ROLE OF COOPETITION IN DEVELOPMENT OF GOLF COURSE BUSINESS MODELS

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ABSTRACT

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Abstract

Conservative game of golf is facing growing number of demands from increasingly competitive and developed markets. Trends suggest the competitiveness of the market growing with more sensitive customers demanding increasing flexibility of offerings. Traditional golf courses business models have not been designed for the demanded flexibility thus the study aims to shed light into the ability of golf courses to cope with changing demands in terms of their business models. Moreover, the study aims to evaluate the role of coopetition in the business model development of golf operators.

This study uses qualitative multiple case study to inspect the market perceptions, business model development and the role of coopetition in business models of five golf courses that were chosen to offer variety of perspectives for the research. Extensive and interpretive approach on data collection and its analysis provides insightful developments on the under-researched field of golf business.

The findings point towards market dynamics being perceived as thrust to develop golf courses towards larger multi course structures. Moreover, a favourable view on commercially oriented rather than member-owned golf courses regarding the capabilities of business model development and innovations. Finally, the study illustrates the benefits that larger golf course establishments may be able to achieve but does not confirm the pursue of all these benefits being possible via coopetitive actions and partners. Role of coopetition in the golf course business model development is supported although it may not be suitable for all types of golf course. Therefore, the study leaves room for further research to be carried out on coopetition and its ability to enhance the business model development of golf courses.

Key words
golf, business models, business model development, coopetition

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1 INTRODUCTION

Golf is a sport that has experienced vast growth over the past decades and has therefore faced many changes in the sense of offering the means for growing number of users to practice the sport (EGCOA, 2015). At the moment golf is facing an immense pressure to evolve (Breibarth, Kaiser-Jovy & Dickson, 2017). As the player base has grown and evolved the golf business has similarly gone through many steps of development when it comes to means of playing (EGCOA, 2015). Along with the increase in the number of players and developed means of playing, also the number of golf facilities has seen a huge increase throughout the past decades (KPMG, 2016, 2017; R&A, 2017). Therefore, both the supply and demand in golf business have experienced strong growth in the developed European markets until the more recent years when both supply and demand have started to stabilize (R&A, 2017). Golf market has started to become saturated and increased the competition among the golf businesses, golf clubs, who provide the facilities to practice the sport (KPMG, 2017; Breibarth et al., 2017; EGCOA, 2015). Moreover, need for innovations in the business models of golf clubs has been realized as the competitive situation has continued its evolution to fiercer direction in developed golf markets (KPMG, 2016; EGCOA, 2015).

Golf is also an increasingly important form of leisure and tourism activity as it is becoming popular among wider range of socio-economical groups therefore attracting growing masses of middle and high-income individuals (KPMG, 2014; Breibarth et al., 2017). On the other hand, tourist destinations and leisure centers are facing growing competition, even globally, which pushes them to specialize in order to attract tourists with distinct destination features (Della Corte & Aria 2016). Golf courses in golf concentrated destinations are thus receiving growing attention from tourists who want to practice the sport during their holidays and search for destinations offering attractive premises to do so. Therefore, golf courses can be considered as tourist destinations or at least as the most important selling points of destinations where they exist, similarly as ski resorts (Kylänen & Rusko 2011). Oddy (2017) claims the golf business research must be built on related industries such as other sports or leisure & tourism management due to the lack of research on golf itself.

Thus, in this study, some of the theoretical background is to be based on tourist destinations and tourism management and are juxtaposed with golf courses as their operations are much alike and scientific research on golf business is not as abundantly available as tourism literature especially regarding the coopetitive theoretical background.

1.1. Objectives of the study and previous research

Earlier studies looking particularly at golf course business models are not abundantly available, however, are being developed eg. Golf Business and Management, A Global Introduction by Breibarth, Kaiser-Jovy & Dickson, 2017 which offers valuable insights and validates the research being directed on worthwhile area. As stated by Breibarth, Kaiser-Jovy & Dickson (2017, p. 26) "We witness a decreasing willingness of golfers to commit themselves to (more or less) unlimited access to one golf club, preferring instead to seek the variety and flexibility of playing at multiple courses. Whilst most clubs have struggled to see this as a positive, these preferences are creating opportunities for golf tourism and novel organizational networks and partnerships". Additionally, the governance structures of golf are experiencing changes towards more commercial orientation (Breibarth et al., 2017) and needs for developing the means of golf are given increasing importance (KPMG, 2016, 2017). This way the underlying pressures driving change within the golf course industry, particularly in the golf saturated and developed markets. On the other hand, built-in barriers that are making it more difficult to respond to the pressures from the golf course business model development point of view seem to exist. (KPMG, 2016.) Oddy (2017) refers to the alarmingly high numbers of mainly small golf businesses survival being threatened recently. Since a great number of clubs remain as non-commercially oriented private or semi-private single golf course or single location units the path towards flexible structures of multicourse structures should be sought one way or another (EGCOA, 2015).

The essential research question is to find out how the role of coopetition is played in the business model formations of golf courses that differ in size and governance matters. Moreover, the underlying research questions behind the formation of the study are three-fold.

1. How the changing market situation drives the need for golf courses to seek change in terms of their business model development?

This way the first question is directed to find out what the main market forces driving the golf course businesses to renew and develop their existing business models. Competitive situation of the golf industry in mature, saturated golf market trends are inspected and gathered via literature and interviews.

2. How are the business models, their development and innovation capability of different types of golf courses?

Second question is aimed at finding out whether there are barriers behind the existing business models blocking the implementation of changes for different types of golf courses in terms of their business model development and innovation. Moreover, the underlying governance structures are similarly evaluated.

3. How coopetitive relationships between golf course units play role in developing more market oriented, commercially viable and sustainable business models that help single golf course units to cope with market pressure?

This study, aims to answer these questions by looking whether different sizes of golf course units have different kinds of capabilities to resist barriers and respond to the pressures in terms of their business models. Moreover, perspective of coopetition is added into the assessment and its role in terms of creating strength, synergies and capabilities to respond to pressures to change in terms of business models of golf courses. By studying the existence, depth and states of coopetition through the lens of evolving business models their interplay is evaluated. This way, the study attempts to look at different kinds of golf course operational units which differ in ownership, size and business model terms. Therefore, the researcher is to evaluate the main similarities and differences between multicourse unit with single ownership, single golf course units linked with coopetitive partnership and "stand-alone" single golf course unit. Central part of multicourse structures is expected to be based on the ability of creating synergies, thus the study is reflected to evaluate the ability of single location golf courses to pursue similar synergies via systematic involvement in coopetitive relationship within the same industry actors. Study is to be built on the earlier research of coopetition, mainly on the examples from the tourism and leisure industry with assessing the elements of business model development via business model canvas, however, setting of empirical research being in golf context.

1.2. Definition of concepts and structure of research

Research is to be built upon three key concepts from which the first is business models which are defined as blueprint of a company (Casadesus-Masanell & Ricart, 2011) or a roadmap (Chesbrough, 2010). However, business model is not a synonym for strategy or tactic but instead these have to be addressed as individual concepts and understand their interrelatedness (Casadesus-Masanell & Ricart, 2011). Still, business model lies in the very core of a company and should be looked at as a design dictating how company works, how it produces and seizes value (Chesbrough & Rosenbloom, 2002; Amit & Zott, 2001; Johnson, Christensen, & Kagermann, 2008; Casadesus-Masanell & Ricart, 2011). Secondly, business model development and innovations complement the conceptual framework of business model concepts. Chesbrough (2010) defines that business model innovations can be an established process of change although he claims it needs to be carried out by experimentation and develops that implementation of business model innovations are achieved via adaptations of organizational processes and attitudes towards experimentation in order to drive change and achieve innovative models. Finally, the perspective of coopetition is added in the mixture. Bengtsson & Kock (2000) and Gnyawali & Madhavan (2001) define coopetition as a simultaneous existence of cooperation and competition. Bengtsson & Kock (2000) emphasize both competitive and cooperative parts of a relationship must be monitored individually and together in order to form an understanding of their interplay.

Research starts with laying a foundation of golf courses as businesses from the governance models to the offerings available for customers. Also, view of the revenue creation logic and cost structures of the golf courses are briefly explained, in order to describe the context for latter theory building approaches. Theories that are set to the golf context include business models and their development along with coopetition and its presence inside a firm business model creating interfirm synergies. Finally, the abductive multiple case-study research is built upon five cases that create reflection of single location "stand-alone" golf businesses, multi-location "coopetitive" golf businesses where single location units are cooperating with their competitors to create strength and finally multi-location units that form a group structure. This way the underlying similar and differing components of the business models of respective cases are presented and discussed in the latter part with drawing conclusions and pointing future research paths.

2 CONTEXT

This topic is set in the context of golf business therefore the basis of golf business and golf courses working as business units are presented. Golf is also becoming more popular among wider range of socio-economical group and attracted growing number of players along with increase in the number of golfing facilities around the world. Growing number of golfers bring growing number of different demands to which golf has to attempt to cater for. (Breibarth et al., 2017.)

In the essence of golf business - golf course or a golf club is the service operator that essentially owns or rents the land where a golf course has been built on and manages the use of the course as its business (Breibarth et al., 2017). The ownership, however, can be either divided between the members of golf club when the sold memberships include equity, voting rights and are treated as “a share” or the membership, equity and ownership are separated, therefore, often centralizing the ownership to fewer parties (Dickson & Koenigsfeld, 2017). Adjacent to the golf course are usually other facilities which may include clubhouse - a building at a golf course typically housing a locker room, pro shop, and restaurant (Breibarth et al., 2017) and depending on the club may include other services such as practicing facilities meaning golf range or gym, accommodation, meeting rooms or other recreational activities. Typically, the main business of a golf course is to sell or rent out playing rights which allow golfers to access the golf course. (Dickson & Koenigsfeld, 2017.) Length and comprehensiveness of the playing rights vary from singe round to annual or lifetime playing rights and are defined by the golf course (Mulligan, 2001; Dickson & Koenigsfeld, 2017).

2.1 Golf course offerings

Green fee is the set fee a golfer is obliged to pay for being allowed to access to the course (Dickson & Koenigsfeld, 2017). Typically, green fees are paid at the clubhouse but might nowadays be payable online. Nearly all golf courses utilize same term and each individual course sets the price of its fee. Green fee might include rental of a buggy (motorized cart) for non-walking play or a trolley (pull or push cart) for walking play. Similarly, green fee price might include access to practice areas (driving range and practice green). If not included in the green fee price, these services are available as additional purchase. (Dickson & Koenigsfeld, 2017.) Green fee price varies between the golf courses and may also be subject to fluctuate depending on the season (high – low), time of the day (peak times – low demand) or simply demand (dynamic pricing) (Breibarth et al., 2017; EGCOA, 2015).

2.2 Memberships & subscription

Hirsh (2007, p. 71.) describes memberships as "the right to use club facilities and the obligation to pay dues and other charges for such use". Memberships usually provide access to club facilities without limitations (Dickson & Koenigsfeld, 2017). However, Payne & Stone (2013) bring up increasingly important form of flexible memberships that are free of obligations to pay dues, therefore allowing variable involvement and participation. These flexible memberships can be for example valid for only certain time of the week or time of a day depending on the club offerings (Dickson & Koenigsfeld, 2017). Moreover, there might be different membership or subscription categories for younger golfers who might not possess similar purchasing power (KPMG, 2016; Dickson & Koenigsfeld, 2017). Also, families or family members of a member might possess different privileged rights to become members or receive incentives to start golfing as part of their family members membership (Dickson & Koenigsfeld, 2017). Other incentives for lowering the threshold of getting involved in golf are being developed (KPMG, 2016). Membership offerings might also be available for businesses as corporate memberships. Often times, corporate membership includes number of other benefits on top of golfing such as preferential guest rates, access to practice facilities and even corporate golf outings might be packaged into the same deal. (Dickson & Koenigsfeld, 2017; EGCOA, 2015.)

2.3 Categorization of golf courses

Golf courses, similarly as ski resorts can be categorized into different sets according their ownership structure and openness to visitors (Mulligan, 2001). Private clubs which limit the access merely to members and their guests, therefore being accessible only by member paying the membership and possible initiation fees (Mulligan, 2001). Therefore, access allowed for non-members is allowed only by consent of an existing member if at all (Dickson & Koenigsfeld, 2017). Although, there seems to be a niche left for private members clubs to continue thriving business the demand for such establishments seems to be diminishing as trends are towards more accessible golf courses (Rankin, Bakir & Bullock, 2017). To capture the best of these trends many initiatives are being developed by local golf associations (KPMG, 2016).

A semi-private club offers similar privileged and beneficial terms to its members than the private clubs may offer, however the semi-private clubs are not operated on similarly exclusive basis as the private clubs are. Therefore, non-members or in other words golfers in general can access the club on pay-for-play basis. Normally, these golf courses have lower fees for subscribers than private exclusive clubs as the green fee payments of visitors produce an additional revenue stream. (Dickson & Koenigsfeld, 2017.)

Public or Commercial golf courses tend to have centralized ownership which is possessed by either private party or local government (KPMG, 2014; Dickson & Koenigsfeld, 2017). Public courses do not usually provide similar membership possibilities than the private or semi-private clubs do, however, subscription models or bulk/multiple options are often available (Dickson & Koenigsfeld, 2017). Nevertheless, the similarity of membership between private and public course can be superficial as the public courses offer mostly annual memberships without the previously described obligation of paying annual dues (Hirsh, 2007; Dickson & Koenigsfeld, 2017). Public and commercial golf courses tend to have flexibility not only in terms of ownership and offerings but also in terms of business models as they seem more oriented and capable of performing differentiation and business model developments to shape golf consumption towards more flexible offerings (Rankin et al., 2017). Industry reports also demonstrate trends towards flexibility of offerings being in increase and yell for differentiation between golf clubs in the saturated and developed golf markets (KPMG, 2016; 2017).

2.4 Revenue & cost structure of golf courses

There can be differences between the profit orientation in the nature of golf clubs as the models vary between for-profit and non-profit. However, even the golf clubs that are built on non-profit basis function under the same laws of business, meaning their orientation being on making surplus. Major difference between the two orientations lies in the distribution of profit which in for-profit organizations is to be distributed between the shareholders or owners who are often members of the golf club whereas non-profit organization automatically invest the possible surplus back into development of the club and community. (Dickson & Koenigsfeld, 2017.)

As stated earlier, typically the main business of a golf club is to trade variety of playing rights depending on its type that may vary between private – public ends and the ownership that ranges from members to commercial ownership and orientation. Another business operation related to golf clubs is food and beverage (F&B) management which can be a direct or indirect revenue stream for golf clubs. (Dickson & Koenigsfeld, 2017.) Direct revenues are collected when the F&B operations are kept in-house and indirect earnings of F&B can be created if the space or rights for operating F&B are granted or outsourced via rental or lease to an outside catering company (Hemmington & King, 2000). Rankin et al. (2017) also point out another golf related earnings logics such as corporate golf days which yield profits for clubs that have developed their hospitality side and are at an adjacent location to the corporations. Moreover, sales of golf products, driving range and golf lessons are often available at golf clubs creating either direct or indirect earnings to the golf club in question (Dickson & Koenigsfeld, 2017). Also, supportive non-golf services such as hotels or car rentals might be available (KPMG, 2015).

Providing the variety of services and performing activities to cater for golfers also contains a range of cost elements. Golf courses perform range of activities that include management of costly factors of human resources, facility management, governance, sales and marketing to name the essentials. Moreover, outsourcing some of the operations is pointed as a common practice and similarly relates to the cost and revenue logics. (Dickson & Koenigsfeld, 2017.)

2.5 Golf tourism

Golf tourism is an increasingly important form of tourism as golf is attracting growing masses of middle- and high-income individuals (KPMG, 2015). On the other hand, tourist destinations are facing growing global competition which pushes them to specialize in order to attract tourists with distinct destination features (Kylänen 2012; KPMG, 2015). Moreover, activity products such as golf enhance the role of a client and offer tempting chances to extend stays in particular destinations thus increasing the overall spending in the location (Kylänen 2012). This combined with the fact that golf tourists represent a tourist segment that has higher spending than tourist segments on average highly promotes the attractiveness of serving this group of tourists (Correia, Barros & Silvestre 2007).

However, Correia et al. (2007) point out that for golf tourists the golf related attributes are not the most important but the destination features seem to direct the perceived satisfaction and returning behavior. This means many golf destinations can be attractive by their golf features however when the considered satisfaction is measured the higher attention is been put to other than directly golf related attributes (Correia et al., 2007). Therefore, it is important to view the destinations via larger than an only golf comprising lens and for service providers to realize that golf related attributes can only meet or not meet the expectation whereas other factor possess the potential of exceeding the expectations (Correia et al., 2007; KPMG, 2015; Breibarth et al., 2017).

3 THEORETICAL FRAMEWORK

3.1 Business Models

Great business model is often regarded as a cornerstone of a successful business and can itself become a competitive advantage. Technology or idea may not possess any value in and of itself, however, via well designed business model these can be commercialized into thriving business solutions. (Chesbrough, 2010.) Casadesus-Masanell & Ricart (2011) describe business model's importance over strategy in the pursue of future competitiveness. Moreover, Casadesus-Masanell & Ricart (2010) state that business models are the realizations representing company strategies.

By definition, business model is referred as the blueprint of a company (Casadesus-Masanell & Ricart, 2011) or a roadmap (Chesbrough, 2010). However, business model is not a synonym for strategy or tactic but instead these have to be addressed as individual concepts and understand their interrelatedness (Casadesus-Masanell & Ricart, 2011). Still, business model lies in the very core of a company and should be looked at as a design dictating how a company works and how it produces and seizes value (Chesbrough & Rosenbloom, 2002; Amit & Zott, 2001; Johnson, Christensen, & Kagermann, 2008; Casadesus-Masanell & Ricart, 2011).

Value creation and the logic behind it has been the key part of defining business models since the early millennium as Chesbrough & Rosenbloom (2002) discussed value propositions as a central logic and was continued by Amit & Zott (2001) who suggest the essence of business models being in transactions designed in a way that value is created from seizing the opportunities at hand. Johnson et al. (2008) claim that the creation and delivery of value are the most appropriate parts of business model whereas Chesbrough (2007) adds the logic of value capture. This way, Osterwalder & Pigneur (2010) in their book of business model design offer a definition that business model describes the rationale of how an organization creates, delivers, and captures value. Thus, the process of creating, delivering and capturing value has to be split into smaller pieces to fully capture the understanding of business model (Johnson, et al., 2008; Chesbrough, 2010; Osterwalder & Pigneur, 2010; Casadesus-Masanell & Ricart, 2011).

Further to the interrelatedness of business models, strategy, tactics and splitting business models into pieces is reviewed by Lecocq, Demil, and Warnier (2006) who develop on the logic of dividing business models into three-fold structure of so called RCOV model that claims business model to consist of resources and competencies, organizational structure and value propositions viewing them closely interlinked pieces that define firms value creation process. Casadesus-Masanell & Ricart (2010) also confirm the interlinked nature of the business model building blocks and refers to the RCOV model of Lecocq et al. (2006) but also develops the interplay of the components happening in virtuous cycles that dictate value creation logics of firms. This way the essential part of interplay between different elements of business model has to be taken into account when choosing the method of dividing business model into smaller pieces (Casadesus-Masanell & Ricart, 2010).

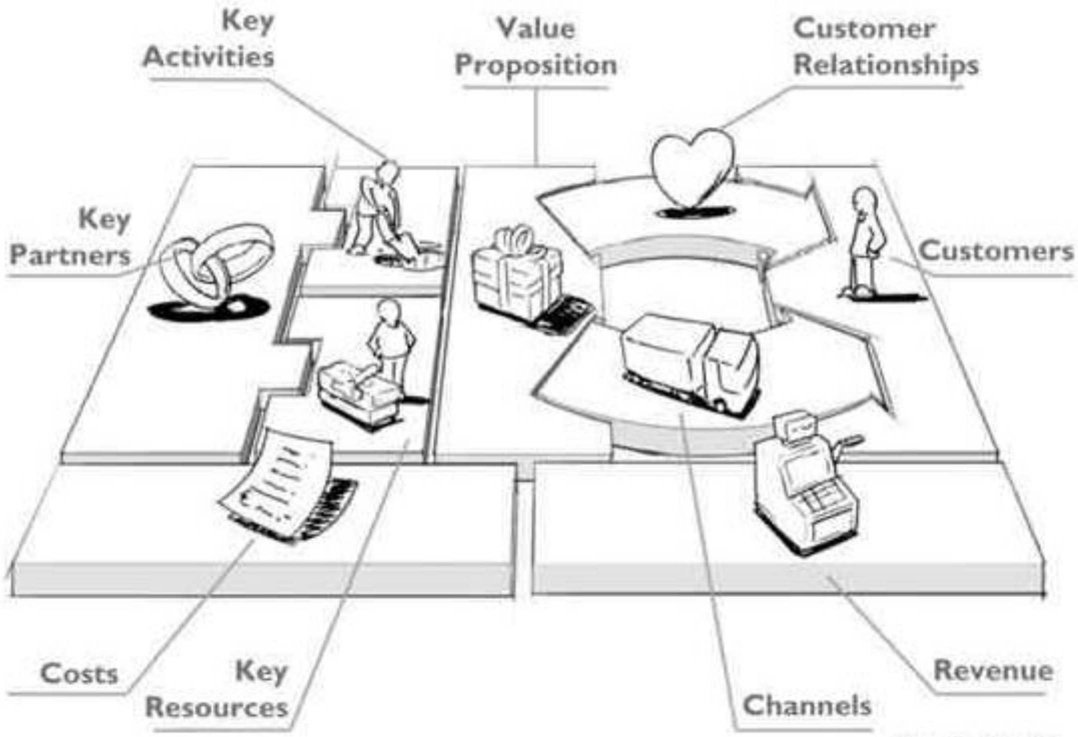
As can be seen from the literature, for dozens of years the scholars have sought ways to split business models into pieces that explain the essential process of value creation (Osterwalder, Pigneur, Tucci, 2005; Zott et al., 2011). From the many fruitful ways to divide business models into smaller parts for the purpose of further analysis the business model canvas by Osterwalder (2004) & Osterwalder & Pigneur (2010) is used to enlighten building blocks of a business model in the following with discussing and shaping the contents by other business model literature. Business model canvas is thoroughly opened due to its further use for the presentation of the results.

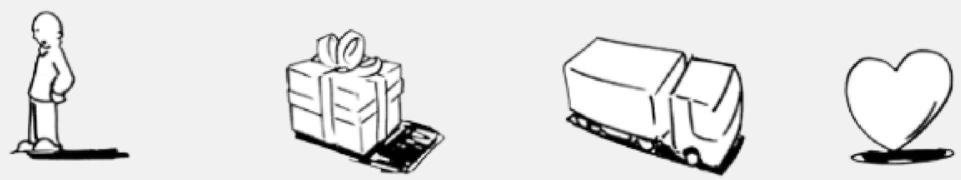
3.2 Business Model Canvas

Although business model canvas has become widely accepted form of dividing a business model into 9 interlinked pieces that Osterwalder & Pigneur (2010) call building blocks of the business model there is a variety of views on the constitution of business model components. Chesbrough & Rosenbloom (2002) were quite close to how business model canvas looks by listing six key elements of business model as value proposition, market segmentation, defining value chain structure of the firm, cost and revenue structure along with competing and completing players from the focal firm point of view. Therefore, similarities between the different schools are widely present as seen in the canvas of (Osterwalder, 2004; Osterwalder & Pigneur, 2010).

Differing from the antecedents, Osterwalder & Pigneur (2010) further divide the elements of full and working business model into smaller pieces. Although mapping business model's construction is not a completely new thing and has varied between mapping of interlinked concepts (Hamel & Ruben, 2000; Osterwalder et. al, 2005, Johnson et al. 2008), continued to logics of transactions within focal firm and related actors (Amit & Zott, 2001; Zott et al. 2011), processual views of value creation performing activities (Chesbrough & Rosenbloom, 2002; Chesbrough, 2007) and developed into job maps (Bettencourt & Ulwick, 2008; Johnson et al. 2008). From the models described the business model canvas covers and utilizes all the parts of concepts, transactional logic, processual view and mapping. Therefore, business model canvas highlights the versatile nature of business models but also assists in analysing, portraying and designing both existing and completely new and innovative models as a simple and comprehensive tool. Business model canvas splits the revenue generation into nine pieces (Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships and Cost

Structure) that take customers, offer, infrastructure and financial viability into account. (Osterwalder & Pigneur, 2010.) It is worthwhile to note that all the single elements too have various antecedents in the business model literature (Osterwalder et al., 2005; Osterwalder & Pigneur, 2010). Thus, the elements of business model canvas by Osterwalder & Pigneur (2010) are portrayed in the following with the supplementation from their antecedents.





1 Customer Segments
An organization serves one or several Customer Segments.

2 Value Propositions
It seeks to solve customer problems and satisfy customer needs with value propositions.

3 Channels
Value propositions are delivered to customers through communication, distribution, and sales Channels.

4 Customer Relationships
Customer relationships are established and maintained with each Customer Segment.

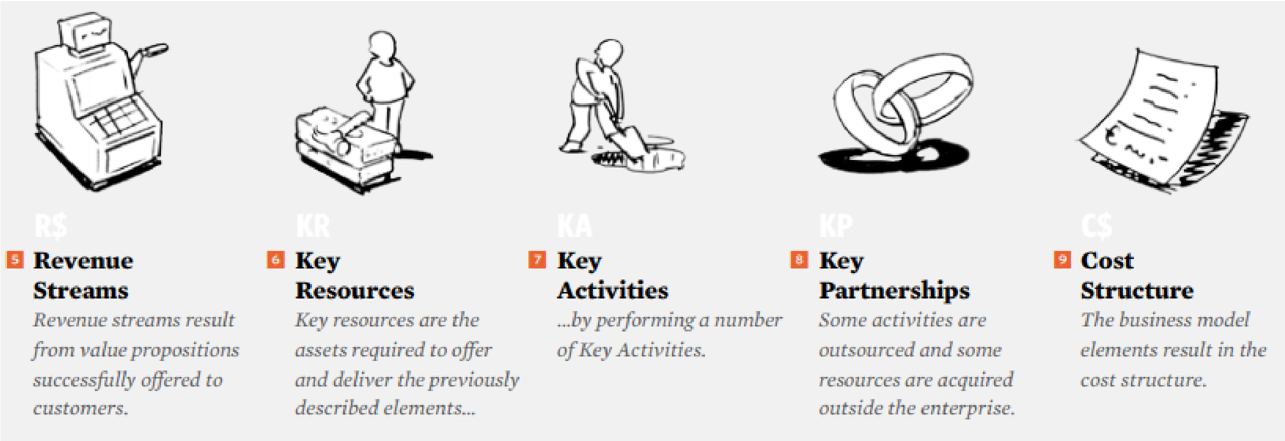


Figure 1. Business model Canvas (Osterwalder & Pigneur, 2010)

3.2.1 Customer Segments

Value creation process starts with the identification of a clear and definable set, a segment of customers whose needs are to be fulfilled by the company's offerings (Osterwalder & Pigneur, 2010). Identification and understanding the customer are the essentials of producing customer value (Magretta, 2002). Customers are also central to the idea of performing specific jobs to solve customer problems as the customer whose problem is to be solved need to be clearly identified in the beginning of process (Bettencourt & Ulwick, 2008; Johnson et al. 2008). It must be noted that business model may be directed to serve the needs of more than one customer segment and the offerings can similarly be designed to large or small set of customers (Osterwalder & Pigneur, 2010).

However, as opposed to business model canvas, some of the earlier models have suggested definition of a customer segment being subsequent step in the business model formation (Chesbrough, & Rosenbloom, 2002) as the initial target audiences can shift, become wider or be acquired throughout the development of the initial offering (Amit & Zott, 2012). Osterwalder & Pigneur (2010) suggest business model design could be started around a specific segment. Johnson et al. (2008) and Bettencourt & Ulwick (2008) refer to similar view more in detail by suggesting the identification of a specific job that need to be performed for a certain customer. In a way, Amit & Zott (2001) propose essentially the same thing by suggesting performing number of transactions to cater for a specific opportunity on the market can be the starting point of business model formation. This way the specific needs of certain segment can be the initial click that starts the burst of creating business model itself (Osterwalder & Pigneur, 2010), reformation and development of the existing model (Johnson et al., 2008) or business model innovations (Amit & Zott, 2012). Nenonen & Storbacka (2010) also suggest customers of certain segments can be further used in co-creation of value therefore translating them into resources for value creation.

3.2.2 Value Propositions

Customer value proposition has established its role in the business literature and markets throughout the recent years although the basis of customer value propositions remains under debate (Anderson, Narus, van Rossum, 2006). Although under debate, the most decisive building block of a business model seems to be value proposition or customer value proposition as proposed by number of scholars (Chesbrough & Rosenbloom, 2002; Johnson, et al., 2008; Osterwalder & Pigneur, 2010; Casadesus-Masanell & Ricart, 2011; Zott et al., 2011). Value proposition could essentially be translated as offerings (product/service) that are solutions to specific problems which are faced by specific customers (Johnson et al., 2008; Osterwalder & Pigneur, 2010). It is described as the fundamentally important part to get correct in the business model design because the rest lies on the value that a company creates for the customer via its offering (Johnson, et al., 2008; Chesbrough, 2010; Zott et al., 2011).

Johnson, et al. (2008) suggest the value proposition is the best designed when a customer need or problem is addressed directly with not only correct offering but also when the offering is delivered in the right way and to the right audience. Therefore, value proposition can fail even with the right offering that would solve customer problem if it does not have the right appeal or is not directed towards a correct need (Johnson, et al., 2008; Chesbrough, 2010). This means part of value proposition being identification of the right market segment and communicating them in an appealing manner (Chesbrough, 2010). Value of the value proposition perceived by the customer may be created by offering superiorities in terms of newness, performance, convenience or price of the proposition. Similarly, reducing barriers of costs, risks and accessibility to a certain product or service can be the heart of the value proposition. However, it has to be remembered that each of the listed factors can also be the cause for value proposition to fail. (Osterwalder & Pigneur, 2010.)

Zott et al. (2011) point out that for being able to offer the proper value propositions companies have to orchestrate their activities and cost & revenue structures to support the creation and delivery of the value proposition. The interlock of the further elements of business model constitution to value proposition and its delivery are highlighted by many scholars and depending on the view can be categorized as even more constitutional than value propositions (Osterwalder et al., 2005; Zott et al., 2011).

Thus, value proposition is a set of products and/or services fulfilling certain need of defined segment of customers by bringing them added or new value in a form of solution to their existing problem or breaking barriers that customers had not identified as problems (Osterwalder & Pigneur, 2010). Although keeping in mind that processes (Hamel & Ruben, 2000; Chesbrough & Rosenbloom, 2002), resources and capabilities (Weill & Vitale, 2001; Johnson et al., 2008), transactions and activities (Amit & Zott, 2001), economic logic (Magretta, 2002) and their interplay inside an organization and with the surrounding environment (Zott &

Amit, 2008) determines the production and logic of value propositions (Osterwalder et al. 2005; 2010).

3.2.3 Channels

Channels were previously defined as distribution channels (Osterwader et al., 2005) but have more recently turned terminologically into channels to represent wider meaning than mere distribution (Osterwalder & Pigneur, 2010). The claim of channels being the bridge between customers and value proposition (Osterwalder & Pigneur, 2010) refers to the closely linked nature in which channels and value propositions are situated in the business model literature in general. Majority of scholars have simply included the "channels" into value propositions or value creation by referring to delivering value (Magretta, 2002), have included them in the model as a resource (Johnson et al., 2008) or packed into operations and infrastructure around the company (Nenonen & Storbacka, 2010). Business model canvas discusses delivery of the value as one part of the channels component.

Central to the channels are the categorizations of the channel types which firstly are either operated in-house or via partners and either direct or indirect interactions between focal firm and its customers (Osterwalder & Pigneur, 2010). This way the relation to network and partners in the channels phase is also brought up in the canvas similar to logic of Zott & Amit (2008) where they seek ways in which an organization and its partners connect with the market. Although channels have often been overlooked as an individual component of business model the mix of correct communication channels (media) and content (message) must be chosen the target market, product and the communication phase in mind (Kotler & Armstrong, 2010). Therefore, identifying channel phases is central in bridging the value proposition and customers whether it is by focal firm or its partners as projected below in the figure 2. by Osterwalder & Pigneur (2010).

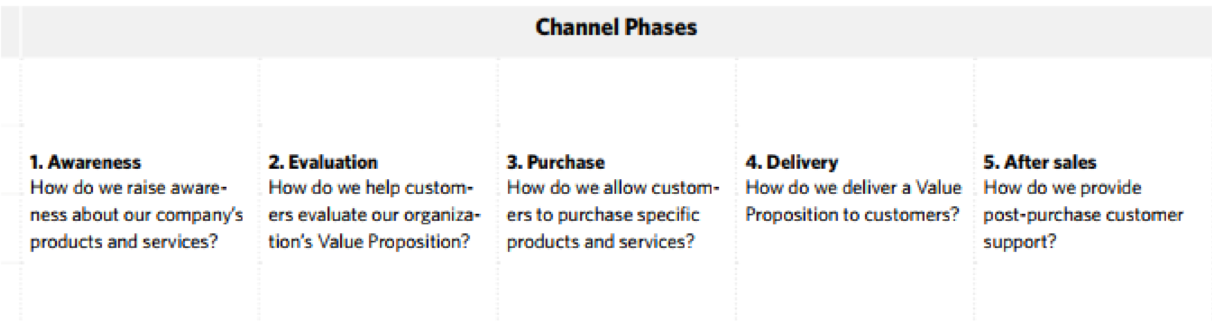


Figure 2. Channel phases (Osterwalder & Pigneur, 2010, p. 27)

3.2.4 Customer relationships

Customer relationships are one of the key building blocks of business model canvas as it is, along with channels, the other part of communicating the value proposition to different customer segments (Osterwalder & Pigneur, 2010). Also, similarly to the channels component the customer relationships are not often regarded as main building block but linked into customer value proposition (Johnson et al. 2008) or value network (Shafer, Smith, Linder, 2005). Customer relationship itself does not necessarily possess value for a firm but correct nurturing linked with a constant or continuous proper offering (value proposition) is a way to monetize the relationship and therefore show absolute monetary value of customer retention (Johnson, et al., 2008; Osterwalder & Pigneur, 2010). Moreover, customers may be involved in the value creation process as co-creators of value (Nenonen & Storbacka, 2010; Osterwalder & Pigneur, 2010). This way, addressing customer relationships with a view on value creation between B2B parties can be claimed to follow the value chain concept of Porter (1985) as suggested by Timmers (1998) and Morris et al. (2005). Value creation with customers may coexist in B2C relationships too and communities are pointed out as especially fruitful platforms for firms to nurture relationship by involving customers in value creation (Osterwalder & Pigneur, 2010). Boudreau & Lakhani (2009) claim that communities may be used as collaboratives with both businesses and consumer market in mind. All in all, each of the customer segments have to be addressed separately in order to retain customers and increase their value for firm (Osterwalder & Pigneur, 2010). Zott & Amit (2010) propose one way of retaining relationships to be achieved via lock-in structures that either force or preferably motivate customers to remain with the offerings of focal firm.

3.2.5 Revenue streams

Revenue streams is the building block which determines the monetizing logic behind the company's offerings (Osterwalder & Pigneur, 2010). Revenue streams and economic logic have long been central to the business model literature as Timmers (1998) used the identification of revenue sources when defining a business model constitution. Also, Magretta (2002) refers to the essence of revenues in terms of economic logic in business model literature. Chesbrough & Rosenbloom (2002) discuss revenue mechanisms and Johnson et al. (2008) claim profit formula as the key component of business model therefore all pointing to the centrality of monetization via value creation and capture. Teece (2010) describes the essence of business models purpose by referring to the viability of collecting a maximum revenue of the value that is delivered to customer therefore highlighting the value capture in terms of obtaining revenues. Revenue logic can be built upon a variety of revenue streams with a varying number of revenue sources depending on a company and its respective business model (Osterwalder & Pigneur, 2010). However, within the revenue streams there might be multiple logics and streams for each of the different customer segments (Johnson, et al., 2008; Osterwalder & Pigneur, 2010). Moreover, as there are multiple ways to monetize each of the customer segment and relationship there are also multiple transactions that can be carried out rather than single purchase (Amit & Zott, 2001; Johnson, et al., 2008; Osterwalder & Pigneur, 2010). This way the regularity and number of transactions can determine the pricing mechanism for each of the transactions (Osterwalder & Pigneur, 2010). When addressing the revenue streams, the attention needs to be similarly kept especially on customer segment in question, customer relationship and the value proposition but also on the costs occurring from the delivery of value proposition (Magretta, 2002; Johnson et al., 2008; Osterwalder & Pigneur, 2010).

The collection of revenue from different customer segments can be adjusted between the different segments but also within the segment by either adjustable pricing mechanism of single transaction between the extremes of fixed and dynamic pricing, changing the payments from single to multiple transactions, extending the range of revenue streams to a new area, implementing new fees or the other way around (Johnson, et al., 2008; Osterwalder & Pigneur, 2010; Teece, 2010). It can also be argued that revenue streams can be considered as a key resource or competence of a firm (Casadesus-Masanell & Ricart, 2009) if the company uses novel ways to collect revenues (Zott & Amit, 2009) or even builds a novel lock-in structures to multiply the amount of transactions yielding revenue (Amit & Zott, 2012).

3.2.6 Key Resources

The building block of key resources is the one that caters for being able to deliver the value via chosen channels, maintaining relationships and creating revenue when doing so (Osterwalder & Pigneur, 2010). The idea of resources being central to the value creation logic seems to derive from the strategic management literature, more specifically from the resource-based view or RBV developed by Barney (1991) where the firm and its business model are looked as nests of resources and capabilities (Morris, et al., 2005). Building on this logic Zott, et al. (2011) suggest business model itself can be seen as a way to connect company's resources to customer needs. Demil & Lecocq (2010) build their view of business models on to the resources and competences possessed by focal firm and how the set of resources are developed according the prevalent market situation.

Key resources listed inside the business model decompositions do have notable variation in the literature (Zott et al., 2011). Widely acknowledged view of Johnson et al. (2008) bundles the earlier mentioned channels and further building block of canvas "partnerships" into the key resources that business model contains. Following on the view of Johnson et. al. (2008) the partnerships and alliances themselves can be considered as resources for a focal company or the obtaining of certain resources may be done via partners linked to the firm (Zott & Amit, 2010). Therefore, it can be noted that key resources exist according the requirements of the previous building blocks and can be one or combination of physical, intellectual, human or financial resources which company owns or obtains/utilizes via partners (Osterwalder & Pigneur, 2010). Therefore, the key resources may include company's employees, technologies, manufacturing or other equipment, information and software, patents, brand or financial resources in terms of assets and credits (Johnson, et al., 2008; Osterwalder & Pigneur, 2010).

Moreover, the flexibility of the resources within the organization and via partners must be observed in the business model designs and redesigns especially in the manufacturing but also on other business models (Johnson et al., 2008). Once the resources needed to run a chosen business model have been identified the barriers to change the model immediately grow higher even if the possession of resources is made flexible (Zott & Amit, 2010).

3.2.7 Key activities

Key activities, such as key resources, derive rather directly from other building blocks of value propositions, channels, relationships and revenue streams as key activities are the functions which an organization performs in order to work (Osterwalder & Pigneur, 2010). Moreover, resources and activities exist according the business model at hand being often treated as interdependent components of business model (Demil & Lecocq, 2010) and create complementarities due to their links (Zott & Amit, 2010). Interplay is discussed by Demil & Lecocq (2010) who propose the link and use of the activities and resources as a dependent of management capacity to bundle them into value creating mechanisms. Similarly, it is suggested whole business model design to be built by regarding the activities (Magretta, 2002) or activity systems (Zott & Amit, 2010) as the most central part of business model design.

Therefore, it is worthwhile to note that not an individual activity but multiple activities creating a process and linking it to resources which in fact enable the key activities to be performed are to be looked at in the business model design (Johnson, et al., 2008). Key activities can be divided into categories of production which is employed by most of manufacturers, problem solving which most service firms employ and finally operation as a platform which often means connecting two or more parties (Osterwalder & Pigneur, 2010). Activities can also namely be regarded as processes in the business model design as numerous activities making effective use of resources are orchestrated in the process that creates value for the focal firm and customers (Johnson et al., 2008). Moreover, Zott & Amit (2010) extend the processual view by highlighting the activities as systems that are extended beyond the barriers of focal firms and involve partners with whom the bundle of resources is utilized to create value for customer but also all active participants serving the overall purpose of the business model.

3.2.8 Key partnerships

Partners and networks of partners have been widely identified as a structurally important element of business model constitution (Morris et al. 2005). Specially created partnership network can be one distinguishing factor of a particular company and make its business model less imitable as the network of partners helps to create or becomes a source of competitive advantage (Teece, 2010). Partnerships are closely linked to the key resources as often times partners can be source of certain resources or they might perform certain key activities in the value creation process (Zott & Amit, 2010). Partners may utilize each other by cooperating on one area of their business models background activity however remaining as competitors when it comes to market offerings or vice versa (Osterwalder & Pigneur, 2010).

This way, partners may be the sources of complementarities in terms of activity and resource aspects of value creation (Zott & Amit, 2010). Economies of scale and scope are something that can be achieved with partners to yield cutting of costs and create higher grade of specialization and similarly higher expertise in company's key activities to capture more value (Osterwalder & Pigneur, 2010; Zott et al, 2011). Moreover, partnerships are of different depths depending on their purpose (Osterwalder & Pigneur, 2010). Variation starts from transactional relationships between different phases of supply chain (Amit & Zott, 2001) to strategically formed relationships and joint ventures (Osterwalder & Pigneur, 2010). Finally, Demil & Lecocq (2010) report notions where partnerships have been central to customer relationship management, creation, communication & delivery of value proposition, obtaining resources and performing key activities thus having an impact on the both revenue streams and cost structure of business model under inspection.

3.2.9 Cost structure

Cost structure is a building block which monitors and determines the correct price tag for each of the other elements of the business model (Osterwalder & Pigneur, 2010), therefore determining the economic logic behind value creation process (Magretta, 2002). Johnson et al. (2008) in their laid-out business model construction suggest costs and revenue should be bundled under the same logic of profit formula which determines the revenues, costs, margin and even resource velocity by viewing them under the same lens.

During the past two decades most companies have become extremely cost driven in their attempts of becoming more efficient (Blank, 2013). Efficiency and costs go hand in hand in the business model formation therefore being especially linked to the resources and activities (Amit & Zott, 2012). Therefore, cost-driven business models and finding the competitive advantage from cost-driven value propositions have become apparent in construction of some of the new business model innovations (Osterwalder & Pigneur, 2010; Casadesus-Masanell & Ricart, 2011).

However, the approach to cost structure can also be value driven which means both extremes of high value and low cost can be in the heart of business model design depending on the purpose and omitted market position (Osterwalder & Pigneur, 2010). In the value driven models, the costs are still closely monitored as the produced value need to be captured in monetary terms and shared between the parties delivering value (Amit & Zott, 2012).

As stated there are various ways to look at the cost structure of a firm and their business model but in the business model canvas the cost structure derives from identifying costs of the previously mentioned building blocks that depend on the purpose and objective of the respective firm. Cost structure can be built upon between the fixed and variable cost structures whereas the main cost advantages in business model terms are created according the economic principles of economies of scale and economies of scope which might in the end increase the absolute or relative outputs and finally value created (Osterwalder & Pigneur, 2010). All in all, cost structure within the revenue model is the part that finally defines the profitability and value capture of the value creation and delivery process (Johnson et al., 2008).

3.3 Business model development

Each of the decomposed elements of a business model can be seen as incubators for developing the existing model (Osterwalder & Pigneur, 2010). In order to retain viability, firms must keep monitoring their business models in a way that logic of differentiation in value creation and capture are highlighted (Shafer et al., 2005). Decomposing business model into conceptualization of smaller pieces of interdependent elements should help in monitoring, analysing and shaping the models in development purposes (Osterwalder et al. 2005). This way business model canvas of Osterwalder & Pigneur (2010) is viewed as a model for not only understanding the existing models but as a tool for seeking developments from the existing. Chesbrough (2007) claims that business model framework itself can have notable variation in the built-in readiness for developments when he categorizes business models from standard to adaptive by their type. This way, Chesbrough (2007) states that conceptualization such as business model canvas are needed, however, determining the novelty and inimitability of business model constitutions are the next step in the evaluation to determine the success and sustainability of model.

Osterwalder et al. (2005) suggest the process of business model development to start from the view on the current models and the assessment of current model's ability to respond to market pressures. Once the analysis has been carried out the planning of changes to be implemented should be conceptualized and constructed into new business model concept to be seen as a goal and a plan driving the development process (Osterwalder et al., 2005). Chesbrough (2010) although suggests the developments to follow more of an experimenting logic of business model development in practice. Moreover, McGrath (2010) propose experimentation as a most effective way to aim for new business models on a path of attempting to create differentiation in the market and claims main strengths to lie in the speed and novelty when compared to traditional approach. Nevertheless, Chesbrough (2010) and McGrath (2010) admit the aid that a decomposed conceptualization such as business model canvas offers for the business model development and innovation due to the ease of identifying new ways of doing business.

3.4 Business model innovation

Recent economic recession was one of the catalysts driving the importance of business model innovation (Casadesus-Masanell & Ricart, 2011). As there are multiple ways to commercialize an innovation the value it creates is usually dependent on the business model which is used as a medium of commercialization (Chesbrough, 2010). Also, the innovation can lie in the heart of the business model itself (Osterwalder & Pigneur, 2010). Interesting view is that Amit & Zott (2012) suggest it is becoming more convenient for companies to look at business model innovations instead of innovating products or processes. However, it is to be noted that business model innovation or product innovations itself can turn out as disruptive innovations, therefore, innovations themselves can force conflicts with existing business in a way that hinders present working logic of whole company if commercialized (Amit & Zott, 2001). Moreover, Amit & Zott (2012, p. 42) state that "business model innovation can allow managers to resolve the apparent trade-off between innovation costs and benefits by addressing how they do business, for example, by involving partners in new value-creating activity systems". Bettencourt & Ulwick (2008) suggest services and products can be divided into jobs which again can be further broken into smaller pieces as a job map. Instead of process mapping Bettencourt & Ulwick (2008) evaluate the job maps are to help addressing the exact customer needs whether question is about service or product offering. Therefore, job maps enable spotting innovation opportunities from again smaller jobs Bettencourt & Ulwick (2008) similarly as Osterwalder & Pigneur (2010) suggest different business model building blocks can be utilized.

Chesbrough (2010) suggests seeking business model innovations can be an established process of change although he claims it needs to be carried out by experimentation, thus referring to logic of effectuation brought up by Sarasvathy (2001) in the endeavour of business model development. Although, Casadesus-Masanell & Ricart (2010) point out the relation of strategy and portrayal of business model they too acknowledge the need of business models to cope with unexpected market contingencies therefore laying ground for effectuation logic in the experimentation of business model development and innovation. Chesbrough (2010) also highlights the organizational side of the firm that needs to adapt during the process of business model innovation. Chesbrough (2010) continues that implementation of business model innovations are achieved via adaptations of organizational processes and attitudes towards experimentation in order to drive change and achieve innovative models.

Seek of business model innovations may also be extended outside the walls of the focal firm (Amit & Zott, 2012). Zott & Amit (2010) state there are firms activity systems that are the appropriations of value creation logics via focal firms but also the actors related to firm. Nenonen & Storbacka (2010) suggest that value co-creation with networks of related parties of customers, suppliers and other partners can be achieved when resources and capabilities of actors are matched by compatibility of their business models. Amit & Zott (2012) propose that companies have to view their network position from business model perspective for extending the company's activity systems to complement their network positions and helping to better correspond innovation logics within the environment. They also suggest this should help in the identification of non-traditional sources of innovation partners. Thus, synergies can also be found between initial competitors (Ritala, 2012). In the next part the cooperative measures between competitors are viewed by identifying coopetitive logics and its extension to business models.

3.5 Coopetition

Dagnino & Padula (2002) proposes that value creation is a product of the interplay of competition and cooperation namely identified as coopetition. Bengtsson & Kock (2000) and Gnyawali & Madhavan (2001) define coopetition as a simultaneous existence of cooperation and competition. Bengtsson & Kock (2000) emphasize both competitive and cooperative parts of a relationship must be monitored individually and together in order to form an understanding of their interplay. Dagnino & Padula (2002) suggest the analysis of coopetitive relations should always involve the two or more coopetitive actors related each other rather than performing single sided analysis. Moreover, they suggest the analysis needs to confirm with the existence of the coopetitive relationship which can be dyadic between two firms or a network of more players. Competition and cooperation come into play on these relationships depending on the interests at hand (Bengtsson & Kock, 2000). Dagnino & Padula (2002), however claim the relationship could be more stably coopetition oriented without the constant fluctuation depending on situation. Bengtsson & Kock (2000) argument differs as they state competitive situation yields from two or more different actors pursuing their differing self-interests whereas cooperative relationship occurs when the interests are either common or overlapping which means coopetition being constant balancing between self- and common interests. Dagnino & Padula (2002) agrees with both competition and cooperation being present in the relation but disagree by suggesting both relations are coevolving in the strategic coopetitive orientation.

Coopetition is a relatively new term in the business literature as Walley (2007) suggest the concept have been truly developed and establish in the late 1990's as an extension of game theory by Nalebuff & Brandenburger's book (1996). Game-theoretical approach have gained fair share of attention in explaining the innovation capabilities via coopetition (Gnyawali & Park, 2009; Ritala & Hurmelinna-Laukkanen, 2009). To continue on approach of game-theory Ritala & Hurmelinna-Laukkanen (2009) suggest it being particularly interesting for pursuing and considering innovations via coopetitive measures. Dagnino & Padula (2002) propose studying coopetition is an extension to resource-based views of literature on firm competitive advantage and, opposed to many authors, claim that act of sharing firm specific resources yielding profitable outcomes in value creation for focal firm and related actors rather than leading to losses by losing the firm specificity. Continuing on the benefits of coopetitive resource bundling and value creation to participant firms Walley (2007) suggests the benefits have to cater for consumers too in a form of better products and services.

Although the coopetitive literature is not extensive it has been clearly identified taking place in variety of settings in leisure and tourism industry (Walley, 2007) and more specifically between entrepreneurs acting within a larger entity of a tourist destination or group of leisure activity providers (Wang & Krakover 2008; Kylänen & Rusko 2011; Kylänen 2012; Della Corte & Aria 2016. Coopetition can exist either intentionally or unintentionally therefore indicating wide range of different types of relationships between the entrepreneurs practicing it (Kylänen & Rusko 2011). Moreover, for reasons of building clarity of these relationships coopetition needs to be categorized by the frequency and formality of the different relationships taking place between the entrepreneurs (Dagnino & Padula, 2002; Wang & Krakover 2008).

3.5.1 Levels of coopetition

Coopetition can be layered into levels of differing relationships by length or depth of the relationship between firms similar to competition or cooperation (Walley, 2007). Interesting development of studying inter-firm coopetitive relationships is made by Wang & Krakover (2008) as they categorize the firm connections into four different pools by the frequency and formality. Regarding an empirical study of coopetitive relationships Walley (2007) suggest in-depth interviews to be directed on perceived interfirm relationships.

This way, Wang & Krakover (2008) assessment is built from in-depth interviews of tourist destination stakeholders and categorizes interfirm relationships from low to high formality by starting respectively with affiliation which is the most infrequent and informal type of coopetition. Affiliation covers the informal connection in which the organization as a whole are not acting a large role but person to person relationships matter and might yield further business relations later (Wang & Krakover 2008). Coopetition can remain in an informal or even unintentional level which occurs in an instinctive basis (Kylänen & Rusko 2011) therefore relationship being transactional as Amit & Zott (2001) suggest from business model perspective. This means that initially the common operations between firms are happening on an ad-hoc basis when seen necessary (Wang & Krakover 2008).

Coordination is the next step towards higher formality and frequency of cooperation and happens when two or more organizations are pursuing a goal in which it is helpful to facilitate common practices with related organizations in order to achieve similar goals (Wang & Krakover 2008). Therefore, interests of participants are aligned and firms are working to serve a common segment of customers for instance (Bengtsson & Kock, 2000). This way the organizations are able to complement each other's offerings thus, enhancing the marketing of the whole network (Wang & Krakover, 2008). Complementarities are often achieved via resource combining and allowed by alignment of interests between the participants (Dagnino & Padula, 2002).

When relationships go beyond single-case-based goals and organizations start to form a common strategy for achieving mutual goals the collaborative agreement steps in. Therefore, collaborative more formal agreement of reciprocally complementing organizations is formed to pursue longer term goals. Thus, a destination or group as a whole is benefiting from strategically planned alignment of interests and even creates spill-over effects for the operators outside the agreement. (Wang & Krakover 2008.) When taking a strategic view on coopetition the two-fold nature of relational- and firm-level strategies must be considered when viewing the value creation approaches in coopetitive manners (Ritala & Tidström, 2014). Regarding, the relational strategies the common view seems to be seeking synergies by complementing each other's offerings with compatible resource and capability combinations (Ritala et al., 2009; Choi et al., 2010). Relational view as such would be expected to require firm level strategies to be oriented towards mutually supportive coopetition but Ritala & Tidström (2014) suggest it varying between collaborative, passive and competitive ends. On the other hand, firm level strategies may vary between temporary and long-term objectives when it comes to orientation to coopetition (Padula & Dagnino, 2007).

Strategic networks are the most formal and comprehensive structures that integrate shared vision of all organizations involved and take a systematic orientation in shared activities (Wang & Krakover 2008). Generally, two different types of strategic networks, horizontal and vertical, are definable as the major determinants and defined by the types of organizations involved (Bengtsson & Kock, 2000; Wang & Krakover 2008). Horizontal networks are formed from organizations providing similar services and are in the same level of the value chain whereas the vertical networks are formed from providers of different services usually located in a different layer of the value chain (Bengtsson & Kock, 2000; Wang & Krakover 2008). Also, when discussing strategic networks Della Corte & Sciarelli (2012) refer to coopetition's relatedness to game theory while describing its advantages as a strategic orientation between either horizontally or vertically related firms rather than opportunistic acts. Often the network itself is the most critical part of this formal mode of collaboration therefore indicating that without the presence of the network individual businesses could not execute similarly coordinated strategically important events, campaigns or other marketing actions towards the enhancement of the whole destination or group of services (Wang & Krakover 2008). To keep the network formed and successful the social part of the network is also claimed as highly valuable (Gulati, 1998). Grangsjö (2003) also claims the social parts of the network relationship may drive the firms to wrong direction when relationships have existed for long but are not mutually value creating from customer point of view.

3.5.2 Coopetitive network strategy

Kylänen (2012) highlight three different environmental changes (structural, functional, contextual) that are forcing service firms to rethink their concepts. Environment in service sector is changing towards more comprehensive yet unique needs of well-informed customers. In order to correspond to both uniqueness and comprehensiveness of demand firms need scalable products which can be gathered via network of firms acting in single or variety of service areas and having a coopetitive relationship with each other. (Kylänen, 2012.) From the environment point of view, Ritala (2012) claims the market conditions of high uncertainty support the benefits of assuming coopetitive strategy for firms. Moreover, inclusion of coopetition as a strategic orientation is pointed drastically important for small and medium sized enterprises (SME's) (Gnyawali & Park, 2009).

Strategic coopetitive network should bring added value to all participants if customer experience is enhanced and value is delivered by the bundling of services (Della Corte & Sciarelli, 2012). Morris, Koçak, Özer (2007) also suggest mutual benefits being central in bringing coopetition to strategic level and develop on the factors of trust and commitment in the relationships whether dyadic or networks. Both trust and commitment go hand in hand being especially meaningful in relation to each other. Also, perceptions of highly trustworthy and committed relationship showed positive impact on perceptions of mutual benefits. (Morris et al., 2007.) Dagnino & Padula (2002) base their proposals of coopetitive strategy orientation on the systems of mutual value creation. Ritala (2012) adds the potential of sharing strategically important tangible or intangible resources. Another strategically important reason behind small firms seeking coopetitive strategies is suggested being risk aversion (Morris et al., 2007). Ritala (2012) similarly suggests coopetitition as a technique of risk aversion by mentioning it being of parallel importance to the cost savings logic. Gnyawali & Park (2009) confirm the beneficial risk aversion and resource combination along with notion of achieving economies of scale as a one way of cost-benefit.

Padula & Dagnino (2007) conclude coopetition as a relationship structure of converging interests therefore being an interplay of competitive and coopetitive levels. On the other hand, Ritala (2012) suggest purely competitive or cooperative strategies rarely exists. This way, Ritala (2012) proposes coopetition being a result of firms with similar interests enhancing their competitive positions against other networks.

3.5.3 Coopetition in leisure and tourism

As demonstrated in the study of Walley (2007) literature on coopetition has been produced from variety of industries, one of the examples being in the leisure & tourism sector. Coopetition has only recently attracted increasing research focus where especially tourist destinations have received a fair share of attention from scholars studying inter-firm relations within tourism hubs (Wang & Krakover 2008; Kylänen & Rusko 2011; Kylänen 2012; Della Corte & Aria 2016).

As the relationships between service providers in a tourist destination or service group are largely visible to customers visiting one of the attractions it is worthwhile for all of the entrepreneurs to manage what kind of messages are communicated via these relations (Wang & Krakover 2008). For businesses, each of the relationships are serving different purposes as competition is mainly targeted to drive individual businesses self-interests, cooperation is two or more enterprises working together towards a common goal whilst coopetition varies between self-interests and common network comprising goals (Bengtsson & Kock, 2000; Wang & Krakover 2008). In their study, Wang & Krakover (2008) found that vast majority of businesses interviewed were mainly discussing about cooperative rather than competitive actions in the context of destination marketing. This way, the businesses are finding ways to engage in positive sum game on certain business aspects when possible (Ritala & Hurmelinna-Laukkanen, 2009). It is, however, important to note that in a coopetitive relationship both cooperation and competition highly vary depending on the business task at hand (Bengtsson & Kock, 2000). Although, Padula & Dagnino (2007) points the relationships can be extended to cover longer term than temporary tasks depending on the context.

To understand the state of competitive firms it is purposeful to identify the unit of analysis in order to monitor the effect of coopetitive relationships on competitiveness of individual businesses and within destinations. This way the idea of coopetition can also serve as measure of competitiveness as well managed coopetition itself can create a competitive advantage for a strategic network situated within a tourist destination. (Della Corte & Sciarelli, 2012.) Moreover, travel and tourism industries are increasingly becoming dominated by either national or international chains, therefore driving and incentivizing cooperation between competitors within destinations (Kylänen 2012). Padula & Dagnino (2007) propose coopetition being incubated in turbulent and changing market environment which seems to be the case for tourism destinations (Della Corte & Sciarelli 2012). Moreover, the resource-based and relational views on coopetition support its probability of becoming strategically important asset within a network of service providers (Della Corte & Sciarelli 2012).

Even when the benefits of increasing coopetition and larger collaborative entities are clearly visible and attractive the coopetitive networks yell for exponentially larger amount of coordination and initially aligned interests with established trust among participants (Bengtsson & Kock, 2000; Wang & Krakover 2008; Czakon & Czernek 2016). Kylänen 2012, highlights how coopetition, market dynamics and growth in size of competitive units from single firm or product to networks creates market complexity. Therefore, destination or group management companies gathering service providers together and offering help in the alignment of interests are increasingly trending in a tourism industry (Kylänen 2012; Czakon & Czernek 2016). Bargaining power, ease of purchase and coordination are taking major steps of development via destination management organizations that promote destinations as entities therefore drifting the competition from within the destination to national or even international level (Della

Corte & Sciarelli, 2012). This means that competitive dynamics between firms shift too as higher specialization of individual enterprises lead to collaborative actions via complementary services by network partners and shift the actual competition from firm level to destination or group level expanding the scale of assessment over the national borders (Kylänen 2012). Ritala, 2012 shares the view that single firms are shifting competition from focal firms and regional rivalries against rivalling networks by engaging with firms that they are able to create value with. This way the intensiveness of the competition also shifts from occurring between regional clusters to national or international networks or alliances competing each other's offers (Ritala, 2012).

3.5.4 Coopetitive business models

Ritala et. al (2016) state that there is an end in sight for the purely coopetition focused research as it can be closely related to other phenomena. Therefore, the concepts of business models and coopetition can be viewed together due to their interlapping aims to explain firms value creation and capture logics by value adding activities (Kotzab & Teller, 2003). As an evidence, Ritala & Hurmelinna-Laukkanen (2009) propose that the value of coopetition lies in the collective value creation. Similarly, Zott & Amit (2010) propose and discuss firm activity systems targeted on obtaining strength on business model value creation via partners.

Ritala et. al (2016) continue that innovation and coopetition are to be spotted occurring hand in hand. Chesbrough (2010), however, suggests that innovations are harnessed via business models. This rationalization is also supported by the results found in the study of Ritala & Sainio (2014) as they suggest coopetition can work as a catalyst for business model innovations although they admit that further proof has to be sought via research validating the phenomena.

Synergies can be found between the competitors as they often have similar resources and common, however, initially not shared interests which may both help in terms of cost and risk sharing (Ritala, 2012). Therefore, combining resources between competitors may enable competitors to achieve economies of scale and scope (Ritala, 2012) whereas similar propositions of benefit production via network partners arise from business model literature (Osterwalder & Pigneur, 2010). Chesbrough (2007) proposed the business model construct may be designed in a way that allows greater sharing of resources between focal firm and its network. Moreover, Ritala & Hurmelinna-Laukkanen (2009) propose flexibility in the governance between the coopetitive actors as a determining factor in terms of success due to its allowance of truly shared resources leading to mutual value creation. Chesbrough (2007) similarly raises adaptability as a built-in logic of business models that enhances capability to develop and innovate with partners. This way, trust and flexibility are mutually supportive factors which may be better achieved via shared interests, close interpersonal and therefore interfirm relationships between coopetitive parties (Ritala & Hurmelinna-Laukkanen, 2009).

For firms in the industries that are at the dawn of an expansion of market or operate otherwise in highly turbulent market with presence of high uncertainties, coopetition might become strategically important asset when competitors are sought to pursue similar goals. Moreover, in the aim of cost savings and risk sharing by scaling via coopetition the network itself might yield additional benefits by shared customers that mutual operations bring by when not only operations but offerings too are compatible. (Ritala, 2012.) Similar to complementarities of networks, Amit & Zott (2012) suggest interdependent complements can be found and produced between different building blocks inside a business model. Ritala & Sainio (2014) conclude that business model change and differentiation may be captured via activities of coopetition in the innovation process and finally propose the firm's competitive position is to be promoted by constant pursue of such differentiation. This way, valuable resource combining logics for value creation purposes can be found between coopetitive partners in their performed activities, customers and, of course, resources and relationships themselves (Ritala, 2012).

Theory	Topic	Authors	Year	Findings
Business model theory	From strategy to business models and onto tactics	Casadesus-Masanell & Ricart	2010	Business models are realizations of company strategy. The two concepts ar interlinked but must be viewed as separate and connected logics.
Business model conceptualization	Business model generation: a handbook for visionaries, game changers, and challengers	Osterwalder & Pigneur	2010	Business model canvas splits the revenue genereration into nine pieces (Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships and Cost Structure) that take customers, offer, infrastructure and financial viability of the firm into account.
Business model development	Clarifying business models: Origins, present, and future of the concept	Osterwalder, Pigneur, Tucci	2005	Decomposing business model into conceptualization of smaller pieces of interdependent elements should help in monitoring, analysing and shaping the models in development purposes.
Business model innovation	Business Model Innovation: Opportunities and Barriers	Chesbrough	2010	Innovations are harnessed via business models although great barriers to it exist. Implementation of business model innovations are achieved via adaptations of organizational processes and attitudes towards experimentation in order to drive change and achieve innovative models.
Coopetition	Coopetition strategy : a new kind of interfirm dynamics for value creation	Dagnino & Padula	2002	Competition and cooperation must be looked as a bundle in order to shift focus from competitive advantage to coopetitive advantage that can be created in the interplay of two or more firms creating coopetitive system of value creation.
Coopetitive strategy	Coopetition strategy – when is it successful? Empirical evidence on innovation and market performance	Ritala	2012	Valuable resource combining logics for value creation purposes can be found between coopetitive partners in their performed activities, customers and, of course, resources and relationships themselves.
Coopetitive business models	What's in it for me? Creating and appropriating value in innovation-related coopetition	Ritala, Hurmelinna-Laukkanen	2009	Trust and flexibility are mutually supportive factors which may be better achieved via shared interests, close interpersonal and interfirm relationships between coopetitive parties. Trust is important but flexibility in the governance between the coopetitive actors determines success as it allows truly shared resources leading to mutual value creation.

Table 1. Findings of the main articles included in the literature review.

4 METHODOLOGY & DATA

4.1 Qualitative Multiple Case Study research

This chapter explains the research design and method employed for executing the empirical part of the study. First the qualitative multiple case-based research is introduced and afterwards, case companies are presented, the data collection and analysis are explained to lay ground for results.

4.1.1 Multiple Case Study

Main objective of the case study research is to capture the logics of the dynamics effecting in the given settings (Eisenhardt, 1989). Case studies by nature involve combination of different methods to collect data and can result as either qualitative or quantitative presentation of the results (Eisenhardt, 1989, 2007). Study in question could be categorized as an extensive case study research rather than an intensive case study research. In an extensive case study, the research aims are set to shedding light into issues that can be studied by using number of informants from multiple cases rather than one. Moreover, the selection of multiple cases is justified by need to fill a gap and look for differing and common areas between range of polar cases therefore laying ground for fascinating comparisons. (Eriksson & Kovalainen, 2008.) Also, complexity of studied phenomena supports choosing qualitative method as the conclusions produced to answer research questions may remain as indicative without providing exact results (Oddy, 2017). Because of the intention to understand a concept rather than working logics of single firm the multiple case study of extensive nature was chosen.

When case studies are used as vehicles to yield theories from single or multiple case-based results the main strength lies in the novelty aspect of the theories created and the nature that case study research is closely linked to practicality via empirical evidence it caters. Although the case study research is often referred as biased because the manipulation of the setting by categorizations and non-random selection of the studied population both are typical methods of case study research. Moreover, researchers prejudice is claimed as conflicting in the setting but Eisenhardt (1989) develops that the biases created by prejudices are likely to be higher in studies that investigate incremental phenomena of established theories. Therefore, the constraints on the investigators theory building process are much lower than in traditional scientific research, thus, the claim on the high extent of novelty being present is supported. (Eisenhardt, 1989.) However, as an abductive study the research is emphasized on theory development (Dubois & Gadde, 2002). Due to the lack of research on golf businesses it was chosen that multiple case study produces better understanding of the phenomena when carried out in a qualitative form.

Purpose of the case study research as concluded by Eisenhardt (1989) is essentially in building or starting the process of building new theory by inspecting given phenomena or as Eriksson & Kovalainen (2008) suggest building concepts or adding to existing theories. Moreover, Eisenhardt (1989) encapsulates that case study research should yield new and novel insights to be considered worthwhile as the objective is in the creation of new theory while anything of less in terms of research output can be categorized as modest result. However, Dubois & Gadde (2002) state that systematic combining or abductive reasoning primarily yields results that add to the existing theories rather than pointing completely new theoretical directions which the study in question aims to cater. Eriksson & Kovalainen (2008) conclude that chosen cases can be expected to be variably similar in order to provide chances for picking up similarities and differences between a range of cases, thus allowing their comparisons as a theory development mechanism. Therefore, the literature on extensive multiple case studies does validate the researcher's choice of complementary, however, various nature of multiple cases viewed in the next chapter.

Five selected cases, Case A multicourse operator where the courses are multidimensionally connected, Cases B, C and D that have a coopetitive relationship but remain as individual businesses and Case E which is a single golf course unit. These companies are believed to offer similarities for representation of golf business models, yet to project notable differences for making it worthwhile to view multiple different types of cases and compare them rather than conducting a single case study.

4.1.2 Case company descriptions

CASE A

Revenue: 24,3 million (2016)

Chosen Case A was the initially most important case to be chosen for the research as it represents the initial ideal of the case from researcher's perspective by being a multicourse golf operator. Case A operates in a geographically scattered area, meaning multiple, at the moment 10, locations that are not necessarily operating in a same orbit from customers point of view, however, all locations being parts of the same group structure. Company form in the Case A is a limited company and in the Case A has very centralized ownership being owned mainly by one extremely wealthy family.

From the operational and organizational structure point of view the Case A represents a group structure where there is a group executive reporting to the owners and business line heads reporting to the group executive. Moreover, each of locations that company operates do have somewhat similar structure than single golf course units by employing a general manager of a site, instead of a managing director, who looks after the operational point of view and reports to business line head. However, on top of the similarity in single location units, there are vast supportive group mechanisms. Case A was mainly chosen to represent a larger player of golf course industry with a hope that there would have been initially coopetitive actions between the different locations that are now part of the group.

Case A, due to its group structure, has enlarged the pure golf business into variable forms leisure activities that in fact are designed to support the pure golf. At the moment Case A runs several "Adventure Golf" locations and is enlarging the service offerings of its locations' to wider range of leisure, health and well-being activities.
Moreover, property ownerships and estates are the third business stream, again, also supporting the pure golf business.

CASE B

Revenue: 1,1 million (2016)

Chosen Case B is a single location golf operator that has experienced radical change in its ownership throughout the past year. Case B is and throughout its history has been a limited company with initially very widely spread and scattered ownership base, meaning a structure of small owners.

Due to the way in which the Case B company is created and structured by law the owners were the initial users, clients and most importantly funders of the golf course. As noted, the ownership experienced a radical change throughout the past year, which was, of course, a process of many years and systematic planning and resulted as one main owner to take over approximately 70% of the company shares and, therefore, voting rights after proposing a share purchase offer to all the shareholders of the company. Since the change in ownership the initial, shareholders (owner, user, funder combination) is in minority and this main owner has become sovereign decision-maker. From the operational and organizational structure point of view the Case B represents a traditional limited company golf course by employing a managing director who looks after the operational point of view and reports to the board of directors.

Moreover, Case B has formed a coopetitive relationship with Case C and Case D companies therefore enabling to project comparisons between the coopetitive parties but also with the aforementioned Case A group structure and upcoming Case C, D and E single course structures. From the business model point of view the ownership change of the Case B was mainly driven to find innovative solutions to its business model development due to its earlier non-sustainable commercial viability, therefore, expectations of it offering valuable insights in terms of business model innovations are supporting the choice.

CASE C

Revenue: 0,8 million (2016)

Chosen Case C is a single location golf operator that has been experiencing internally turbulent situation throughout the past few years. Case C has been developed initially as a non-profit organization and, in fact, as a sort of sister organization from the Case D, however, with the purpose of establishing a limited company, in ownership terms completely independent from Case D, which it is today. Therefore, Case C is created and structured by law the owners are the initial users, clients and most importantly funders of the golf course. From the operational and organizational structure point of view the Case C represents a traditional limited company golf course by employing a managing director who looks after the operational point of view and reports to the board of directors.

Case C was chosen to be part of the study mainly because of its recently developed coopetitive relationship with Case B and previous relationship with Case D. Moreover, known intention of Case C to develop its business towards similar direction with the described Case B. Cases B, C and D are also operating in a same, very golf saturated orbit. From the business model point of view the Case C has been forced to try and find innovative solutions to its business model development due to its non-sustainable commercial viability, therefore, expectations of it offering valuable insights in terms of business model development are supporting the choice.

CASE D

Revenue: 0,9 Million (2016)

Chosen Case D is a single location golf operator that has been created as a non-profit organization with a structure of it being "owned" by its members. From the operational and practical point of view the organizational structure is rather similar to limited company as there is an executive director that looks after the operations and reports to the board of directors. However, as a non-profit organization and member owned structure the Case D as well employs different committees for purposes of activities such as finance, golf course, communications and member services.

Case D has been one of the earlier operators in the region where it is located and having benefited from being an early player in the market. However, throughout the more recent years and the by-passed golf boom which brought up more supplies the initially viable and working non-profit organization model has started to yield its own difficulties as being an open – non-lock-in structure.

Case D was chosen to be part of the study mainly because of its recently developed coopetitive relationship with Case B and previous relationship with Case C. Cases B, C and D are also operating in a same, very golf saturated orbit.

Moreover, the Case C adds valuable insight as the only non-profit organisation mechanism of the study.

CASE E

Revenue: 1,2 million (2016)

Chosen Case E is a single location golf operator and throughout its history has been a limited company with initially namely very widely spread and scattered ownership base, meaning a large number of small owners, however, several larger owners exist and top of all there are two facets that possess substantial ownership and voting rights compared to other shareholders. Due to the way in which the Case E company is created and structured by law the owners are the initial users, clients and most importantly funders of the golf course which is typical for limited company golf course. From the operational and organizational structure point of view the Case E represents a rather traditional limited company golf course by employing a managing director who looks after the operational point of view and reports to the board of directors.

Case E was chosen to represent a currently single location non-coopetitive structure due to the ease of access and researchers relationship with Case E company. Moreover, Case E has been involved with coopetitive initiatives locally, therefore, adding value to coopetitive practices. From the business model point of view the Case E has been forced to try and find innovative solutions to its business model development due to its non-sustainable commercial viability. Moreover, the Case E operates in a different orbit, however golf saturated location similarly with other Cases A, B, C and D.

4.2 Data

4.2.1 Data collection

The researcher chose qualitative theme/semi-structured interviews for primary data collection method, since the information needed was primarily not to be found in published form and yielded for perceptions of the interviewees (Eriksson & Kovalainen, 2008; Hirsjärvi & Hurme, 2008). Moreover, interviews were expected to provide wider understanding of the phenomena due to Walley (2007) suggesting in-depth interviews as a fruitful manner to gain insights on coopetitive relationships. Lack of published information and need to understand the case company perceptions underlying the researched phenomena supported the choice of using interviews.

Also, flexibility of the method for multiple forms of research as the interviewer is in face to face contact with the interviewees and has some power in directing the interview (Eriksson & Kovalainen, 2008). However, in theme interviews the questions might differ between interviews as only the themes remain same thus loosening the control of the interviewer as theme interviews are closer to unstructured than structured interviews by nature (Hirsjärvi & Hurme, 2008). This type of theme or semi structured interview also allows room for interpretations on the feelings about the topics which the interviewer presents (Eriksson & Kovalainen, 2008). Moreover, theme interviews leave freedom for deciding the depth and number of interviews by the interviewer (Hirsjärvi & Hurme, 2008). However, researchers previous experience on the studied business was considered as a strength on keeping the interviews following the right track although the structure was only thematically constructed.

Few pitfalls, however, exist in the process of forming and conducting interviews and it possesses some disadvantages that are related to form of data collection and incontrollable by the researcher. One of the major pitfalls the researcher faced in the particular study started in the accessibility of the institutions suitable for the study (Eriksson & Kovalainen, 2008). Moreover, specific skills required from the interviewer, which often times are somewhat inadequate but can be learned throughout the process by gaining experience from the interview situation (Hirsjärvi & Hurme, 2008). The analyses, interpretation, grouping and presentation of the data and results can become difficult as it has to be driven according to the data that researcher has been able to gather (Eriksson & Kovalainen 2008). Another downside related directly to the accessibility are the costs attached as in the form of time value of money, especially for the interviewees but also for the researcher as interviews are time consuming and from the interviewee point of view may even prevent access to the institution (Eriksson & Kovalainen, 2008). Also, costs related to travelling to conduct the interviews might rise and do possess a downside (Eriksson & Kovalainen, 2008; Hirsjärvi & Hurme, 2008). Interviews of this study also turned out as somewhat time consuming and partly costly to organize but the decision was made to gather the interviews face to face although it meant more travel arrangements being involved.

As suggested by Eisenhardt (1989) the selection of cases has followed rather replicative logic than random sampling as the particular research question of certain types of cases yell for non-random selection. Also, as Eriksson & Kovalainen (2008) develop the selection of cases does not require setting a minimum number of cases or interviewees but leaves it in the hands of the researcher to determine a satisfactory amount of cases to yield data for the research in question. Therefore, five cases from which one informant each were selected for the interviews to gather data in order to enlighten the business models of golf course operations and the existence of coopetitive relations within.

Choosing multiple different types of courses was believed to offer valuable insight into the both similarities and differences of the courses that are of different, size, governance and markets, however, do attempt to cope with the similar pressures from competing players within and outside the golf industry. Moreover, the customers or consumers have the choice over all sizes and governances of golf courses therefore they are comparable offerings from customer point of view even though their path to existence might differ considerably. Other notable criteria in the selection process of the cases was the ability to connect with case companies as the firms qualifying for representation are geographically scattered however all located in Europe, golf saturated markets. Therefore, small number of cases representing the phenomena was also justified by the difficulty of reaching them.

On top of the interviews, golf courses websites, magazines and other publications when available were used to obtain supplementary information regarding the golf courses in question mainly to confirm the findings received via interviews by the secondary data sources. These secondary sources were also used in order to develop a more comprehensive view in preparation for the interviews and in case company descriptions. Additionally, more data from secondary sources could be gathered after the interviews were there was need for back-up and supplementary information.

Case organization	Governance/ ownership	Role of the interviewee	Duration of interview
Case A	Ltd. group (Private investment)	Group CEO	66min
Case B	Ltd. (Private investment)	Co-owner	57min
Case C	Ltd. (Member-owned)	Managing director	70min
Case D	Non-Profit org. (Member-owned)	Managing director	76min
Case E	Ltd. (Member-owned)	Former managing director	66min

Table 2. Conducted interviews

4.2.2 Data analysis

After having conducted the interviews and recorded them the data was transcribed and then analysed both, each of the cases separately and all of them together in order to bring more support into the background of the study and find the main common and differing areas of their respective business models and the presence of coopetition. As the qualitative empirical research method literature suggests there are no individual right set of rules to use for analysing the data of qualitative empirical research but the researcher has a wide responsibility to choose a manner that supports and suits the study at hand (Kyrö, 2004; Eriksson

& Kovalainen, 2008). Therefore, researcher chose to follow an interpretive approach to data analysis. Interpretive method was chosen due to its nature of accepting many truths and possibilities behind studied phenomena (Oddy, 2017). Moreover, interpretive grip on the data analysis was felt appropriate as Oddy (2017) suggested it as a suitable way to study an under researched field of golf business where the literature has not been widely gathered to explain the norms for golf business in general or its derivatives studied in this research.

Data analysis started with the analysis and treatment of each case as separate entities and were grouped into results according to the themes of the interviews. Therefore, each of the transcribed case findings were grouped into categories of perceived competitive situation that accounted for market forces and the respective cases position within the market. Next part of the grouping was made according to business models and more particularly following the structuration of business model canvas building blocks which Osterwalder & Pigneur (2010) present as a tool for analysing, shaping and understanding the conceptualization of business models. Third phase of grouping was focused on investigating the developments of business models and business model innovation. Also, throughout the grouping phase the indications on coopetitive practices in the business models of respective cases were earmarked for further inspection and analysis. This way the foundation of data analysis was built upon the same themes as the themes used in the interviews.

Having structured the results of the individual cases separately an approach of interpretation truly begun with the identification of similarities and differences by systematically looking at trends repeatedly appearing in the grouped data sets. This way the comparisons between cases were constructed and starting to form an overlapping analysis of the case results together rather than separate from each other. Researcher chose to present all the case results together in a written form with bringing up interpretations and comparisons of both similarities and differences. Also, it was chosen to present relatively many quotes from the interviews in order to validate the interpretations by telling the results from the interviewees point of view.

As the language of the interviews varied between English and Finnish the data analysis was also constructed by using the original languages of the interviews until the interpretive phase where the results were written out solely in English. Also, the quotes that were used from the initially non-English data were translated by highlighting the perceived meanings behind the quotes rather than aiming on word to word translations. This way the quotes could be more profitably used to confirm the interpretations and comparisons carried out by the researcher. Quotations from the English data were used as recorded and transcribed.

The research process itself started with the researchers interests to view coopetition and its existence in golf business development. The research process itself started with view of the literature on coopetition and was extended to business models with keeping on tracking proper literature on golf businesses. Research aims were formulated during the literature review and background research. Similarly, method for data collection was chosen during writing the literature part and the interview themes were starting to be adopted. One of the initially desired cases to be studied, however, turned out to be out of reach when the formal attempts of interviews were to be set. Therefore, new case companies had to be looked for which led to partly reforming the research questions, setting, aims and the range of case companies. As the new case companies had been determined the interviews were conducted and afterwards the transcriptions were written. After the interpretive data analysis and identification of findings, the theory supplements were searched to complement the findings and support in gathering the interplay of findings and theories into the discussion and conclusions that were drawn. The research process as a whole is summarised in the below figure 3.

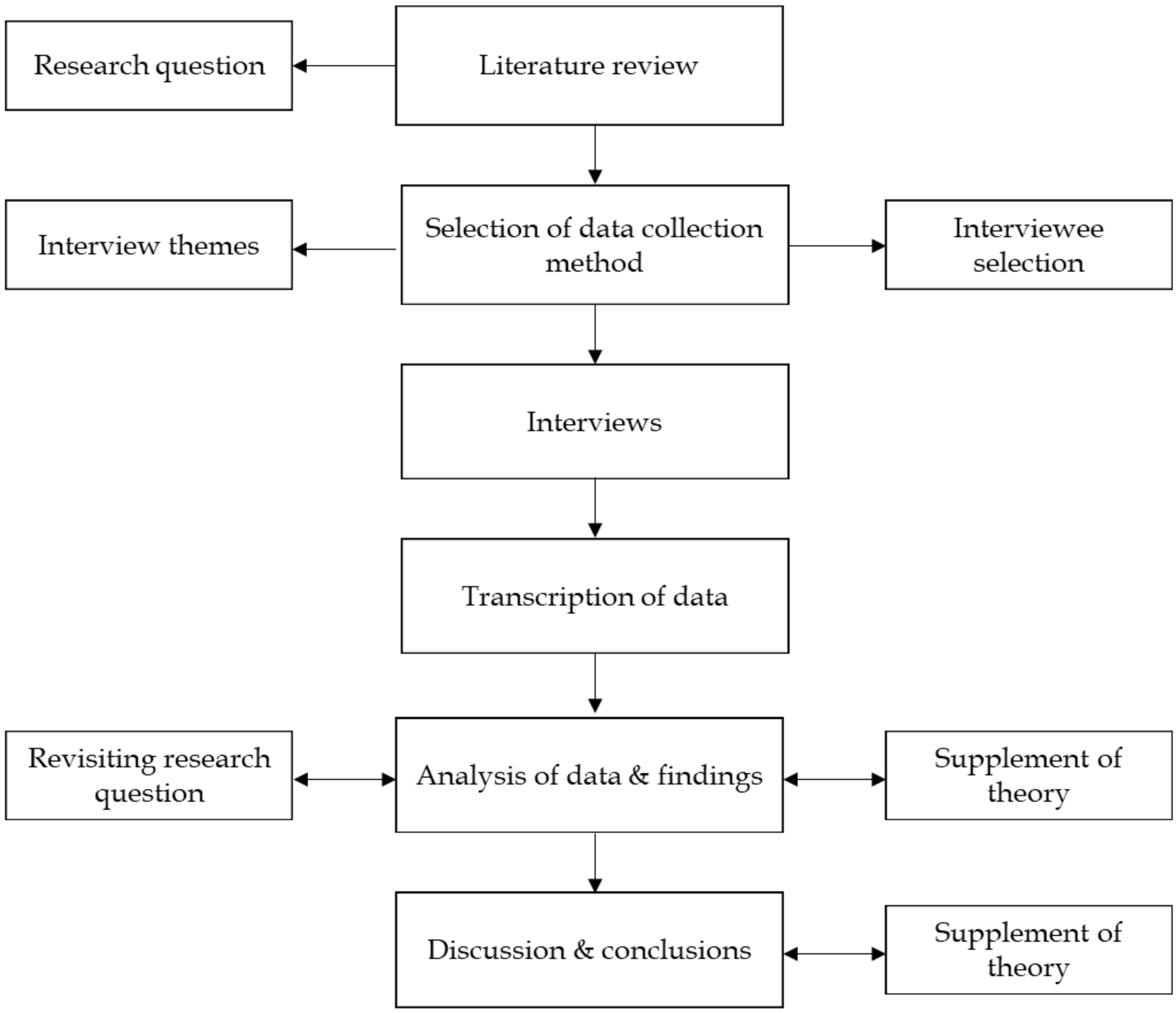


Figure 3. Research process

5 RESEARCH FINDINGS

First part of the findings backs up the research setting to justify the underlying pressures to develop new, more innovative business models for golf operation, however, with bringing in the view of barriers partly explaining why forming of commercially viable and sustainable business models has turned out to be very difficult in the golf industry. Therefore, the first part which evaluates the competitive situation is served as a supportive justification of the context where golf course businesses operate. This way the results of competitive situation do not similarly distinguish between cases although the information and insights to it are gathered from all of the five interviewees.

Moreover, finding the main common and differing areas between the cases is of high importance in order to construct an understanding of the potential pitfalls and strengths in terms of developing business models. Moreover, role of coopetitive acts and relationships playing part in the formation and development of golf course business models. Similarly, it is to be sought which elements are of essence and on the contrary, the elements that are more likely to be variable and more adjustable in the structuration of multi vs. single course units with a view of coopetition in the respective cases. Finally, the business model development and innovation capabilities of different cases are presented and evaluated.

5.1 Competitive situation

All of the 5 interviewees clearly point out their vast concerns over the current situation of golf business. One of the most highlighted aspect of the pressure is in the past “boom” time of golf where the opportunities for constructing golf courses seemed immense, new players were coming into sport and there seemed to be place for all the new incumbent golf businesses such as described:

> “golf business was pretty good in the 70’s and 80’s. A lot of people wanted to play and its affluence grew but there was not enough golf courses and suddenly there was an expansion of golf” Case A

> “There was a report published saying that there was a huge demand for golf but there were not enough golf courses and sadly that research was flood but as it happened it just promoted a huge number of golf courses being built, mainly farmers who you know owned acres of soil thought you know this is a new game so we are going stop growing carrots and start planting a golf course.” Case A

> ”golf course network was in a phase of explosive expansion” Case E

After the boom phase which had regional differences in its burst and continuation the similar trends have become apparent and are discussed by all of the interviewees. One trend discussed by each of the interviewees is the oversupply of the golf courses as the supply side of golf course market became saturated and exceeded the need of players as the Case D interviewee explains:

> "It looked like golf can grow forever, courses were built and then all of the sudden we are in a situation where supply exceeds the demand" Case D

All of the interviewees confirmed that presence of the oversupply and many problems along although oversupply was claimed being highly localized issue varying regionally and locally within generally developed golf markets. Cases A and D, having been in the business the longest, particularly highlight the fact that oversupply and market saturation from the supplier side has influenced in the competitive situation by making the price competition fiercer:

> "there were too many courses people couldn't fill up and membership prices started to come down and it's been quite difficult since." Case A

On the other hand, Cases A, B and E point out there being high pressures to shut down a big amount of golf courses which Case A being in the most golf saturated location evaluates to be about 25% of all courses, in order to revitalize the competitive situation. However, Case C also agrees there being an oversupply and need for shutting down number of golf courses but thinks that even the courses in the most difficult situation are being kept alive in any possible ways and discusses the costs that it creates to the owners which are often the players who have once committed by purchasing financially binding membership. Case A interviewee also confirms that closure of courses is coming by only very slowly and the Case B interviewee directly agrees whereas similar view and reflections can be observed from rest two cases D and E.

Another trend, aging customers are affecting the competitive dynamics of the industry and closely related to the boom time when large number of players joined the game. This trend was brought up in the interviews by each of the interviewees. Moreover, all of the five interviewees are concerned that there are not enough new players willing to start golfing. Case C interviewee notes particular difficulty of negative growth in customers due to customer base aging out and inabilities of acquiring similar numbers of new customers. This commonly brought up trend is summed up by the Case B interviewee who describes the competitive situation only getting fiercer due to the negative growth of golfers in total:

> "there aren't many people doing something for getting new people involved with the game and what we are going to see is the competition only going worse as everyone is competing for the same diminishing group of active customers" Case B

Also, the competition that golf is experiencing among the other leisure activities is discussed in every interview. One feature is brought up as strikingly negative by especially Cases A, B and Case E interviewees who discuss the extremely time-consuming nature of golf. Also, Case B interviewee discusses the barriers of starting golf which he claims have been set too high and compares with many other sports that can be tested with less investment and threshold. Case B interviewee also brings up a "non-trendy" image of golf to put new customers off. He claims the image would need to be renewed by differentiation between the courses and refers to the new logics of Case B business. Case A similarly agrees that differentiation needs to be present and develops the situation that the Case A as a group differentiates between locations and specifically creates them unique which means there is also room for battling the non-trendy image by lowering the threshold in some locations where appropriate. All in all, the fierce competitive situation is summed up by the Case D interviewee:

> "The player base hasn't grown much in years and the playing itself has diminished which has definitely forced us all to invent new and different things" Case D

5.2 Business model components

As the governance structure of the case companies differ the business model part takes the differing structures into account, therefore, yielding the results of similarities and differences in terms of business model building blocks. This way it is to be noted that the Case company A operates in a group structure and the business model in question addresses the golf business line as a whole, however, taking the supportive group structures into account. Moreover, Cases B, C, D and E are essentially single location structures, however, coopetition lies between B, C and D as a group, as well as in some areas of case E. Thus, single course unit business models are described with notions of coopetitive functions where necessary.

CUSTOMER SEGMENTS

In terms of customer segments of each golf course there are notable variation in both existing segments and on the segments that the golf course operators would be willing to pursue. Division of segments differs very much between the different golf courses, however, for comparative purposes four main segments can be categorised according to the level of involvement with golf and with the company in question: 1. Member/subscriber (committed to certain extent) 2. Visitor (Green fee player) 3. Potential Customer (golfer) 4. Potential Customer (non-golfer).

As stated, each of the golf courses do possess similar segments of so called members who pay annual fees. This segment is named to be the most important one in both monetary and strategic terms on three out of five cases and namely the most important one on four out of five cases, where case C is the one which lists them in namely most central part because this customer group similarly constructs the owners and decision makers of the company. These members either annually decide to commit as in two out of five as Cases A and D have open subscription structures or are bound to pay annual fees as in two out of five as part of their once purchased membership which is the Case for C and E. Case B names members currently their important segment as the company has experienced change in ownership which was systemically driven for de-structuration of obligative annual payments. However, Case B relies on creating similar segment of committed players by enhancing the customer relationships and offering more open form of subscription than the model previously utilised. Reasons to change are linked to non-commercial nature of the unlimited play subscription mode which has generally been the offering.

> "The unlimited play subscription, we don't necessary consider it good as they play so much it makes no commercial sense." Case B

Even though the Case B denies the importance of particular type of offering that is served to committed players, this is the customer segment that is served by the coopetitive relationship created with the Cases C and D as the Case D interviewee sums:

> "it's basically for servicing the committed playing right customers, the heavy users" Case D

Case A interviewee discussed their customer segments with direct interaction to the customer relationships as the Case A sees them going very much hand in hand and not only wants the customers to visit once. Similar trend is discussed by the Case C and Case D who in fact highlight needs to create offerings that fit the customer segments needs by being flexible but incentivizing.

Notable variation exists between the emphasis that is been put on non-golfer visitors which however is named as being the most potential and crucial segment by all of the interviewees. The highest emphasis, according to Cases A, B, C and D is been put on the segment of non-golfers for which Case A and B attempt to cater for in variety of systematic actions targeting to groups and especially juniors:

> "we work very hard on making sure that we have plenty of society visits and our junior coaching courses are active here" Case A

> "it's more about just getting people here to even try the game, one way or another" Case B

Moreover, another way of involving new customers from segment of potential customers is brought up by Case A that attempts to target the non-golfing family members of the committed players to keep the family group together and counteract the barrier of time-consuming nature of golf by offering quality time for families:

> "we were much about asking as many family members in as we can" Case A

> “by keeping the family together saying all of you can come, one of you can go to the gym, one of you might go to the pool and the two of you might go to the golf course” Case A

VALUE PROPOSITIONS

When it comes to the value being delivered to the customers there is evidently a lot of differentiation in the value sought to provide by each of the Cases. Moreover, variations between the segments of each different case are high although the basic principle of providing quality leisure time activity of golf is same for each of the cases.

For the Case A as a group structure the differentiations are made according to the location. Therefore, the most prestigious one of the locations is more purely high quality and high standard focused golf course for higher price which also forcibly creates exclusivity in the offering. Case E as a high quality single course unit aims in providing and delivering similarly high value in terms of service and the “product”, golf course, itself. However, in the Case A situation of high class course the value proposition has been changed towards less closed environment by communicating openness to the public and therefore reducing the practical exclusivity without changing the quality of offering. High class venue Case E similarly explains the recent years and the competitive situation have forced to change the still high-class service into less exclusive, friendly manner that has seemed better suitable. Case A and Case E thus explain some of underlying visions in recent change of the high-class value creating value propositions:

> “we were really pushing it, letting people be very clear that this is what we’re about, we are about golf for everybody” Case A

> “we have screened out some of the exclusivity but the quality of service and quality of the course are the two things that differentiate us from the others” Case E

When gone outside the one prestigious golf location of the Case A group of golf venues the value propositions become more price oriented and are directed to wider group of people as the interviewee discusses the factor of openness that relates to the appeal of the product. This links to counteracting one of the earlier mentioned trends of lowering the threshold for coming into game of golf as explained:

> “we also don’t want to put people off if they turn up in t-shirt without a collar, we don’t want to say no to them because at the end of the day they could be the next Tiger Woods who knows so on our public, on our mainstream courses we have that sort of attitude” Case A

However, standards are still present and the offering is created in order to stand out from the other offerings of the same area in terms of catering the best value for money which is the case for Case A but also Cases B and C individual offerings. Another hugely important factor besides the value for money on the pay and play golf course market is the experience which is created to match the value for money provided. This was highlighted especially in the Case A and B as pointed out in the interviews:

> "if we are predominantly in the pay and play market we want to offer the best golf course for the value and for the money in that area, that's just the position" Case A

> "so our pay and play golf clubs – the quality of the course will be very close to private members club so we work very hard making sure the facilities we provide, for the pure golfer, gives him a good experience" Case A

> "It's the most crucial thing that our course, the product, matches the price were asking for it." Case B

Player centrism or customer centric models were discussed in all of the interviews; however, it was raised as the most important factor of the value proposition in Cases B, C and D as individual courses offering single course products. Case B as stated earlier, experienced a change in governance being taken over by holdings company. This change enabled more customer driven product development that offers flexibility and incentivizes to return by offering every visit for lower price instead of unlimited play subscription to be purchased on year by year or lock-in basis as explained in the customer segments section of results. Cases C and D claim themselves being customer centric, however, their single course offerings do not offer similar flexibility as Case B offering.

However, the Case B, C and D have combined their power in providing more flexibility and choice for their customers throughout a coopetitive relationship enabling the customers to enjoy all of the three locations by purchase of a product catered by their coopetitive relation. Similar flexibility is also provided within the Case A group of locations although the Case A interviewee explained the rotation of players is not as affluent as one would believe. This way it seems that even the sense of flexibility in the offering may enhance the value from customer perspective. Therefore, both group structure and coopetitive relationship can influence the value proposition of golf courses by enhancing the choice and flexibility therefore solving a customer problem as the Case D interviewee explains:

> "more locations and choice you have more probable it is that you can go and play whenever you want – this way we are keeping our promise of offering the service when player wants it" Case D

CHANNELS

Case A group side of the company are mostly responsible for covering all the phases in communicating each value propositions to the right audience in a cost effective and unified manner which does not seem to be similarly organized in other Cases B, C, D and E. Data collection and correct aftersales are named as key areas to retain the visitors and offering a revisit to either same or other locations of the Case A group. This way the communications are one of the group wide actions as the interviewee explains:

> "we have marketing that looks after websites, communication with the customers, digital marketing and we got two marketing execs who basically have five clubs each, they support the general managers of those clubs" Case A

According to the interviews, the Case A as an established group structure is a leap further with utilizing correct channels and use of data as the rest four cases either do not mention data collection in two out of four cases. Moreover, the rest two cases of B and C merely admit data collection and harnessing it have not been utilized as quoted:

> "we have very little data of who our visitors are, for certain reasons" Case B

> "it hasn't really been thought so much here, people have just come and gone without leaving a trace for us" Case C

Even though the golf course communications are performed mostly via more cost effective digital channels as explained by the interviewee of the Case A. All the four single locations mention that having bigger structure would bring strength in communications. In fact, Cases B, C and D admit profits of their coopetitive offering and its spill-over effect in terms of raising awareness for each of the single units and enhancing the image of the respective venues as explained by Case D and Case C:

> "we do get little cost savings in marketing by centralizing and on top each of us gets visibility for their own course" Case D

> "we have struggled with our image so in terms of enhancing it this coopetitive relation helps us by displaying us in the better light" Case C

Interesting point related to channels and communications is also brought up by Case B interviewee who explains another reason why they have turned into creating a single product fitting all strategy. He explains many golf courses, including the Case B earlier on, have failed or still fail in their communications due to unclear value proposition and too extensive range of offerings. According to the interviews the range of offering can also be linked to at least Cases C and E. For illustrating the difficulties Case B interviewee explains the different green fee offerings in the following:

> "you might have something bundled with the restaurant, something for juniors, something for seniors and it means you have to communicate 160 different things at once and it's a very heavy burden – that's one reason why we turned into single product when it comes to pricing" Case B

CUSTOMER RELATIONSHIPS

High variations in nurturing the customer relationships can be spotted between the cases. As an example of nurturing the customer relationship and re-creating value the Case A explains the customer experience very seriously and attempts to create more in-depth bond with the customers by offering variety of service and target it to the already committed customers and their closed ones eg. families. Customers are much more likely to stay if they are in a socially nice environment, they are more likely to come back and the interviewee notes if the experience is shared as described by the Case A interviewee:

> "if you are going to be in the family market you need to be able to offer not just golf, food and beverage is important but well-being and health is also important" Case A

Case B interviewee in turn develops the nurturing by explaining the aims being in creating loyalty programs by engaging in vertical coopetition of enlarging to areas such as golf related products and travelling. Similarly, he points out that enlarging portfolio to health and well-being side is seen as non-viable way of servicing by the Case B. To prove the point, he refers it only as nice addition although creating too little extra value for large group of customers.

For committed customers the Case A wants to retain the standards and create a little bit of extra for the ones who are willing to commit in order to have them on board in the future too. Also, the offerings that used to be for closed groups have been opened for everyone and the group attempts to find better ways to engage with more customers:

> "we need to make sure we are offering appropriate incentives to engage with people" Case A

Similar needs for better engagement of customers are acknowledged by Case C, D and E interviewees, however, differences exist in responding to needs. Cases C and D claim having a strong number of committed customers which they do not seem to be addressing properly for creating and obtaining extra value whereas Case E points out the enlargement of the committed customer base similarly high important as nurturing the relationships. Case C describes the company having a potential group of 1000 people with only little commitment whose needs should be responded better by more flexible offerings. Interestingly, Case A interviewee points flexibility of offerings being central in nurturing relationships and luring in new golfers:

> "we try and be flexible so we offer a range of ways in which they can come" Case A

Similarly, flexible offerings have been created by the coopetitive relationship of Cases B, C and D although their target is in the committed heavy user segment instead of the less engaged customers. Case A as a group utilizes similar flexibility for the committed customers as they have access to number of venues instead of one. Nevertheless, Case B new product offering as described in the value propositions part offers the flexibility for all the segments as an individual golf course unit. Cases C, D and E acknowledge enlargement in the range of their respective offerings being towards flexibility although not achieving similar extent in flexibility as the Case B offering.

However, challenges of getting the non-committed group of customers to revisit are named as one of the bigger challenges in management of customer relationships by all the interviewees as the Case A and C interviewees summed:

> "For those who just want to rock up and play we try and engage with them on a card we say if you join up you get regular newsletters so we just try and keep them engaged that's probably the biggest battle" Case A

> "We have to start thinking a CRM model for this in order to improve getting people back" Case C

Needs to create better engagement are acknowledged by all the five interviewees, ways to improve customer relationship management are mostly discussed by the Case A interviewee who again highlights using customer data collection where it is appropriate and employing it properly to convince the irregular visitors to come back. As explained, it is seen as one of the solutions for creating continuity among the less committed segments:

> "data is important and you know if you can get the data and you can manage that data respectfully by not bombarding them but by giving them appropriate messages when they want them they'll appreciate it and they'll probably use it" Case A

REVENUE STREAMS

Value creation for each customer segment and nurture of relationships pointed towards differences in the revenue creation mechanisms although the baseline of the business, golf course management, is the same for all the interviewees. The interviews confirm there are notable differences in terms of revenue sources and transactions between all five cases depending on governance structure, resources and partners of each case company. Whilst all of the interviewees explain the pure golf business as their highest revenue creation mechanism there are differences in ways of gathering revenues.

All of the cases have been reliant on the revenue stream of committed customers, either willingly on Case A and D or obliged as shareholders in the Cases B, C and E, which has created high amount of revenues varying between 30-75% of total revenue, by single transaction basis with the committed groups. In exchange the customer receives number of benefits for the given year. However, trends point out direction being towards multiplication in number of transactions which similarly creates flexibility as the obligations of bulk buying are turned down. Thus, Case B has created flexibility as explained in the value propositions section by governance change in terms of ownership and is preparing to utilize a model that employs multiple transactions and incentivizes the revisiting behaviour by pricing. Cases C, D and E explain there being barriers for them to turn into such offerings as the whole governance body is currently designed for utilizing the single transaction and flexibility of offering would fight against the body and interests of committed member-owners.

However, the logic of multiple transactions over multiple visits is more and more central for all of the cases as the interviewees and trends explain the single transactions and bulk buying behaviour diminishing in golf therefore making non-committed visitors, green fee players, increasingly important as the Case C interviewee evaluates:

> "other revenue streams (than one received from member-owners) are in key position as we have such a small number of member-owners revenue from them is not keeping us alive" Case C

Multiplication of revenue streams varies also in the other areas of business as there are number of supporting functions present at the golf course units. Case A as a large group of golf courses has multiple streams of revenues and relies on multiplied amount of transactions during single visit with each of the customers compared to other four Cases. Case A as a group has decided to exert control when it comes to different supporting activities of pure golf business. Therefore, multiplied transactions are enabled by owning the supportive functions such as golf retails or food and beverage which importance the Case A interviewee highlights:

> "our business is about 30 million a year and our food and beverage business is about, nearly a third of that right now so that's a very important aspect and we pride ourselves here" Case A

From the other cases two out of four, D and E have had the supporting function of restaurant outsourced throughout their existence therefore giving up the revenue stream of food and beverage, as well as the costs and management related to it. Also, Case C decided to keep the restaurant business outsourced after creating losses when it was as an in-house activity. However, from the single course units Case B has recently taken the restaurant business as an in-house activity and sees it as a revenue centre. Cases B, C, D and E also all explain the bargain between outsourced supportive functions as it directly affects the value propositions by the service and pricing especially in the case of a restaurant. Case B sums up the basis of the bargain in the following:

> "I see restaurant as a revenue centre and the model used in the cases of outsourcing the restaurant or catering is in no way viable business for the golf club itself and on top it affects to so many pricing mechanisms – I see there has to be a revenue logic behind it if outsourced" Case B

Another important factor of the revenue streams is the adjustability of the pricing mechanisms. For the Case A, offerings vary both between locations but also within each location. Variants being according to level of involvement and the established relationship with the customer as the regularity of the transactions are incentivized. Pricing mechanisms vary between locations of Case A and differing logics are spotted between interviewed single location cases. Seasonality is pointed as one factor affecting pricing dynamics and other being according the time of the day when daylight hours or projected demand affects the pricing in the offerings of Cases C, D and E.

KEY RESOURCES

Similarities in key resources between the different Cases are significant in terms of physical resources as each of them either owns or rents the land and the buildings in which the golf course operations are run. However, notable difference seems to exist between the single course units Cases B, C, D and E as opposed to Case A operating in a group structure. Although, for the shared product created by coopetitive relation of Cases B, C and D the physical resources are shared in a way of playing platform as the customers are allowed to use each of the facilities. Nevertheless, the current relatively informal coopetitive relationship does not yield similar resource sharing mechanism in the other areas that Case A describes in the following. Case A as an operator of 10 golf locations refers the most central resources being ownership of the facilities where the services are performed and the people performing and providing the services. More specifically, the most central resource for the Case A group of golf courses seems to be the group itself as it creates strength for each of the different golf courses by synergies and economies of scale. Therefore, the group structure followed by support functions and standards it creates are of essence as the interviewee points it out:

> "there was fundamentally good structure put in place that allowed the business to thrive" Case A

While describing the organizational form the Case A confirms the sharing of both intellectual and human resource mechanisms as the interviewee points to group side managers and states:

> "that group really sits to support those (golf club) managers" Case A

Another factor of strength in terms of group of Case A compared to other four Cases come out in terms of group size both in the variety of offering and financial viability as presented in the following where he refers to the capabilities that are produced via physical and financial resources that the governing group structure facilitates:

> "we found out that by putting together, the adventure, leisure, and health club activity and build up the food and beverage has helped out to balance the business out so we got better balanced business" Case A

> "a private members club may offer a more attractive price because they are not there to make a profit, we are, but they may not offer the standards and they may not have the investment capability that we have by running it as a business" Case A

Resource scarcity in turn is highlighted by the Cases B, C, D and E from which especially the Cases C, D and E highlight the scarcity in terms of financial resources which yield mostly from maintenance of the physical resources as explained in all of the cases. Moreover, for Cases C and E the scarcity of financial resources has been present since the construction of the golf course as the debt produced has not been completely paid off. Moreover, the single course units do name the human resources similarly important as the Case A, however, the importance is limited to fewer personnel which all of the four single course units agree being the course superintendent and a manager overlooking operations when operating as single course unit.

Interestingly, all of the four Cases of single course units see similar synergic possibilities as the Case A interviewee reported in terms of physical, intellectual, human and financial resources to be obtained by systematic strategic coopetition or by grouping the units into bigger structures in ownership terms. Although single location Cases confirm that these are attempted to find and believed being the reality in the near future they too acknowledge the difficult nature of pursuing synergies:

> "we have looked for these models in many ways, there has been operational and functional models, cooperation, smaller cooperational models and planning of models that would lead all the way to fusions" Case E

> "it's going towards these kind of alliance models where no stones are left unturned in the pursuit of synergy benefits" Case C

KEY ACTIVITIES

The key activities similarly to key resources of each Case interview brought up are notably alike when viewed in terms of catering for the value proposition. All of the interviewees mention either directly or indirectly the golf course maintenance being the most important single activity. Maintenance ensures the central product, golf course itself being served according to the value proposition as the interviewee B sums:

> "It's the most crucial thing that our course, the product, matches the price were asking for it." Case B

Moreover, to shed light into scaling the importance of activities Case E interviewee develops summarising logic behind the other key activities by describing their importance to single golf course unit from a point of view that ensures the value proposition being delivered from the activity perspective:

> "a golf course can be managed by the pairing of superintendent who looks after the course, the maintenance and a manager who runs the office, the golf services at the club and these are central – on the second most important level there are restaurant and other services" Case E

Activities that the CASE A as a group performs were summarized into exerting control, standards and information management therefore complete process of activities directly affecting the value proposition. Similar mechanism of control of activities was brought by the Case B whereas the other three Cases seem to view more freedom in terms of the supporting activities and are more willing to let other parties to perform them. However, importance of the control mechanisms is explained in the following by the Case A process reliant group structure and Case B who develop control being important at the moment in time in terms of creating viable processes:

> "we run everything, we run food and beverage, and we went, when I first came a couple of the clubs were, they're food and beverage was leased out to another operator and same with the retail offer, some had that leased out as well but over my time we brought everything back in house so we control everything and I much prefer that model because you can maintain the standard" Case A

> "now what we did was that we even took over the restaurant, and at the moment I see it necessary that we operate the course maintenance ourselves" Case B

Case A also develops on the key background activities that need to performed in order to maintain standards of the group and ensure the future competitiveness, the company needs to continue developments which are strategically central as described:

> "the strategy for us is very much making our existing clubs bigger better and stronger by just evolving them" Case A

> "investing in health and leisure that helps the existing golf business to continue" Case A

KEY PARTNERS

Due to the notable differences in the key resources possessed and key activities that are performed in each of the Case companies the key partners phase shows notable differences in terms of the partners that are perceived being in key position by the different interviewees. Although similarities exist as three of the five cases, C, D and E have been all involved in a coopetitive partnership of golf course maintenance operations as the Cases C and D were in the receiving end of the partnership meaning the same third party was hired to perform the key activity of golf course maintenance for both C and D courses. On the other hand, Case E having a high-class course maintenance was hired to be part of a similar relationship but as a partner executing the maintenance for two other golf courses. In all of the three cases the partnerships were built to achieve economies of scale by specialization as the Case E interviewee describes:

> "we started it from the calculations of financial viability for both parties" Case E

Despite the idea of creation of new revenue stream for Case E in its respective attempt and cost savings for Cases C and D, in practice all the three Cases contracts were terminated due to dissatisfaction of the quality of the third-party operations which Case C and Case E shed light from both ends of the contracts, although, not having been involved with each other:

> "it was more in-depth collaboration, we just had a bad partner and it all went to hell because of that" Case C

> "I think the expectations were not managed correctly because we, in a way, made a deal that they receive similar standard of maintenance that we do and make savings on maintenance budget – if you think that's kind of impossible situation to start from" Case E

This way the partnerships seem to have failed in the unclear natures of contracts that have been made and the non-existent expectation management leading to trust issues and ending contracts. Case B, who still sees the course maintenance partnerships as possibilities bring in an outsider view to these contracts when describing the background of when partners could be contracted to perform key activities:

> "if you are going to outsource something, you have to really know what you are doing and know what it concerns, so that the both parties know what is actually happening" Case B

For the Case A, group structure seems to act as an internal partnership network in terms of value creation process as the group plays the part of partners by creating economies of scale and allows higher rates of specialization and expertise in terms of managerial tasks that are performed and gives strength to group wide operations. Despite the connections between the Cases B, C and D similar synergies are not enabled via their rather informal coopetitive relation. Nevertheless, similar synergies are envisioned by all the single course units B, C, D and E but ready-made solutions towards harnessing it do not seem to exist, yet.

From the partnership perspective, even the Case A group doesn't own all of the properties they are operating at, therefore, good relationships are to be maintained with the property owners and same applies with the other courses who are operating on rented land plots. Another, partner importantly affecting to all the Cases, however, to variable extent are banks that are seen important by all the cases because of the capital intensiveness and high fixed costs of operations. Moreover, two out of five Cases C and E name banks as extremely important partners as their financial situations have been more dependent from the bank lending.

> "I would say the bank is in a decisive position because the whole thing has been financed by them" Case C

Also, the governing bodies of golf, local area councils, schools and local sports teams are mentioned as highly important partners in strategic means by the

Cases A, B, C and D mostly because of the nature of acquiring new customers from the infrequent and non-golfer segments. This way, the governing bodies and local councils may be of help in coping with the trends whereas schools and sport teams provide practical way of introducing the game to new potential customers as explained:

> "We work hard to try and have good relationship with the schools in the local area that are linked with our golf clubs and each of the managers is targeted to understand the local council leisure strategy and how we can fit into it" Case A

> "We have discussed with other sports junior clubs, basketball, football, different junior teams of other sports and we discuss with the schools, try to bring more of them to visit because that's where the real growth potential is." Case B

COST STRUCTURE

Golf course operations are extremely cost intensive businesses with high fixed costs due to the costly physical resources of land, properties and often an extensive arsenal of golf course maintenance machinery costs either leased or owned. Golf course maintenance operations, in which the Cases C, D and E attempted to create cost savings with coopetitive partnerships, are mentioned as the highest single activity by all of the interviewees. Although personnel costs which relate to course maintenance seem to exceed it if compared as absolutes. Interestingly, especially Cases C and D who attempted saving in the course maintenance by outsourcing offer hindsight by highlighting the fact that the function in question cannot experience cost cuttings. Both, discuss the need of being cost efficient and confirm they have already pursued it yet the financial viability seems difficult to achieve.

Moreover, some of the cost intensiveness seems to follow the golf courses as a burden for long as the Case C and Case E interviewees express that costs for all the loans that have been taken over 10 years ago for constructions of the golf courses are still following them. Other interviewees do not point similar concerns, given the Cases A, B and D have been established long earlier. Therefore, partial explanation of the situation may be in the fact that locations C and E were built during the boom and opened to already fiercely competitive market. Nevertheless, Case E sums up the financially crooked atmosphere that it has had to cope with:

> "the world looked different when this was being built and as a result there are structures that are significantly complicating the attempts of turning this financially viable" Case E

High costs are also involved in the human resources which are partly due to the green keeping staff maintaining the product and the service staff along with administration. Therefore, structure of high costs is set especially for single golf course units as confirmed by the interviewees. Case E specifically defines that delivering high-class golfing experience value propositions makes the personnel costs the highest single cost which seem to be the case for other single unit Cases B, C, and D as well. Moreover, the interviewee of the Case D highlights the unnecessarily high costs involved with the administration and points towards the need for bigger structures as he states:

> "This overhead administration cost is unreasonably high for single golf course so why couldn't you operate two or three golf courses at the moment, this is mainly organizing, sales, marketing, billing and price decisions so as I press the button it doesn't really matter whether the info goes to 1000 or 2000 people" Case D

Case A interviewee similarly agrees with the other interviewees as he explains the cost intensiveness of the industry but points again to the group structure strengths. One of the strengths is the investment capability that single golf courses do not possess. Therefore, it can be seen that group offers economies of scale but also helps with maintaining the standards and control that are exerted in the cost side. The group management closely monitors the cost structure in both group and individual golf course levels and intervenes when necessary as the Case A interviewee explains:

> "We set the targets for the next year so it is very much, it is not us telling them what they got to do, it's them producing a plan and the office director agreeing it and then basically us agreeing it, and they'll get tweaked" Case A

This way the budgets and the costs sides are looked over by number of people with the ability to compare amongst the group as the Case A interviewee states:

> "then we set the capex plan together with them at that meeting, see what the businesses can afford to invest and then we get on with it" Case A

Therefore, worries behind the inefficiencies of administration are shared between the Cases B, C, D and E. Case B interviewee explains the inefficiencies linked with cost intensiveness being also built in the culture of operating golf courses. This way of having been inefficient and forcing the golf course owners who are often the members, as in Cases C, E and until last year was the situation for the Case B, to pay higher dues which he claims have driven the whole market into unbearable situation where efficiencies have to be sought. This statement was agreed by the other three single location interviewees and the Case E developed it towards a same avenue of economies of scale and scope that was referred previously by other interviewees:

> "our single course unit is too small in order to be financially viable so the basis would have to be stronger and for this reason fusion or another type of alliance or group function is needed" Case E

In the below figures 4., 5. and 6. the business model components of different cases are summarised as bundles of resources and activities. Illustrations are made from partnership and coopetition point of view to highlight the perceived overlap of resources and activities between the respective actors.

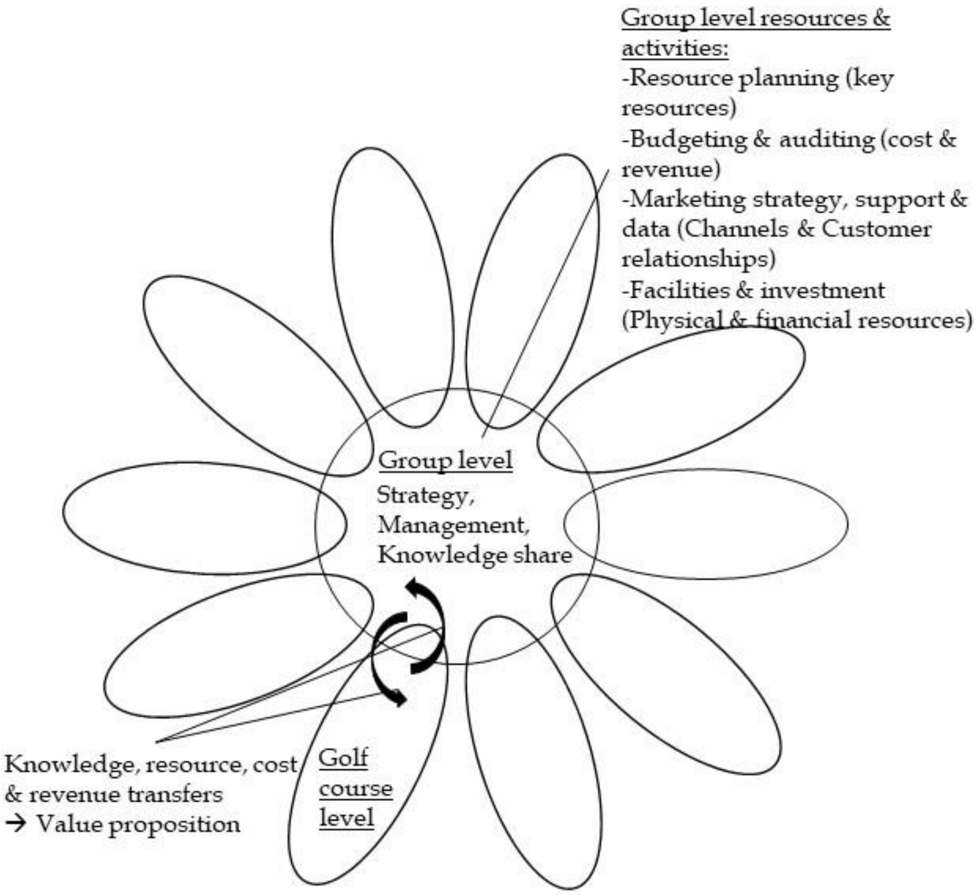


Figure 4. Simplified activity and resource sharing of Case A group.

In the figure above the Case A group level and golf location levels' activity and resource overlap and sharing are illustrated according the previously presented results. Simplified illustration highlights the strategically important actions and the costliest resources being possessed by the group. Moreover, the knowledge, resource cost and revenue sharing that enhances creation of value propositions is illustrated.

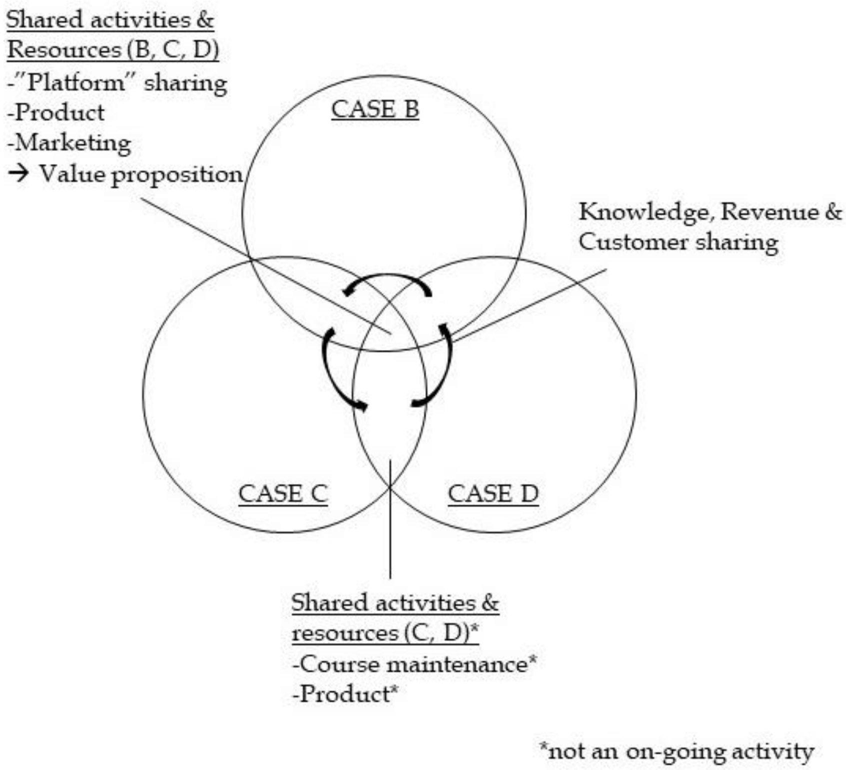


Figure 5. Simplified activity and resource sharing of Cases B, C and D.

In the simplified illustrative figure above, the overlapping activities and resources of coopeting Cases B, C and D are presented by highlighting the process of knowledge sharing but also the revenue and customer sharing which is enabled by their common product launch. The result of offering a fresh value proposition by offering shared playing "platform" to customers seeking increased flexibility. Moreover, the previously attempted shared actions between Cases C and D are shown but marked non-on-going activities because they have been terminated as presented previously.

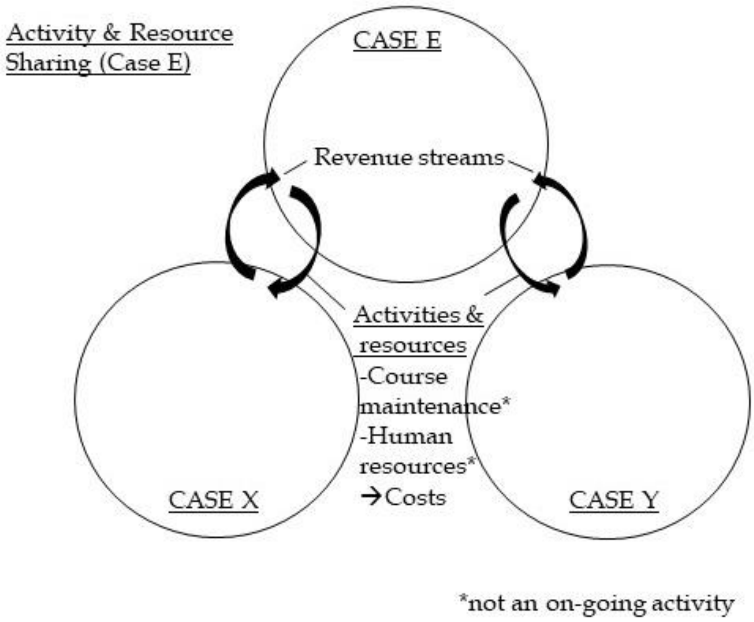


Figure 6. Simplified activity and resource sharing of Case E.

In the figure above, the activity and resource sharing that were carried out in the past by the Case E are presented in a simplified illustration. As described previously the activity and resource sharing were limited to transactional basis of Case E providing maintenance services by using their human resources therefore creating additional costs. In exchange to activity and resource sharing the Case E was collecting revenues from the parties in the receiving end. Thus, the economies of scope and economies of scale were pursued via the arrangement illustrated above.

5.3 Business model development

As covered in the previous, number of business model developments have been tried out by all of the Cases that were interviewed. Although, Case D which could be categorised as one of the more traditional spirited golf courses put notably smaller amount of emphasis on developing the business model innovations despite their presence in a coopetitive attempt with Cases B and C. However, in the following the major developments discussed by the interviewees are presented.

Coopetitive structures that have been attempted by the Cases interviewed are various starting from dyadic or multiple light relations which at least Cases B, C and D have also outside their respective agreement and are using them in terms of serving their committed customers by offering reciprocal green fee scheme either for discounted price or for free as an exchange, also the Case E discussed similar relations being present. Case A, however, seems to cater these needs via offerings within the group. Although mentioned by all of the single location Cases, all of them also agreed these are normal servicing of their committed players and will be remaining light relationships as such. The coopetitive business model development between Cases C, D and E could this way be categorized as a more formal way of servicing their own committed customers but also bringing a new and more flexible offering to the market for anyone to purchase.

More of strategic coopetitive relations were also attempted by Cases C, D and E who formed agreements of having an outside party to perform key activity of course maintenance and finding synergy and cost savings for two geographically close locations. Similarly, Case E was performing the course maintenance for two other locations nearby its own operations to obtain a new revenue stream. However, all of the three interviewees point into direction that this decision of cooperating in the key activity was too much driven by the opportunistic idea of creating cost savings for buyers instead of further alignment of business interests as the Case E interviewee claims:

> "we again get to the same position that the administrative collaboration should be tighter when we are, for example, cooperating in terms of course maintenance" Case E

Case A interviewee covered few kinds of major business model developments. Chronologically first one was opening, once "closed" clubs at the correct moment during the golf boom for wider audiences, therefore, enlarging the golf portfolio to address new customer segments as explained in the following quotation:

> "sort of private members clubs were very closed environments, very unfriendly, didn't welcome women, didn't welcome kids, so we were really back in the trend in those days and that served us over that period" Case A

However, recently the openness of the clubs has not been similarly important factor in acquisition of customers as the trend has become wider and nearly all golf clubs are open. Moreover, the supply has exceeded the demand as the Case D interviewee explained by telling there were people put on a waiting list for years in order to become members of the Case D golf club and now the waiting lists are history as the number of members is slowly decreasing. As explained all of the cases admit there are barriers of entry from the customer perspective and it forces the golf clubs to rethink their businesses. The Case A as a group structure with variety of value propositions based on locations has put high emphasis on finding more innovative ways to lure new segments into the game of golf and turn them into customers. In the following the interviewee of the Case A briefly explains the nature of innovation that started from finding a way to cater for a specific customer segment of non-golfers:

> "we were trying to put our thinking caps on in terms of what we could do to generate more youngsters coming to our golf courses and that's where we looked into the adventure golf business" Case A

The nature of the investment was to harness a new line of business to lower the threshold of getting into pure golf as the interviewee develops on the underlying idea that can be categorized as business model innovation:

> "this is about getting children and families with a golf ball and a putter in their hands and if you get that in their hands one has got to recognise there is an opportunity if they enjoy that experience they will perhaps they take that experience further" Case A

The interviewee points that the adventure golf does not fit in with all of their locations value propositions and they would not attempt it in their higher-class locations. Still, the innovation of creating a new business line and setting it to a traditional pure golf location turned out to be a disruptive innovation in the beginning. Committed pure golf customers were against the innovation of essentially non-golf business to be combined with pure golf as can be noted from the interview of the Case A:

> "Effectively, the membership, because we lost about 100 members because they were just so against it that they thought you know we were becoming a McDonalds golf club" Case A

Nevertheless, the investment was made and it turned out to be a huge success as even the lost number of members were gained back in two years. Also, the members, committed golfers, were protected against the success that it created among the younger generation in a way of customer relationship management which highlighted the value proposition that was initially promised to the committed players:

> "we did a separate private member's lounge so that our members could feel a little bit protected against the horde" Case A

Even though the Case B for example found the development of business portfolio towards health and fitness as a non-viable idea the Case A however told about another decision of development in terms of catering for new customer needs and similarly creating stronger financial threshold by creating new revenue streams by expanding the service line of golf facilities towards health and fitness orientation which is explained in the following:

> "we try to make sure it's a popular venue for people just to visit. Two other clubs where we've also added the health and fitness so we offer full health and fitness facility" Case A

Similar intentions came up in the interview with the Case C interviewee who discussed the possibilities of turning their spacious clubhouse building already conceiving small fitness area and golf simulator into year around business which he sees as a service but also a business opportunity of enlarging the portfolio. Moreover, continuing the innovations towards wider spectrum of services among golfing are mentioned as strategically central part of the Case A group's future developments:

> "really that's one of my key strategies for the future, is not to be so reliant on pure golf and therefore, if you can do some health and fitness, you can do adventure golf or you can do other activities" Case A

From the pure golf business model perspective, the most innovative model seems to be created by the Case B who are preparing to pilot their new "product". Innovativeness can be reflected from the model as the interviewee explains their innovatively incentivized pricing mechanism of the product which offers diminishing price of each visit for the customers and lets them play for free after 25 visits:

> "It's a unique model, similar doesn't exist and we tried to look all around the world, so yes I am scared of how it's going to turn out" Case B

As pointed out previously the Case B ownership experienced a major change as the vast majority of the shares were bought by a holdings company. Therefore, providing "liberation" of the earlier shareholder-customer combinations and gave freedom in terms of business model innovation as the individual shareholder-customer or member-owner interests could be set aside. Interestingly, Cases C and E as similar structures of limited companies where few hundred member-owners are present list this as a major barrier to business model development from their perspective. Both of the interviewees refer to the issue of having relatively too low number of member-owners. Therefore, the group of member-owners annual dues represent too low income compared to how operating according their interests complicates the business in terms of pricing and development of the business model as a whole as explained:

> "This shareholder-member ownership model significantly challenges the re-development of our business model" Case E

Moreover, both Cases C and E along with other three Cases see it as future trend to develop ownership models where owners and users are split and envision that majority of golf courses will be run with more commercial orientation. Whether the models are created as single course structures or groups that are formed either by fusions or coopetitive relationships remains unanswered. However, desire towards multicourse structure models are confirmed by single course operators as the Case B explains by describing some the future envisioning:

> "now this is a loyalty program and if you add another golf course to this, you play in either one of the courses and you take steps forward in your "customer path" so for a competing course it would be very thrilling to step in to agreement with us" Case B

6 DISCUSSION

As it can be seen from the results, certain areas and aspects of business model components possess huge similarities, although differences are also clearly present when it comes to formation of golf course business models. The aspect that gathered the most of agreeable answers between the different interviewees was, however, the underlying needs to pursue business model developments in the rather turbulent and saturated market of conservative game of golf in order to keep the offerings interesting when demands are changing.

6.1 Research question 1.

1. How the changing market situation drives the need for golf courses to seek change in terms of their business model development?

As Breibarth et al., (2017) brought up, golf is facing immense pressures to evolve in many aspects. This claim is confirmed by the interviewees and developed into detailed level as all of the interviewees went on about the changing dynamics of the essential relationship between supply and demand for golf courses. All of the interviewees did agree with the literature and statistical trends that the boom of golf has passed for the established and developed golf markets where they all operate and acknowledged oversupply of golf courses being present and a major cause for creating need to adapt in terms of business models. However, KPMG reports of golf supply and demand from 2016 and 2017 describe the market situation less turbulent than can be perceived from the interviews, therefore suggesting the industry trends revealed in KPMG (2016; 2017) are highly regional and differentiate within the developed golf markets.

Reasons leading to the situation of oversupply pointed out in the interviews cope with similar trends of market saturation and industry life cycle arriving to its turning point that can be projected from the industry reports and literature (KPMG, 2016; 2017; Breibart et al., 2017) although variance between cases is present. Major trend brought up in the interviews was the inability to acquire new customers faster than the existing ones are aging out of being users seems commonly realized problem and its severity seems to depend on the perceived openness of the golf course from the customer point of view. Therefore, orientational change could be expected from the golf course operators to cope with the changing market dynamics. This point of changing the game from the demand side was discussed in the literature as Breibarth et al., (2017) evaluated the trend of customers seeking increased flexibility by being less willing to commit as heavy-users of single golf course and rather using relatively less of multiple locations in a flexible manner. Researchers observations from the golf industry, literature and the case interviews all pointed to the same direction of the supply side, golf courses, being forced to respond to these demands of flexibility. Although, the evidence from the researcher's perceptions, literature and the interviews similarly confirmed the presence of barriers to respond in terms of supplying flexible products and service as the governance and ownership structures of golf courses are often built upon rigid lock-in mechanisms that seem difficult to change. Moreover, the owner-user combinations that support ownership being widely spread do pose a conflict to turn towards more commercial and flexible orientation for golf businesses because of the agency problem that looking after the member-owners interests brings up.

6.2 Research question 2.

2. How are the existing business models, business model development and innovation capability of different types of golf course units?

As summed up in the previous part, many signs are pointing towards needs to change, adapt and develop the offerings of golf courses. Therefore, the business models of golf courses need to be more responsive to changing logics of consummation of golf. From purely business model perspective, the models occupied by the different golf courses studied are widely similar in their essential construction. In all of the cases the highly important areas of business model construct are pointing in the key activities, key resources and key partners that create the bundle of resources and capabilities (Morris et al., 2005; Johnson et al., 2008) and determine the costs and revenues in the creation and delivery of value proposition. Due to cost intensive nature of the business the golf course business models seem to aim for more of the value driven than cost driven logics in their business model orientation. Amit & Zott (2012) note that in value driven models the costs are still closely monitored as the produced value need to be captured in monetary terms. This has seemed difficult to achieve especially in single location operations as the golf operators are aiming to serve too wide range of customer segments, fail to deliver the value proposition in terms of product quality (golf course or service) or are unable to create and capture real value due to cost-intensiveness. Moreover, the results suggested that golf course value propositions are catered by few key activities which the golf courses are not ashamed to hire from outsourced operators to perform. Therefore, key partners around the focal firm are used which indicates more room for adaptability but also needs for value creation to all parties involved (Amit & Zott, 2012) and higher coordination (Bengtsson & Kock, 2000) of activities.

Casadesus-Masanell & Ricart (2011) wrote that the economic recession was a catalyst for the business model innovation in general whereas similar push seems to have been present in the golf industry due to the changes in dynamics of supply and demand. In the literature and results the golf course governance structures themselves were confirmed as somewhat rigid for adapting to changes of business models especially in the smaller single location, mainly member-owned cases. Chesbrough (2007) suggests business model framework itself can have notable variation in the built-in readiness for developments variating between standard and adaptive. According to this notion the member-owned golf courses could be categorized far from adaptive and commercially oriented structures few steps closer to adaptive. This fact also challenges the idea of forming unified ownership between two or several single golf course units into unified multicourse structure by fusions as the rigidity and agency problems in owners' interests seem to create essential barriers blocking the initiatives as such. These barriers are often enforced with accumulated debts that many of the golf courses have in their balance sheets as brought up in the interviews, therefore making many golf courses difficult to purchase or to be fused as the debts would need to be omitted by a third party. Therefore, more loosely connected coopetitive structures could provide the answer as Ritala (2012) suggests valuable resource combining logics for value creation purposes can be found between coopetitive partners in their performed activities, customers and, of course, resources and relationships themselves. Nevertheless, in the studied cases the logics of resource combinations have remained in informal levels apart from course maintenance or been based on transactional nature of utilizing opportunities at hand similar to Amit & Zott (2001) suggest in their paper.

In order to retain viability, firms must keep monitoring their business models in a way that logic of differentiation in value creation and capture are highlighted (Shafer et al., 2005). This perspective has been realized in the cases, however, more commercially oriented and non-member owned golf courses do seem to be able to tackle the rigidity and profit from larger freedom of operations as the agency problems are not similarly present and running of the operations can be based solely on business terms. McGrath (2010) proposed experimentation as a most effective way to aim for new business models on a path of attempting to create differentiation in the market. Business model developments in the studied cases have followed this logic in the cases of more commercially oriented businesses which seem to have more responsiveness to market dynamics. Developments that could be categorized as innovations due to their logic of creating new revenue streams as in the Case A successful differentiation was established by orientation to more open forms of leisure activities by opening pure golf related activities to get more people involved. On the other hand, Case B is abandoning the old revenue collection logic and created a new form of revenue collection having only recently started its utilizations and therefore proof of its success remains to be confirmed. The other studied cases that can be categorized more rigid by their governance have carried out variety of business model developments but their radicalness has not reached similar levels than was perceived from the commercially oriented operators. This lack in radicalness seems to be due to the form of governance itself limiting the flexibility of abandoning the previous models because of the agency problem but also the tight dependency on the revenues that are gathered via current models although making negative profits.

6.3 Research question 3.

3. How coopetitive relationships between golf course units play role in developing more market oriented, commercially viable and sustainable business models that help single golf course units to cope with market pressure?

Economies of scale and scope are something that can be achieved with partners to yield cutting of costs and create higher grade of specialization and similarly higher expertise in company's key activities to capture more value (Osterwalder & Pigneur, 2010; Zott et al, 2011). As projected in the results the benefits of larger structures are noted by the operator of the multicourse structure but are even more highlighted by the operators of single golf course units or single locations that have envisioned variety of enhancements that could be realized by stronger and bigger structures.

Envisioning by the interviewees ranged from the flexibility of offerings to cost savings. In their visionaries both could be realized by combining key activities, key resources in financial, personnel, physical and intellectual forms, stronger partnerships to name the main themes. Risk aversion, cost savings and economies of scale are also discussed as the main themes of benefits from the relative increase in size via coopetitive structures (Morris et al., 2007; Gnyawali & Park, 2009). As seen in the results the interviewee of multicourse operator did refer to exactly these types of benefits that their operations had been able to realize by multicourse structure with centralized ownership where all of the operations were run in-house. However, it has to be noted that larger multicourse structure even with knowledgeable and professional management does not provide an absolute success although the study and results of well-established multicourse operation yields somewhat solely positive sides of its size and its enablement. Still, multicourse large structure seems to possess clearly higher potential of survival and success than the smaller structures as the envisioning of interviewees and known cost intensive structure of golf courses as such also supports.

Literature on business models' formation and coopetition point that similar benefits that seemed to be present in multicourse group structure could be achieved by forming coopetitive relationships of different depths rather than seeking fusions between single location golf courses. Potential benefits of using coopetition as a bridge to overcome the difficulty of combining negative assets that would be apparent in fusions and still being able to capture at least some of the value that is possessed in relative size and its by-products of economies of scale and scope. To sum up the benefits, Ritala (2012) suggested valuable resource combining logics for value creation purposes can be found between coopetitive partners in their performed activities, customers and, of course, resources and relationships themselves.

Despite the strong evidence of the literature suggesting beneficial natures of vertical and horizontal coopetition it seems to have been rather difficult to realize in the golf industry between single location golf courses although attempts have been various in numbers and forms as can be seen from the results of studied cases. Ritala (2012) suggested firms operating in highly turbulent market environment would especially benefit from seeking coopetitive relationships among competitors by resource combining in order to pursue shared goals. Results show that golf as an industry seems to be on the edge of such turbulence as each interviewee and the literature on golf businesses suggests. Therefore, forming coopetitive relationships amongst competing single location golf courses to combine resources for risk sharing and cost saving purposes same way as Ritala (2012) highlights could possess similar benefits for golf course operators if executed properly. Partners may be the sources of complementarities in terms of activity and resource aspects of value creation (Zott & Amit, 2010). As shown in the results the resource combining logics have been sought in the studied single golf courses but were not proven successful when resource combining exceeded informal levels and was related to performing key activities such as golf course maintenance. Zott & Amit (2010) highlighted the activities as systems that are extended beyond the barriers of focal firms and involve partners with whom the bundle of resources is utilized to create value for customer but also to all active participants serving the overall purpose of the business model. This logic was aimed at in the studied golf business although the essence of value creation to all participants turned out unsustainable in the cases of partnerships built upon the focal activity of course maintenance.

In order for a coopetitive relationship to be strategically sustainable the mutual value creation has to possess clear logic and be enforced via trust and commitment between the actors (Morris et al., 2007). Reasons behind the failed strategically important coopetitive acts of studied cases were blamed on the contracts by the interviewees but it seems the loose or vague contractual terms have only been a factor explaining the failed logic of mutual value creation that fast led to losing trust and commitment between the parties. Although coopetitive relationship naturally consist of an interplay between competitive and cooperative interests (Padula & Dagnino, 2007) it should not abandon the logic of value creation to all involved parties (Dagnino & Padula, 2002) to create the benefits of resource or activity sharing in a form risk aversion or cost benefits via higher specialization pursuing economies of scale or scope.

Despite the unsuccessful nature of strategic coopetition in the studied cases the more informal forms of coopetitive relationships have proven successful parts of single golf course business models. Although informal the notions of coopetitive relationships in the case of single location golf courses seem to cater some of the similar benefits as unified multilocation structure. However, Wang & Krakover (2008) proposed that often the network itself is the most critical part of this formal mode of collaboration therefore indicating that without the presence of the network individual businesses could not execute similarly coordinated strategically important events, campaigns or other marketing actions towards the enhancement of the whole destination or group of services. Similar achievement was projected between the three interconnected Cases of B, C and D that formed a mutual offering to offset the competition between each other. Therefore, main benefits, at least potentially, lie on the side of revenue creation rather than cost savings due to the nature of coopetitive relationships being towards mutual marketing, sales and productization as appears from investigating the three interconnected cases in this study. This way the operators have offset the misalignment of interests by all being on the same side of value creation logic due to their mutual offering as opposed to supplier – customer setting that exists in the course maintenance contraction.

This way the empirical evidence suggests coopetitive formations allow firms to capture the unilateral revenue side of benefits related to relative increase in size achieved by coopetition in the case of coopeting golf businesses. However, the empirical evidence similarly shows the difficulties of achieving similar benefits on the cost side of the economic logic due to the difficulties in the alignment of interests, trust and commitment in the process of mutual value creation via key resource and activity sharing among partners. Coopetition literature on tourism suggests some of the difficulties revealed could be offset by destination management companies (Della Corte & Sciarelli 2012; Kylänen 2012; Czakon & Czernek 2016). This way it is suggested that a management company similarly overlooking the golf courses could help in enabling single unit golf courses to achieve more of the benefits projected in the group structure of multiunit golf operation, however, without the need to unify ownership via acquisition or fusion.

6.4 Limitations of the study and future research avenues

In the field of sports and sports management golf can be claimed as one of the under researched ones. Therefore, one of the limitations to study itself was the scarcity of the research directed to golf as a whole. (Oddy, 2017.) Due to the shortage in terms of golf related research publications in general there is also lack of business model research within the golf industry. Therefore, one of the main shortcomings for constructing the study and setting the correct research questions in place was closely linked to the under researched nature of the field. Moreover, the assessment of merely five cases can be considered insufficient to yield rock solid results but points directions towards future research.

Foss & Saebi (2017) suggested literature on business model innovations in general needs more support and researcher tend to agree based on the study at hand. Future research is suggested to involve at least the logic of effectuation by

Sarasvathy (2001) to be viewed more closely in the process of golf course business model development. Moreover, inspecting the golf courses orientational change between member-owned and commercial structures via lens of agent theory and addressing the agency problems could provide interesting insights as a future research path. On the other hand, theories of industry life cycle could also offer a view on understanding the changes in the golf market dynamics. Finally, studying destination management companies with a view of their compatibility for gathering golf course units under the same umbrella could be an interesting pathway for future studies from coopetition perspective.

7 CONCLUSIONS

In this master's thesis the focus was on shedding light into the business models of different types of golf courses and the presence of horizontal coopetitive relationships between the golf course establishments. In the following the main findings and implications of the study are concluded.

Recent market dynamics were perceived as thrust towards realization of needs to find innovative solutions on renovation of the golf course offerings and that way the business models of golf courses. Moreover, turbulence in the market seems to have driven the golf course operators to seek strength by attempting to bundle their resources and activities with competitors. These bundles are seen between golf courses in varying depths of formality and coordination as it fluctuates between fused multilocation golf courses and informally coopeting units.

Although the sample of golf course units in the study was small the results do indicate difficulties in adapting business models due to agency problems relating to governance structures of member-owned golf clubs. On the other hand, commercially oriented clubs with more centralized ownership can be claimed better at incubating innovative changes and adaptations to their business models. Moreover, the knowledge sharing mechanisms between interlinked golf course establishments, whether group or coopetitive, may enhance the development and innovation capabilities.

On top of a favourable view on commercial orientation of golf courses this research points the development of golf courses to be driven towards larger multi course structures. However, the research does not necessarily claim coopetition being an answer for smaller single golf course structures strategic path for developing their business models to respond better for all the pressures that market saturation and oversupply are yielding. Although, coopetition at its best can provide ease for flexibility of offering, larger customer bases, benefits of economies of scale and scope via shared resources, shared activities and shared customers – it is very difficult to keep the elements of trust and commitment to the relationship on good level when setbacks are faced between the coopetitors.

Finally, pursuing larger unit sizes and business model developments in the golf course market by establishing coopetitive relationships among competitors seems a possible avenue for golf courses to attempt despite the unsuccessful examples shown in this research. Higher levels of coordination and stronger attempts on alignment of interests on contractual and formal terms could enhance the relationships to last even if things go south and cover the informal and personal relationships of the coopetitors. Therefore, the results of the study support the notion of coopetition having an important role in golf course business model development although it will not fit for all cases.

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