compared to the literature (Matteucci & Gnoth, 2017). In other words, we analyzed

how the themes and aggregate dimensions were similar to and different from the existing coepetition literature. This method of enfoldng the literature played a crucial role in connecting the findings to the existing coepetition literature and developing novel theoretical contributions (Mehmetoglu & Altinay, 2006). For instance, contrary to the current literature insight of separating cooperation and competition in different departments, we found that separation occurs at an individual level as managers internally create a boundary between the two forces.

Finally, the themes and aggregate dimensions were synthesized into a novel theoretical framework that explains the process of coepetition balance (see Fig. 2). In practice, we analyzed the inter-relationships between the aggregate dimensions to showcase how they relate to each other (Gioia et al., 2012).

Throughout data analysis, theoretical memos assisted our work (Montgomery & Bailey, 2007). We wrote comments on important theoretical insights on coepetition balance which helped us better understand the patterns in the data. For example, we wrote theoretical accounts of how hotels use different informational resources to pursue

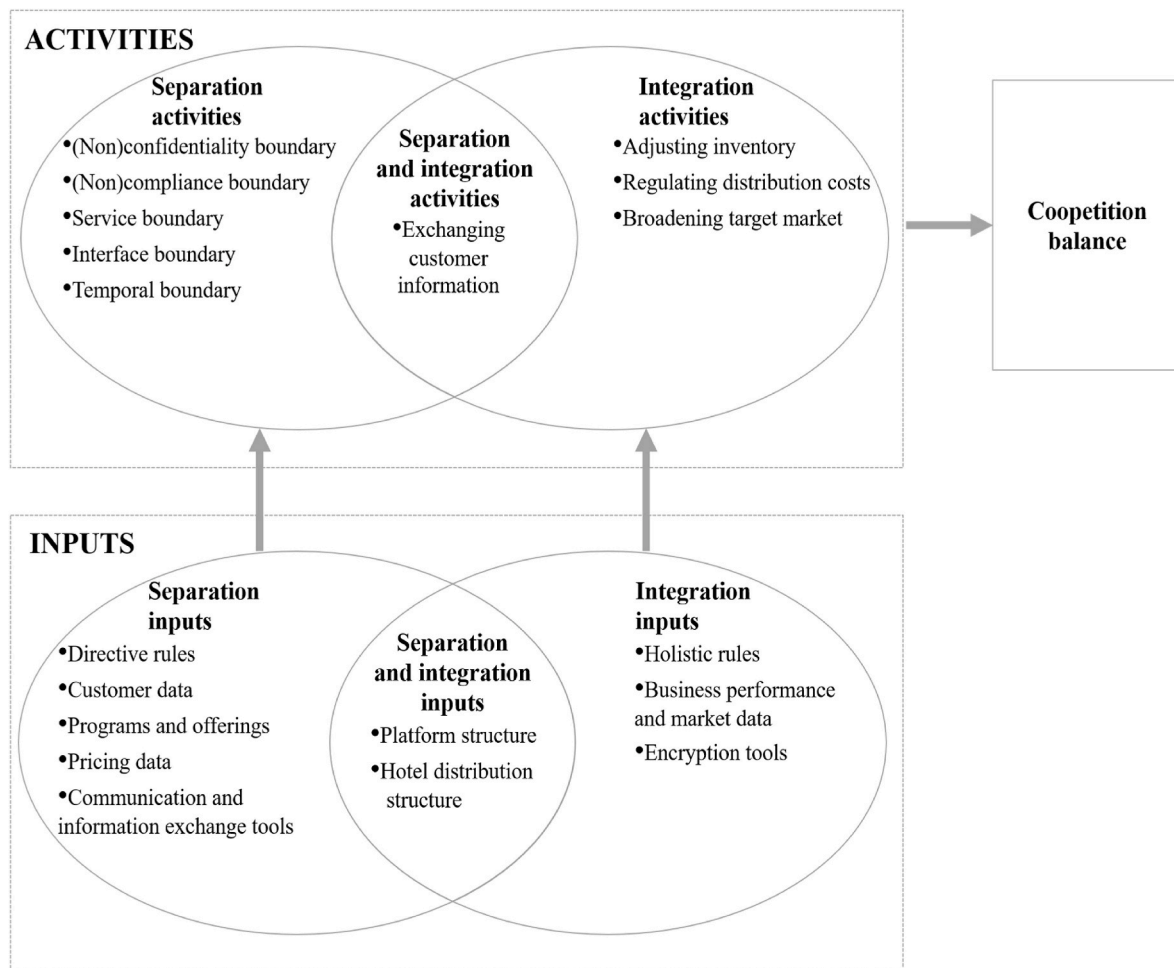


Fig. 2. Theoretical framework: Coopetition balance with platforms.

coopetition. Hence, theoretical memos supported the development of themes, aggregate dimensions, and the resultant theoretical framework.

#### 3.4. Assessment of trustworthiness

To assess the trustworthiness of our methods and findings, we took into consideration a portfolio of criteria from grounded theory and interpretive research (Flint et al., 2002). These criteria (see Table 2) were credibility, generalizability, dependability, confirmability, integrity, fit, generality, and control (Lincoln & Guba, 1985; Miles & Huberman, 1994; Spiggle, 1994; Strauss & Corbin, 1990).

#### 4. Findings

In this section, we first provide an overview of our findings and subsequently offer our reflections at a more granular level. As illustrated in Fig. 2, we found that two core categories form the basis of how hotels attain coopetition balance with platforms: activities and inputs. Activities include (i) separation, (ii) integration, and (iii) simultaneous separation and integration actions. Separation activities create and maintain boundaries between cooperation and competition, while integration activities synthesize cooperation and competition by not creating any form of boundary between the two forces. Simultaneous separation and integration activities divide and synthesize cooperation and competition. However, to effectively pursue these activities, hotels draw on inputs such as rules, data, and IT tools. These inputs can be categorized under (i) separation, (ii) integration, and (iii) simultaneous separation and integration. Separation inputs are necessary

requirements for separation activities and integration inputs for integration activities. Moreover, simultaneous separation and integration inputs are used for separation and integration activities. Table 5 in Appendix B supplies definitions of and illustrative quotes pertaining to all themes underlying coopetition balance. The next subsection of our paper presents an in-depth discussion of our findings.

##### 4.1. Separation, integration and simultaneous separation and integration activities

Our analysis suggested 23 concepts, grouped into nine themes, which synthesized into three aggregate dimensions: separation activities, integration activities, and separation and integration activities (see Table 3).

##### 4.1.1. Separation activities

We identified five themes under separation activities: (i) (non) confidentiality boundary, (ii) (non)compliance boundary, (iii) service boundary, (iv) interface boundary, and (v) temporal boundary.

In regard to the **(non)confidentiality boundary**, we found that hotels demarcate the topics they consult with platform managers. Particularly, managers decide to consult about the overall market trends and appropriate strategies but choose not to disclose any internal hotel information or to discuss individual competitors or other platform firms. Hotel R articulated this:

“Extreme level of confidentiality maintained with all [platform] market managers and vice versa. We only discuss the details and

**Table 2**  
Trustworthiness assessment.

Trustworthiness criteria	Method of addressing
<b>Credibility</b> Findings accurately represent the data.	<ul style="list-style-type: none"> <li>• Data was collected over eight months.</li> <li>• Three researchers were involved throughout the research process.</li> <li>• Findings were given to participants for their comments.</li> </ul> <p><b>Result:</b> The findings were expanded and refined.</p>
<b>Generalizability</b> Findings are generalizable to theory and are applicable to all hotels.	<ul style="list-style-type: none"> <li>• Theoretical sampling was applied in order to consult those participants who had adequate knowledge of cooptation.</li> </ul> <p><b>Result:</b> The findings (i) generated fresh theoretical statements for the cooptation literature, and (ii) can be generalized to hotels that practice cooptation with platforms.</p>
<b>Dependability</b> Findings are consistent.	<ul style="list-style-type: none"> <li>• Participants shared detailed accounts of their past and current experiences.</li> <li>• Constant comparison was conducted based on transcribed narratives arising out of the interviews with the different participants.</li> </ul> <p><b>Result:</b> The participants' explanations were consistent.</p>
<b>Conformability</b> Findings are grounded in participants' explanations instead of researchers' biases.	<ul style="list-style-type: none"> <li>• Data was collected from a large number of participants.</li> <li>• Field notes were maintained based on participants' narratives.</li> <li>• Additional questions were asked from participants to gain extra clarity.</li> <li>• Findings were provided to participants for feedback.</li> </ul> <p><b>Result:</b> The findings were expanded and refined.</p>
<b>Integrity</b> Findings are not based on wrong facts and information.	<ul style="list-style-type: none"> <li>• This research apprised participants of the university ethics practices, including the anonymity of their identity and of the firm that they represented.</li> <li>• Interviews were conducted in a professional, friendly manner.</li> </ul> <p><b>Result:</b> Researchers confident the participants gave no wrong information.</p>
<b>Fit</b> Findings fit the phenomenon under research.	<ul style="list-style-type: none"> <li>• This study achieved this by utilizing the methods mentioned above to attain credibility, dependability, and conformability.</li> </ul> <p><b>Result:</b> Findings reflect the complex nature of cooptation, as observed in the raw data. Rich descriptions of themes and aggregate dimensions of cooptation balance were captured.</p>
<b>Generality</b> Findings represent different facets of the phenomenon.	<ul style="list-style-type: none"> <li>• On average, each interview lasted for 45 min, which was sufficient to gain a deep understanding of cooptation.</li> <li>• The interview guide consisted of broad open-ended questions designed to enhance the breadth of understanding of cooptation.</li> <li>• During interviews, follow up questions were asked to increase the depth of understanding of cooptation.</li> </ul> <p><b>Result:</b> Interviews captured different facets of cooptation in terms of breadth and depth.</p>
<b>Control</b> Participants determine the different facets of the theory.	<ul style="list-style-type: none"> <li>• Participants provided explanations that drove theory development.</li> </ul> <p><b>Result:</b> Participants influenced the discovery of the different facets of cooptation balance.</p>

trends in the market and how it can be made more relevant to the host property.” [ID: 34]

In terms of the *(non)compliance boundary*, hotels observe rate parity policies across multiple platforms only; they do not adhere to the same policy across platforms and hotel channels. In practice, hotels offer the same rate on different platforms, but charge a lower rate on their own website or mobile application. As Hotel L stated:

“Well, they [platforms] demand rate parity. They think they should have the same rate as the next person and the next person. It is cheaper on our own website, so we do that. But all the other websites [platforms], it has the same rate parity.” [ID: 24]

*Service boundary* refers to hotels separating service activities, such that some activities focus on cooperating with platforms while others emphasize competing with platforms. In practice, hotels pursue service improvement based on authentic customer reviews present on platforms, and thus cooperate with platforms. However, they also provide personalized service so that next time customers decide to book directly with them and not via platforms, so enabling the hotels to compete with platforms. Hotel A offered the following reflection on service activities as a means of competing with platforms:

“For example, we had some guests who booked through Platform A, whom we catered to on an extra level. We prepared special breakfast menus based on their needs. Some guests fly out on a specific flight after check-out. So we always book the room for them for extra hours with no charge. Eighty to ninety percent of the time, they come back, and they come back through direct bookings.” [ID: 2]

With respect to *interface boundary*, the participating hotels cooperate with platforms on the platform interface but compete on the hotel channel interface (e.g., hotel website) to attract new customers. The platform interface enables hotels to connect to a large customer base, maintain their ranking in search results, and engage in promotional

programs. The hotel channel interface allows hotels to offer more attractive offers (e.g., complimentary breakfast) and to engage customers with their loyalty programs. Hotel S, for example, cooperates with platforms on the platform interface by maintaining its ranking in search results:

“The basics are making sure that your profile [on platforms] is completely up to date. So, you have got great imagery, you have got all of the hotel contact details, address, all your facility's details are all accurate and really well put together. So, our marketing team maintains all of our room descriptions and everything like hotel facility descriptions, so it is all really cohesive, and it is done really professionally. That is like an entry-level of how to get good rankings.” [ID: 35]

Finally, hotels maintain the *temporal boundary* through customer communication. They cooperate with platforms during customer communication pre-stay, compete with platforms during the stay phase, and then cooperate and later compete with platforms during the post-stay phase. For example, hotels reply to customer queries on platforms pre-stay (cooperation) and prompt customers to decide if the hotel can book their next visit during the stay phase (competition). The hotels then reply to online customer reviews on platforms post-stay (cooperation) and later send post-stay emails to encourage customers to book directly (competition).

#### 4.1.2. Integration activities

We identified three themes for integration activities: (i) adjusting inventory, (ii) regulating distribution costs, and (iii) broadening the target market.

*Adjusting inventory* is about deciding which inventory levels to sell on platforms. These decisions are based on market demand and occupancy levels, and the aim is to strike the right balance between cooperation and competition. Hotel W gave this explanation of this process:



“It comes down to really understanding and analysing the demand; that’s where your full total revenue management kicks in. Then you really understand your business, your numbers, your trends. You know what your ideal mix is and how you are going to sell those rooms. Do you actually hold onto your guns and say I’m going to hold onto not selling these rooms on them [platforms]? [Instead, you] try to sell them on your channel and then use them [platforms] when you actually need them.” [ID: 40]

When **regulating distribution costs**, hotels are not only mindful of the customer acquisition cost when dealing with platforms but also focus on optimizing profits. Managers regulate distribution costs by thinking about and applying both cooperation and competition in their decision-making process. Hence, managers integrate the forces of cooperation and competition at the same place and time. In practice, they evaluate the returns from working with platforms, prioritize direct bookings over platform bookings, and establish key performance indicators. Hotel E had this to say about the process:

“I would love to work with them [platforms] within my budget. But when I’m tracking revenue, then I would like to optimize my direct channel sales. So, acquisition cost is very important. Every booking that comes through, we make sure that it’s not going to cost us. When you’re actually sitting on your peak, you don’t want to pay that top dollar to get that booking from them [platforms]. I can just get the booking anyway on my direct channels because there is a demand.” [ID: 8]

When **broadening the target market**, hotels target a portfolio of customer groups (e.g., leisure, local corporate clients). This approach means that hotels do not have to rely too heavily on platforms (i.e., cooperation) or too strongly on their own channels (i.e., competition). Although each customer group may book on both platforms and hotel channels, a relatively higher percentage of leisure customers book on platforms (e.g., [Agoda.com](#)), whereas local corporate clients usually directly negotiate with hotels. As a result, broadening the target market allow hotels to attract diverse customer groups and optimize sales and

profits, as Hotel C pointed out:

“Hotels here, especially in Auckland, we’re not just leisure hotels. We’re made up of so many different market segments. So it again relates back to having an expectation of the room nights and revenue that we need off them [platforms]. We can never be top heavy in any segment because what it means is we’re displacing rooms that we’ve kind of put aside for another market segment. So there is always a management process when it comes to the room nights coming in with that. Yes, they’re [platforms] a good tool when we’re not making room night budget with any other segment, to kind of stimulate sales. But we will always restrict them to a certain extent when we know that we are needing room nights for other segments.” [ID: 5]

4.1.3. Separation and integration activities

Our findings show that exchanging customer information reflects the properties of both separation and integration activities. **Exchanging customer information** refers to exchanging essential information with platforms (e.g., receiving customer booking details) but protecting strategic information (e.g., customer likes and preferences). Thus, hotels maintain a boundary in terms of the type of information exchanged. However, exchanging information includes accessing essential customer information that is also strategic in nature (e.g., customer’s email address). In these cases, creating a boundary for this type of information is impossible, which means that integration is required. For example, hotels access temporary customer email addresses that are anonymized by the platforms (e.g., [guest1234@platformB.com](#)), as mentioned by Hotel N:

“The email addresses are generated by Platform C; it is not the guest’s actual email address. Platform C creates an email address for the guest. They kind of cover the guest’s contact email information.” [ID: 27]

**Table 3**  
Data structure: separation, integration and simultaneous separation and integration activities.

Open code (concepts)	Axial code (themes)	Selective code (aggregate dimensions)
Consulting with platform managers about overall market trends and appropriate strategies.	<b>(Non)confidentiality boundary</b>	<b>Separation activities</b>
Not consulting with platform managers about internal hotel information, individual competitors, or other platform firms.		
Complying with rate parity policies across multiple platforms only.	<b>(Non)compliance boundary</b>	
Not complying with rate parity policies across platforms and hotel channels.		
Cooperating with platforms for service improvement.	<b>Service boundary</b>	
Competing with platforms by offering personalized service.		
Cooperating on the platform interface to attract new customers (e.g., by engaging in promotional campaigns and influencing ranking).	<b>Interface boundary</b>	
Competing on the hotel channel interface to attract new customers (e.g., by offering more attractive offers and engaging customers with loyalty programs).		
Communicating with customers pre-stay on platforms.	<b>Temporal boundary</b>	
Communicating with customers during the stay phase at the physical hotel.		
Replying to online customer reviews post-stay on platforms.		
Communicating with customers post-stay via email/telephone.		
Adjusting inventory on platforms based on market demand.	<b>Adjusting inventory</b>	<b>Integration activities</b>
Adjusting inventory on platforms based on occupancy levels.		
Adjusting inventory on platforms to strike the right balance.		
Evaluating returns of working with platforms.		
Prioritizing direct bookings over platform bookings.	<b>Regulating distribution costs</b>	
Establishing key performance indicators to control costs of platform bookings.		
Targeting a portfolio of customer groups (e.g., leisure, local corporate clients).	<b>Broadening the target market</b>	
Not relying too heavily on platforms, nor too strongly on direct hotel channels.		
Exchanging essential information (e.g., customer booking data).	<b>Exchanging customer information</b>	<b>Separation and integration activities</b>
Protecting strategic information (e.g., customer likes and preferences).		
Accessing essential information that is also strategic in nature (e.g., customer email address).		

4.2. Separation, integration and simultaneous separation and integration inputs

Our analysis generated 24 concepts, assembled into 10 themes, which we then distilled into three aggregate dimensions—separation inputs, integration inputs, and separation and integration inputs (see Table 4).

4.2.1. Separation inputs

We identified five themes under separation inputs: (i) directive rules, (ii) customer data, (iii) communication and information exchange tools, (iv) pricing data, and (v) programs and offerings.

**Directive rules** are specific guidelines that encourage (non)confidentiality and (non)compliance boundaries. Directive rules are established for the topics that can(not) be discussed with platform managers because of the need to foster (non)confidentially boundaries. Rate parity rules also apply for (non)compliance boundaries, such that hotels must offer the same rate not only across multiple platforms but also across hotel channels and platforms.

**Customer data** are simple data about individual customers that are utilized to maintain the service boundary. Hotels use real-time customer feedback and online customer reviews on platforms for service improvement, but they also maintain a database of customer likes and preferences so that they can offer personalized service. Real-time customer feedbacks and online customer reviews thus provide hotels with a means of cooperating with platforms, while their databases of customer likes and preferences provide them with a way of competing with platforms.

**Communication and information exchange tools** are IT systems that are used to maintain a temporal boundary during customer communication. In practice, hotels use the platform communication tools (e.g., chatbots, chatbox, pre-arrival message function) and their own communication tools (e.g., email function, telephone) to maintain the temporal boundary during the entire customer journey. Hotels also use IT systems to exchange customer information. For instance, Hotel F uses IT systems to receive customer booking details from platforms:

“All customer details and things copied automatically into our system.” [ID: 9]

**Pricing data** consists of the price of each competitor and the mean price of the hotel’s closest competitors. Hotels use pricing data not only so they can cooperate on the platform interface, but also so they can develop competitive prices on the platform interface to attract new customers. Hotel B provided an example of this:

“Now, with Platform A, I can log on and I can select, I think it’s about eight, different competitors, and I can see over a three-month period what their rates are for their entry level room and where we sit.” [ID: 4]

Finally, **programs and offerings** include promotional campaigns, loyalty programs, and attractive offerings to maintain the interface boundary. Hotels join promotional campaigns on the platform interface in order to cooperate with platforms, but utilize loyalty programs and attractive offerings (e.g., accommodation packages) on the hotel channel interface to compete with platforms. An example of joining promotional programs on platforms came from Hotel A:

“The other thing they [platforms] do is develop promotional programs like “flash sale”, or they focus on specific markets like “China sale”. So, for these promotional programs, they send me emails saying, “Do you want to participate?” To participate, I have to agree to some specific conditions. For example, they will tell me that I have to provide a minimum twenty-five percent discount for the Chinese market for the next ten days.” [ID: 1]

4.2.2. Integration inputs

We identified three themes for this group of inputs: (i) holistic rules, (ii) business performance and market data, and (iii) encryption tools. Hotels establish broad **holistic rules** to adjust inventory and regulate distribution costs. These rules relate to prioritizing direct bookings over platform bookings. Hotels also draw on aggregate **business performance and market data** to control inventory allocations, regulate distribution costs, and broaden the target market. Hotel R explained how it used market data to control inventory allocations and regulate distribution costs:

**Table 4**  
Data structure: separation, integration, and simultaneous separation and integration inputs.

Open codes (concepts)	Axial codes (themes)	Selective codes (aggregate dimensions)
Rules for (non)confidentiality boundary.	<b>Directive rules</b>	<b>Separation inputs</b>
Rate parity rules for (non)compliance boundary—hotels need to offer the same rate across all platforms.		
Rate parity rules for (non)compliance boundary—hotels need to offer the same rate on platforms and hotel channels.		
Online customer reviews and real-time customer feedbacks for service improvement.	<b>Customer data</b>	
Database of customer likes and preferences to offer personalized service.		
Platform communication tools (e.g., chatbots, chat box, pre-arrival message function).	<b>Communication and information exchange tools</b>	
Hotel communication tools (e.g., email function, telephone).		
IT tools to exchange essential information.	<b>Pricing data</b>	
IT tools to protect strategic information.		
Pricing data of individual competitors.	<b>Programs and offerings</b>	
Pricing data of strategic group (average price).		
Promotional campaign programs on the platform interface.	<b>Holistic rules</b>	<b>Integration inputs</b>
Loyalty programs on the hotel channel interface.		
Attractive offerings (e.g., accommodation packages) on the hotel channel interface.	<b>Business performance and market data</b>	
Rules to adjust inventory by prioritizing direct bookings over platform bookings.		
Rules to regulate distribution costs by prioritizing direct bookings over platform bookings.	<b>Encryption tools</b>	
Business performance and market data maintained by hotels for controlling inventory allocations, regulating distribution costs, and broadening the target market.		
Business performance and market data maintained by platforms, and used by hotels for controlling inventory allocations, regulating distribution costs, and broadening the target market.	<b>Platform structure</b>	<b>Separation and integration inputs</b>
IT tools to develop anonymized information.		
IT tools to share information in an encrypted format.	<b>Hotel distribution structure</b>	
Platform network centrality structure.		
Platform network effects structure.		
Hotel multihoming structure.		
Hotel direct channel structure.		

“The data that they [platforms] provide us is more to do with the market, based on how the market is performing. What sort of demand is there in the market? How do they see the market fluctuating? For example, if I know there is an event happening in Auckland, I know the market demand will be extremely high. I know that people won’t just go onto any of those platforms to look for hotels, but they will just go on Google. As long as they see a room available, they will book the room. So making sure that you identify those demand periods and making sure that you are then selling on your hotel website [is important]. Avoid the commission. But then again, for that one day, you’re losing visibility. So maybe you want to look at instead of offering them [platforms] all the rooms; you offer them five rooms.” [ID: 34]

Platforms also utilize *encryption tools* to exchange customer information. Specifically, platforms use IT systems to develop and share anonymized data with hotels. As a result, hotels obtain access to essential, strategic information (e.g., customer email addresses) in an encrypted format.

#### 4.2.3. Separation and integration inputs

We identified two themes relating to both separation and integration activities: (i) platform structure, and (ii) hotel distribution structure. **Platform structure** includes network centrality and network effects properties. **Hotel distribution structure** comprises multihoming structures (i.e., connection with multiple platforms) and direct channel structures (i.e., multiple hotel-owned channels). These structures enable hotels to maintain their interface boundary through their separation activities, and to broaden their target market through their integration activities. In regard to the interface boundary, platform structure allows hotels to connect to the large customer base on the platform interface for cooperation, while the hotel distribution structure allows hotels to focus on the platform interface (multihoming structure) for cooperation, and the hotel channel interface (direct channel structure) for competition. In terms of broadening the target market, platform structural properties and the hotel distribution structure together allow hotels to establish contact with and serve different customer groups. At Hotel Q, the platform structure offers a bridge (network centrality) whereby it can reach that vast group of customers (network effects):

“They [platforms] are a bridge connecting us to the larger audiences that we may not have access to. The hotel Q brand is not present in the West, it is not present in Europe, it is not present in various countries around the world. But they [platforms] provide us the representation; they provide us the reach.” [ID: 33]

## 5. Discussion

The purpose of this research was to explore one crucial question: how hotels maintain cooperation balance when working with platforms. We investigated this question using grounded theory and developed three aggregate activity dimensions and three aggregate input dimensions. Activities relate to hotel actions that foster cooperation balance; inputs are the requirements (e.g., rules, structures) needed to conduct these activities. In the following section, we discuss our theoretical contributions to the cooperation literature and consider the practical implications of our findings for hotels, platform firms, and policymakers.

### 5.1. Theoretical contributions to the cooperation literature

#### 5.1.1. Separation activities: individual or temporal separation, supported by boundary creation

Extant literature suggests two types of separation activities—functional and temporal (Bengtsson & Kock, 2000; Poole & de Ven, 1989). Functional separation focuses on isolating cooperation and competition in different departments, whereas temporal separation emphasizes

keeping the two forces apart over time (Dowling et al., 1996; Seran et al., 2016). However, our findings show that although hotels pursue temporal separation, functional separation does not occur. Instead, whenever a temporal separation is not possible but separation is still needed, it happens at an individual level and not at a functional level.

In practice, individuals develop heuristics to separate cooperation and competition. Managers utilize heuristics to pursue *(non) confidentiality boundary* and separate matters pertaining to consultation during business meetings with platform representatives. Because hotels work with many platforms, and because a large number of competing hotels also work with those platforms (Constantinides et al., 2018; Rolland et al., 2018), matters of confidentiality need to be upheld. As a result, managers use heuristics to disclose only general market-related facts and not to converse about competing hotels or other platforms. This process supports managers to separate cooperation and competition in their thought process during business meetings.

Similarly, managers use heuristics to maintain *(non) compliance boundary* and determine which aspect of rate parity policy to observe and which part not to follow. Although platforms allow hotels to establish contact with a broad customer network (Cennamo, 2018; Dushnitsky et al., 2020), rate parity policies have the potential to reduce hotel profitability (Sharma & Nicolau, 2019). Managers therefore employ heuristics to observe rate parity policies across platforms only (e.g., *Expedia.com* and *Hotels.com*) but not across platforms and hotel channels (e.g., *Expedia.com* and hotel mobile app). This process allows managers to internally separate the forces of cooperation and competition while managing hotel rates.

Additionally, individuals separate cooperation and competition through *service boundary*. In practice, individuals pursue service improvement through cooperation with platforms. But offer personalized customer service to compete with platforms. Therefore, individuals separate service activities to focus on cooperation and competition. Moreover, managers create an *interface boundary*, and decide to focus on cooperation on the platform interface, but on competition on the hotel channel interface. These separation activities are not possible through functional separation (e.g., Bengtsson & Kock, 2000; Seran et al., 2016) but relies on managers to develop mental shortcuts and are described as “rules of thumb.”

Finally, hotels maintain *temporal boundary* during customer communication. In this case, cooperation and competition are separated over time (Hoffmann et al., 2018; Poole & de Ven, 1989). For example, in the pre-stay stage of the customer journey, hotels send pre-arrival messages to customers on the platform message portal (cooperation). In the stay stage, hotels encourage customers to book their next visit via the hotel website (competition). Whereas, in the post-stay stage, hotels reply to customer reviews on the platform portal (cooperation), and later send direct emails to customers with a promotional offer to book direct (competition). Contrary to prior research showing lengthy episodes of cooperation and competition (de Rond & Bouchikhi, 2004; Navis & Glynn, 2010), this study finds that the timeframe of cooperation and competition are short, lasting for a few days and even hours.

#### 5.1.2. Integration activities: individuals applying sensemaking to synthesize cooperation and competition

The literature suggests that integration activities are an important means of enabling managers to synthesize cooperation and competition in the same functional domain and at the same time (Farjoun, 2010; Luo et al., 2006; Tidström et al., 2018). However, empirical work exploring how integration activities occur in practice is limited. Our findings show that hotel managers apply the process of sensemaking (Lundgren-Henriksson & Kock, 2016a, 2016b; Pattinson, Nicholson, & Lindgreen, 2018). Managers utilize data insights and rely on their past experience of working with platforms to synthesize cooperation and competition in their decision-making process. Managers endeavoring to find the right balance *adjust inventory* levels on platforms in accordance with market demand and occupancy rates. For example, from a pool of

100 available room inventory, they make sense of the situation and decide whether to offer 20, 40, or 50 of those inventories on platforms. In practice, drawing on data insights and past experience, managers decide not to provide all their available inventory on platforms (cooperation), nor do they decide to offer zero inventory (competition). Rather, they find the right balance of cooperation and competition (Gnyawali & Charleton, 2018) to sell appropriate levels of room inventory on platforms. This process requires managers to simultaneously integrate cooperation and competition in their decision-making process (Luo et al., 2006; Tidström et al., 2018) by developing sensemaking capabilities to adjust inventory levels.

Furthermore, managers apply sensemaking to **regulate distribution costs** and decide on the appropriate expenditure for platform sales. Based on data insights and past experience, managers do not allocate high budgets for platform sales (cooperation) as it will affect hotel profitability due to high commissions charged by platforms. In contrast, managers do not put less budget for platform sales (competition) as it may prevent hotels from attracting sufficient customers. Instead, sensemaking allows managers to balance the forces of cooperation and competition by allocating the right amount of funds for platform sales. As a result, this process involves the integration of cooperation and competition (Fernandez et al., 2014). Such actions are vital for hotel profitability, as they enable hotels to cope with the platforms' market dominance and commission levels (Bahar et al., 2021; Verhoef & Bijmolt, 2019).

Managers also enact sensemaking to **broaden the target market** and attract different customer segments: leisure customers via platforms, and corporate clients through direct channels. Sensemaking guides managers to not rely solely on platform sales (cooperation) or direct channels sales (competition). Instead, managers strive to find the right balance of cooperation and competition (Raza-ullah, 2021) by integrating the two forces (Liu et al., 2020). This results in managers targeting a portfolio of customer segments.

#### 5.1.3. Simultaneous separation and integration activities: an IT enabled process

Simultaneous separation and integration activities are special types of tension management practices involving concurrent isolation and synthesis of cooperation and competition (Le Roy & Fernandez, 2015; Seran et al., 2016). The current literature explains that separation is conducted by dividing cooperation and competition in different departments (functional separation) or over time (temporal separation) (Bengtsson & Kock, 2000; Fernandez & Chiambaretto, 2016), whereas integration is pursued by individuals (Chen, 2008; Farjoun, 2010) through the process of sensemaking (Lundgren-Henriksson & Tidström, 2021; Pattinson et al., 2018). In contrast, this research shows that separation and integration is a process enabled by IT tools, rather than relying on departments, time, or even individuals. A notable exception is the research conducted by Fernandez and Chiambaretto (2016), who find that firms use IT tools to separate cooperation and competition. Nevertheless, their study shows that firms still rely on individuals to integrate cooperation and competition. Conversely, this research suggests that simultaneous separation and integration is a fully automated process performed by IT tools, without the intervention of individuals.

In practice, hotels use IT tools to exchange essential information with platforms (e.g., customer booking details) and protect strategic information (e.g., customer likes and preferences). This process of sharing (cooperation) and protecting (competition) information relates to the separation aspect of cooptation. However, when hotels need to access essential information that is also strategic in nature (e.g., customer email address), integration of cooperation and competition comes into play. In this case, hotels access temporary customer email addresses that are automatically anonymized by the platforms through the use of IT tools (e.g., [guest1234@platformB.com](mailto:guest1234@platformB.com)).

#### 5.1.4. Inputs for cooptation activities: rules, data, and structure

Although cooptation literature focuses heavily on activities (Kim, Kim, Pae, & Yip, 2013; Le Roy & Czakon, 2016; Park et al., 2014), little research delineating the inputs required to pursue those activities exists. To be precise, hotels cannot implement cooptation activities without the right resources, rules, and structures that we coin as "inputs". Therefore, outlining the inputs is vital to understanding how hotels manage cooptation balance. Notably, for separating cooperation and competition (Bengtsson & Kock, 2000; Hoffmann et al., 2018), individuals use directive rules (narrow guidelines allowing less tactical freedom) and simple data. For example, managers use directive rules to handle rate parity by offering consistent rates only across platforms but a lower rate on hotel channels. In addition, managers use individual customer reviews to improve their hotel's service quality (cooperation) and personal customer data to provide personalized service (competition).

Conversely, individuals integrating cooperation and competition (Luo et al., 2006; Tidström et al., 2018) use holistic rules (broad guidelines allowing more tactical freedom) and aggregate data. For instance, to regulate distribution costs, managers adhere to the holistic rules of prioritizing direct bookings over platform bookings, and they utilize aggregate market and performance data in their decision-making processes.

Furthermore, to pursue separation and integration of cooperation and competition (Fernandez et al., 2014; Seran et al., 2016), hotels use platform structure and hotel distribution structure. For instance, the hotel distribution structure allows hotels to focus on platforms for cooperation, and the hotel channels for competition through their separation activities. Whereas the platform structure and hotel distribution structure allow hotels to establish contact with and attract diverse customer segments through their integration activities.

#### 5.1.5. Separation and integration activities occurring at all organizational levels

Extant literature states that managers at lower organizational hierarchy levels pursue separation because they can only deal with cooperation or competition, not both (Bengtsson & Raza-Ullah, 2016). However, our study suggests that managers at all organizational hierarchy levels pursue separation. For instance, top managers (general managers) are responsible for separating cooperation and competition by maintaining confidentiality boundaries during business meetings with platform representatives. In contrast, entry-level and mid-level managers are responsible for separating service activities such that some activities focus on cooperation with platforms (e.g., improving hotel service), while others emphasize competition with platforms (e.g., providing personalized customer service).

The present literature also suggests that highly experienced top managers at higher organizational hierarchy levels pursue integration (Bengtsson & Raza-Ullah, 2016; Fernandez et al., 2014). However, our study shows that managers with lesser experience (and who therefore do not belong to the upper echelons of the organization) also accomplish integration. For example, top managers (e.g., revenue directors) and mid-level managers (e.g., revenue managers) conduct cost regulation. But then again, these mid-level managers need to have the analytical and decision-making skill sets to pursue integration effectively.

Overall, although the existing literature proposes that separation and integration activities need to be divided to employees at different organizational hierarchy levels (Bengtsson & Raza-Ullah, 2016), this research shows otherwise. We find that employees, regardless of the hierarchy level they belong to, can separate and integrate cooperation and competition.

#### 5.1.6. Balancing cooperation and competition both near and far from the customer

Current literature suggests that cooptation depends on the degree of proximity to customers: competition near the customer is competition

focused; coopetition far from the customer is cooperation focused (Bengtsson & Kock, 2000; Walley, 2007). However, our findings show that hotels cannot isolate cooperation and competition based on the degree of customer closeness. Instead, hotels maintain a balance of cooperation and competition (Zhang et al., 2020) both near and far from the customer. For example, coopetition balance near the customer may involve sending pre-arrival messages on platforms pre-stay (cooperation) but educating customers about the benefits of booking directly during the stay-phase (competition), while coopetition balance far from the customer may involve deciding on the optimal inventory levels (cooperation and competition) to sell on platforms. Hence, regardless of the degree of proximity to the customers, coopetition involves simultaneous cooperation and competition in a balanced approach.

### 5.2. Practical contributions for hotels, platform firms, and policymakers

Our study has several practical implications. First, our findings allow us to recommend that hotels form coopetition relationships with platforms in a balanced way. Here, we delineate the granular-level activities and inputs that enable hotels to pursue separation, integration, and simultaneous separation and integration. For example, we suggest managers (i) apply heuristics to create a boundary between cooperation and competition using directive rules (separation), (ii) develop sense-making capabilities to synthesize cooperation and competition using holistic rules and aggregate data (integration), and (iii) rely on IT tools to pursue both separation and integration. We also recommend that hotels need not invest only in their own inputs to attain a coopetition balance. Instead, hotels can leverage the resources of platforms or co-develop them. For example, although hotels need to invest in IT resources to exchange information, they can utilize the market data provided by platforms to broaden their target market. At the same time, hotels can jointly develop (non)confidentiality rules with platform managers to protect the interests of both parties.

Second, in highlighting the role that individual hotel employees rather than hotels' functional departments play in maintaining coopetition balance with platforms, our findings have implications for staffing at hotels. We suggest hotels recruit employees who have the skill sets to separate and integrate cooperation and competition simultaneously. For example, revenue managers need to have the ability not only to separate cooperation and competition while setting rates but also to synthesize the two forces so they can adjust inventory levels. In short, hotels need to focus on recruiting the right employees because they are critical to successfully pursuing coopetition with platforms.

Third, we offer practical guidelines on how platforms can share essential but strategic information with hotels (e.g., customer contact details) by minimizing the risk of opportunistic behaviors (e.g., hotels encouraging customers to cancel platform booking and book directly with them). Platforms can develop and share a unique anonymous alias customer email address with hotels. We recommend platforms establish automatic systems that check a hotel's message content for any misconduct before forwarding it to the guest. Investing in appropriate IT tools is one way that platforms can effectively manage coopetition tensions pertinent to information exchange.

Finally, we recommend policymakers develop industry rules that put a cap on the level of commissions charged by platforms, thus reducing the cooperative tensions between hotels and platforms to a manageable level. Hotels can continue to leverage the benefits of the high network effects of platforms while simultaneously managing the conflicts arising out of the network centrality attributes of platforms. However, a further rise in commission levels might encourage hotels to rely less on or even disintermediate from those platforms. Disintermediation will reduce network effects and lower the attractiveness of a particular platform for both hotels and customers.

## 6. Conclusion

Extant marketing and management literature offers limited insights on coopetition with platforms. Whereas the tourism and hospitality literature provides little information on the nuances in dyadic business relationships regarding how firms balance the contradictory demands of cooperation and competition and the tension management practices required to uphold the balance.

This research addresses the limitations in the marketing and management literature by offering a novel conceptual and empirical foundation from which to advance knowledge of the vital practice of coopetition for hotels dealing with platforms. Our theoretical framework provides a detailed account of the activities and inputs required in this process. Furthermore, this research provides vital insights for the tourism and hospitality field by sharing intricate details on the different tension management approaches: separation, integration, and simultaneous separation and integration. We show how hotels use these approaches to balance the forces of cooperation and competition when dealing with platforms involving dyadic business relationships.

Our study has several limitations that provide opportunities for future research. First, we focused on the perspective of hotels and explored their dyadic relationship with platforms. Exploring coopetition in the overall business network is beyond the scope of this research. Therefore, future research could widen the unit of analysis and discover how coopetition occurs in business networks comprising different actors, such as platforms, hotels, car rental agencies, airlines, and other service providers. Furthermore, hotel marketing and positioning policies in the travel market is also beyond our research scope. We encourage future researchers to investigate these policies.

Second, our study is exploratory in nature, as our intent has been to develop robust theoretical insights about the coopetition phenomenon. Based on our findings, we encourage researchers to devise a scale for coopetition balance and test its impact on hotel financial performance. Finally, our study focused solely on the hospitality industry. Platforms in other industries such as retailing, gaming, and mobile application are likely to have different governance mechanisms, technology infrastructures, and degrees of openness to complementors and customers. Hence, future research could compare how coopetition with platforms unfolds (due to the platform properties stated above) in diverse industries.

### Impact statement

Platforms such as [Expedia.com](https://www.expedia.com) and [Booking.com](https://www.booking.com) have had a strong impact on the hospitality industry, facilitating more than 50 % of all hotel bookings. However, hotels only cooperating or only competing with platforms are not viable strategies. Instead, a balance of cooperation and competition needs to be maintained for optimal business outcomes. This study shows how hotels can simultaneously pursue cooperation and competition in a balanced way by (i) using heuristics to separate cooperation and competition, (ii) applying sensemaking to synthesize cooperation and competition, and (iii) depending on IT tools to concurrently separate and synthesize cooperation and competition. We also highlight the different resources (e.g., customer demand data) and the managerial practices (e.g., establishing KPIs) required to balance cooperation and competition. Finally, we suggest policymakers introduce commission caps to maintain manageable tensions between hotels and platforms to enable a balanced relationship.

### Author contribution statement

All authors contributed to the research idea, theoretical arguments, and positioning. Varqa Shamsi Bahar led the research design, data collection, data analysis, and manuscript writing. Professor Suvi Nenonen and Dr. Richard Granville Starr Jr contributed to the scoping of the study and participated in every stage of the research process.

**Declaration of competing interest**

None.

**Appendix**

*Appendix A: Interview guide utilized for hotel respondents*

Broad discovery-oriented questions:

- “Can you describe the relationship between Hotel X and various booking platforms such as platform name A, platform name B?”
- “Can you explain how Hotel X works with various booking platforms/online travel agents (OTAs)? What are the key activities? What resources are required?”
- “What are the main benefits and challenges of working with platforms?”

Examples of specific questions:

- “You mentioned the rate parity clause. How does the rate parity clause affect your decision-making?”
- “You touched upon the importance of getting direct bookings. What does Hotel X do to receive direct bookings?”
- “You stated the importance of maintaining a balance in inventory levels. How do you decide on the right inventory levels?”
- “You mentioned the importance of hotel ranking on these platforms. How does Hotel X maintain a good ranking?”
- “You said that you meet with market managers every month. Could you state and explain what you discuss? How have these meetings been helpful?”
- “You mentioned that you have access to business analytics data. How and in what ways do you use such data?”
- “You touched upon using IT systems. Can you provide more details on how Hotel X utilizes these IT systems?”
- “You said you get access to online customer reviews. How and in what ways does Hotel X utilize these reviews?”

Closing question:

- “Are there any other ways Hotel X deals with various booking platforms that we have not touched on?”

*Appendix B: Coopetition with platforms: Definitions and quotes*

**Table 5**

Activities and inputs: Definitions and illustrative quotes.

Aggregate dimensions	Definition of themes	Illustrative quotes
<b>Separation activities</b>	<b>(Non)confidentiality boundary</b> is the ability to demarcate confidential and non-confidential matters during consultations.	<p>“We have absolute confidentiality. They [platform market managers] are very careful not to overstep the confidentiality boundaries, and the same for us when we meet with other market managers, as we do not give away any information.” [ID: 16]</p> <p><b>(Non)compliance boundary</b> relates to adhering to some rules but not observing some other rules.</p> <p>“We send one rate, which goes to all platforms. We have to be careful and have rate parity. However, we sometimes want to increase bookings through our website to increase direct sales, so we provide a lower rate on our website.” [ID: 29]</p> <p><b>Service boundary</b> separates service activities, such that some activities focus on cooperation with platforms while others emphasize competition.</p> <p>“Good reviews on Platform B become word-of-mouth marketing in this fast-paced cyber world, but bad ones can give a direction to the hotel to improve service quality.” [ID: 46]</p> <p>“We are very much competing with these OTAs, and I think the more direct bookings we can make—great! The best part about that, I suppose, is we are actually able to build that relationship directly with the guests. From a guest experience perspective, we know that the guest likes this particular room type or they have, you know, a flat white in the morning or they like their newspaper delivered at 6 a.m. or whatever it may be; we try to cater to the guests’ needs. So, that is what we are trying to do.” [ID: 35]</p>

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Table 5 (continued)

Aggregate dimensions	Definition of themes	Illustrative quotes
	<p><b>Interface boundary</b> focuses on cooperation with platforms on the platform interface, but competition with platforms on the hotel channel interface (e.g., hotel website) to attract customers.</p>	<p><i>“We engage in promotions [on platforms] usually during the winter or during weekends, when the occupancy levels are low. You see, weekends in Auckland are quiet unless there is an event happening.” [ID: 20]</i></p> <p><i>“So to get more direct bookings, we provide accommodation packages that are available only through our hotel website.” [ID: 39]</i></p>
	<p><b>Temporal boundary</b> separates cooperation and competition in different stages of the customer journey.</p>	<p><i>“Guest–hotel communication is essential. Platform A cannot answer all the questions, so we [Platform A] try to connect both parties. Hotels benefit from it, as they can directly request something from customers. For example, hotels can request arrival time or prepayment.” [ID: 43]</i></p> <p><i>“So every single guest that has checked-in, when we realize that it is through Platform A or Platform C, we give them a card that explains a little bit more about the air points via our mobile app—so we try to push guests to move away from Platform A and book directly with us. The incentive is to get air points, or we can give cheaper rates.” [ID: 21]</i></p>
<p><b>Integration activities</b></p>	<p><b>Adjusting inventory</b> controls inventory allocations on platforms.</p>	<p><i>“They are such a big distributor of hotel inventory [...]. So it is about finding the right balance that, you know, a certain percentage of your booking needs to come through the OTA websites because you will not be able to get everybody to come and book through your website. So you can't walk away, but you have to decide for your own business what is the right mix and how you can benefit.” [ID: 15]</i></p>
	<p><b>Regulating distribution costs</b> is the ability to manage the costs of working with platforms to optimize profits.</p>	<p><i>“It's balancing out productivity across the year versus short-term. Sorry to say, but any hotel can flap with the business of OTAs because there is that level of demand. But it's how you actually manage OTAs to produce the best results. Again, the thing about these platforms is that there's obviously the cost association. So, fifteen percent off your price. If you're selling at four hundred dollars plus, fifteen percent is a lot to carry when you know that there will also be direct guests coming in from the hotel's website.” [ID: 5]</i></p>
	<p><b>Broadening the target market</b> relates to targeting different customer groups.</p>	<p><i>“We target tourists. But we have contracts with companies from the local market as well. So we try to, you know, have a bit of a mix between OTAs and the direct channels.” [ID: 36]</i></p>
<p><b>Separation and integration activities</b></p>	<p><b>Exchanging customer information</b> refers to sharing/receiving essential information, protecting strategic information, and accessing information that is both essential and strategic in nature.</p>	<p><i>“As you make a booking on Platform A, that booking data straight away enters our system in real-time.” [ID: 31]</i></p> <p><i>“So, we [Platform A] do make some changes for customer security. So, for example, the email address is masked. So when the email address is sent to the property, we give them a temporary PlatformA.com email address because we want to keep the security of the customer. And the credit card information is securely transferred through the channel manager, which is encrypted.” [ID: 42]</i></p>

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Table 5 (continued)

Aggregate dimensions	Definition of themes	Illustrative quotes
<b>Separation inputs</b>	Directive rules are specific guidelines in business relationships.	<p><i>“When they [platforms] come and sign a contract with you [hotel], the contract is such that you have to offer them the rate parity. When you talk about rate parity, it’s having the exact same rates available across all channels. That is your website, that is multiple OTA websites as such. So if you are selling a standard room on your hotel website at two hundred and ninety-nine dollars, that’s the rate they want to have on their website as well. If you have two different rate plans, like one prepaid and one flexible, they also want to have the same rate.” [ID: 15]</i></p>
	<b>Customer data</b> are specific data about individual customers.	<p><i>“Platform C has got the guest reviews, which is, when the guest leaves, they can leave a review. Then Platform C has real-time guest feedback. So, basically, the minute the guest has checked-in, right? The guest is sent an email that says, “Click happy face if you are happy and say why” or “sad face if you are unhappy, and say why”. Then a notification is sent out to the hotel with the guest feedback.” [ID: 37]</i></p> <p><i>“Customer data is very important, especially if guests want a roll-away bed in the room, or they have a preference, or if they’re allergic to dust or feathers.” [ID: 26]</i></p>
	<b>Communication and information exchange tools</b> are systems for customer communication and for exchanging information.	<p><i>“It’s a two-way interface. So [a] booking comes in from Platform A into Tool B, which then pushes it back into our property management system. So it [the booking information] gets loaded straight away.” [ID: 7]</i></p> <p><i>“The customer data are quite secure because it is on our management system. And only a few managers can access those data.” [ID: 25]</i></p>
	<b>Pricing data</b> consists of the pricing data of individual competitors and also the average price of all competitors in a strategic group.	<p><i>“They [platforms] will also give us a comparison of the average rates of my competition hotels. And say that my rates are slightly lower than the average rates of competitive hotels. Every morning, we get an email where they tell us that for the next week—these are our rates, but our competitor’s average rate is this.” [ID: 22]</i></p>
	<b>Programs and offerings</b> comprise promotional campaigns, loyalty programs, and attractive service bundles (e.g., accommodation packages).	<p><i>“It [a platform] helps us to provide specific promotions for specific markets and geographic regions.” [ID: 10]</i></p> <p><i>“We [Hotel L] have our own loyalty programs to attract other people. We have signed up with Air New Zealand for business—with Air New Zealand air points. So, we are trying to build loyalty with people directly. To get those loyalty points, people have to book directly with the property. So we are encouraging people to book direct.” [ID: 24]</i></p>
<b>Integration inputs</b>	<b>Holistic rules</b> relate to broad guidelines on prioritizing direct bookings over platform bookings.	<p><i>“So it almost comes down to whether you can actually control it and then how far can you control it. At the end of the day, say on a daily basis, if I’m able to reduce ten rooms a day from them [platforms] to sell direct, I’m saving fifteen percent average commission out of that.” [ID: 40]</i></p>
	<b>Business performance and market data</b> are aggregate data about the hotel’s financial performance and the overall	

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Table 5 (continued)

Aggregate dimensions	Definition of themes	Illustrative quotes
	market.	<p>“Again what Platform A does is provides me with time- based analytics. For example, last year this time, it says that I had sold ten percent more rooms. That means somehow I am selling less now.” [ID: 1]</p> <p>“We get holistic market intelligence. So both the Platform B analytics and our own explains the future trends in the Auckland market.” [ID: 41]</p>
	<b>Encryption tools</b> are systems designed to anonymize and share data.	<p>“Platform A automatically generates an email address so we can communicate with the guest through that Platform A company email, not the guest’s personal email.” [ID: 14]</p>
	<b>Separation and integration inputs</b>	
	<b>Platform structure</b> is the network centrality and network effect attributes of platforms.	<p>“We also rely on these OTAs because the guests are also coming from overseas. So they won’t even know what is the Hotel G brand. The company also does not have enough budget to market itself everywhere around the world, so they are a really good platform which helps to promote us to customers overseas from around the world.” [ID: 13]</p>
	<b>Hotel distribution structure</b> includes multihoming (i.e., connection with multiple platforms) and direct channel (i.e., multiple hotel-owned channels) distribution options.	<p>“So, before it was only Platform A, Platform C, or Platform D we sold on. But now it’s getting more and more. We get updates from the revenue department, “Okay, this is a channel we just opened, so please keep an eye on it.” [ID: 14]</p> <p>“We have our own channels—telephones, emails, and a grand hotel website. We’ve got a massive sales team. So that’s one of our biggest assets—we’ve got a strong sales team who are constantly on the road, tapping into businesses, tapping into groups, tapping into different segments.” [ID: 34]</p>

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