

Interfirm adaptation in a triadic business relationship setting

- A case study in business travel industry

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Abstract

This paper is focusing on *interfirm adaptation* in the context of *triadic business-to-business (B2B) service relationships*. The purpose of the study is two folded: First, to explore *which forms interfirm adaptation takes in the context of triadic relationship setting in B2B service context*, and second, to study *how interfirm adaptation extends beyond the dyad to the triadic level*.

The empirical context of the research is *business travel industry*, which is an industry characterised by triadic relationships and constantly changing business environment. The *corporate buyer*, *service supplier*, and *business travel agency* form the core business triad. The case study method is used, and adaptation processes are traced with the help of directive events.

Two distinct adaptation processes are chosen for the analysis, the first one is caused by the corporate buyer's savings campaign, and the second one by the possibility to make Internet bookings. The first process implies large scale strategic adaptations of various forms. Regarding the second one, adaptations in booking technology is essential for both travel agencies and service suppliers. Crucial for the buyer is to learn how to take advantage of the various possibilities to book travel, and to exploit the wide assortment of rates. Three different types of adaptation are discovered. *Connected adaptation* is a process where adaptations spread from one actor to the two other actors. *Derived adaptation* is initiated in one of the dyadic relationships, and responded by the third actor. *Triadic adaptation* is agreed and implemented in co-operation between all the three actors.

The paper links particular adaptations of specific triadic relationships, and investigates them from three different perspectives. The theoretical contributions imply applying the triadic approach to interfirm adaptation, and the knowledge gained of adaptation in the connection of business service processes. Managerial implications help in developing co-operation in service supply and sourcing.

Keywords: Interfirm adaptation, B2B services, triadic relationships, business travel industry.

1 Introduction

In the current paper, interfirm adaptation is investigated in the context of business-to-business (B2B) services. The relationships where adaptations occur are triadic in their nature, i.e. they form “*a network of three independent actors (firms) connected to each other by direct exchange relationships for the purpose of doing business*”. (Tähtinen & Halinen-Kaila, 1997:2) Adaptation is a specific form of interfirm co-operation. It is *a process where firms adjust their actors, resources and activities (Håkansson & Snehota, 1995) in the organisational and individual level to those of the firms they co-operate with*. In a triadic relationship setting, adaptations are *triadic specific*, i.e. they are designed for the specific triadic relationships, and they will not be transferable as such to another triad.

The combination of interfirm adaptation and the triadic relationship setting offers an interesting and unique research setting. Adaptation is specifically important in service relationships, where both parties interact with the purpose of developing jointly a new service, or new technology (Grönroos, 2007; Eiriz & Wilson, 2006). A specific case is service delivery with the help of an intermediary, where the service process requires adaptation between three actors. The triad is a structure completely different from a dyad, but not explicitly distinguished from larger groups (Simmel in Wolff, 1950). Thus, investigating business triads may help in understanding the dynamics of a large network. Havila et al. (2004) raised a question whether the dyadic approach to international business relationships should, in some situations, be extended to a triadic one (see also Phillips & al., 1998). Madhavan & al. (2004) argue that triadic approach is especially relevant in triads where an intermediary is involved, and all the three actors have direct connection with each other.

The purpose of this paper is two folded: First, *to explore which forms interfirm adaptation takes in the context of triadic relationship setting in B2B service context*, and second, *to study how interfirm adaptation extends beyond the dyad to the triadic level*.

The main theoretical framework of my study is the *industrial network approach* by the IMP Group (Håkansson, 1982; Håkansson & Johanson, 1993). This approach offers an appropriate theoretical framework, and conceptual models for analysing relationships in a business triad. The industrial network approach is mainly concentrating on the manufacturing sector. Thus, the *service marketing and management approach* by the Nordic School (Grönroos, 1995; Gummesson, 1987) offers an important supporting framework.

Interfirm adaptation is a dynamic process. Process is here defined according to Van de Ven (1992) as “*a sequence of events or activities that describe how things change over time*”. The fundamental assumption is that during an adaptation process, the business relationships *change*. Adaptations may change the nature of the business relationships, and the structure of the relationship setting. The changes manifest themselves in the substance of the relationship. I.e. adaptations change both the relationship itself and the focal net of other actors in which the relationship is embedded. Change may also be an input to interfirm adaptation as the firms adapt to the changing business environment.

Interfirm adaptation has been studied especially by researchers of the IMP Group. However, there are still uncovered research areas. First, prior studies are mainly conducted in the manufacturing sector, and *research on adaptation in service industry is limited*. Second, the earlier studies prove that most business relationships are based on a process of matching between the operations of *two* companies, even though adaptive behaviour can also be regarded as a response to different parties in the network, and *adaptation can involve several parties*. Third, *few studies on services sourcing have investigated ongoing interactions processes in B2B context*. (Wynstra & al., 2006) Fourth, *the research that links particular adaptations is limited*. The empirical research setting of the current study allows research of each of the three dyadic relationships in the context of the other two, and from the both ends of the dyadic relationships.

The empirical context of the research is *business travel industry*. The actors of the focal business triad imply corporate buyer, its two travel agency partners, and three service suppliers. This research setting consists of the actual seller, buyer and intermediary counterparts in specific relationships. The core service the relationships are accomplished to set up is arranging the corporate client’s business travel. It is an important support function for the client. The core activity chain of the co-operation is the travel management process, which should support customer’s various core processes. Therefore, I will take the corporate buyer’s perspective to the core service. The three actors combine their resource to make the process run smoothly. In

order to succeed, an important capability for the service suppliers and for the travel agencies is to deliver the desired service and adapt it to the specific condition of the client. For the buyer, it is essential to translate and communicate internal customers' demands and to follow up on performance and user satisfaction on ongoing basis. (cf. Wynstra & al., 2006)

I used the concept of "*directive event*" (cf. directive incidents proposed by Edvardsson & Strandvik, 2000), as a perspective to trace adaptation processes. *Directive events are defined by the informants themselves, and they represent crossroads or turning points in the relationships.* Two distinct adaptation processes are chosen for the empirical analysis. The first directive event was *the corporate buyer's cost saving campaign* due to internationalisation of its operations, and thereby growing travel budget. The corporate buyer was the initiator of various forms of large scale strategic adaptations (cf. Brennan & Turnbull, 1999). Contracts were negotiated directly with the service suppliers, and the travel agency was used as an intermediary to realise the terms of these contracts.

The directive event behind the second series of adaptation processes was technology development and *the possibilities Internet brought alone for the airlines to bypass intermediaries.* Despite the new opportunities, the corporate buyer continued to co-operate with a travel agency because of the complexity of the rate structures and the fragmented booking channels. However, the travel agency was changed to a new one with more advanced booking technology. The adaptations concerned mainly technology. Three different ways of how adaptations spread were discovered: Connected adaptations, initiated by the airline companies, derived adaptations, initiated by the airline companies and travel agency, and triadic, planned and implemented in co-operation with all the three actors.

The paper is organised as follows. The second chapter discusses interfirm adaptation and prior research on this topic. The third chapter describes the research method and analysis. The fourth chapter provides background information of corporate travel and travel management. The fifth chapter concentrates on analysing the adaptation processes in the core business triad. The core actors of the research are introduced first. Consequently, the two adaptation processes are analysed. An analysis of the forms and the spread of adaptations are also provided. Finally, in the chapter six, I will conclude, and make suggestions for further research.

2 Interfirm adaptation

Interfirm adaptation is considered as a defining characteristic of a business relationship. The presence of an adaptation indicates the existence of a relationship, whereas the absence of it point to a transactional approach to marketing and purchasing. (Woo & Ennew, 2004) In the initial stages, adaptations are usually made to build up the relationship. In the mature stages, adaptations are made to support and expand the current business (Dwyer & al., 1987; Ford, 1980).

Adaptation is a concept that was introduced already in the early IMP studies (see e.g. Ford 1980; Håkansson, 1982). The seminal research focusing particularly on interfirm adaptation was conducted by Hallén et al. (1991). They investigated how adaptations are associated with the power balance in the relationship. The driving forces of adaptive behaviour in buyer-supplier relationships were studied by Brennan and Turnbull (1999). Later on, Jeffries and Reed (2000), and Canning and Hanmer-Lloyd (2001) investigated the connections between adaptation and the concepts of trust, commitment, and dependence. Cannon, Achrol and Gundlach (2000) studied the moderating influence of adaptations on relationship performance. Ahmad and Buttle (2001) had their focus on retaining business customers though adapting.

Measurement and classifications on adaptation have been provided by Brennan, Turnbull and Wilson (2003). Later on, the focus has been on adaptation processes (Brennan & Canning, 2002; Canning & Hanmer-Lloyd, 2002). Walter and Ritter (2003) focus on the drivers for value creation in business relationships, more specifically the influence of adaptations, trust, and commitment on value-creating functions of customer relationships. Brennan and Canning (2004) discuss the concept of adaptation, and Canning and Brennan (2004) the strategy of adaptation. Hagberg-Andersson (2006) describes a suppliers' successful adaptation towards a multinational buyer in a supply chain. A recent research by Schmidt, Tyler, and Brennan (2007) focuses on different types of adaptation, the scope, and the reasons for adaptation. They also pay attention to the costs and benefits of adaptation. They conclude that it is not usual to calculate explicitly the costs and benefits of adaptation decisions. Most of these studies are conducted in the manufacturing industry. (See a

summary provided in the table one)

Table 1: A selection of research focused on interfirm adaptation.

Researcher/s	Focus of the study	Context	Perspective
Hallén, Johanson & Seyed-Mohamed (1991)	The role of adaptation, the meaning of power and trust.	Manufacturing sector	Buyers'
Brennan & Turnbull (1999)	The forces driving adaptive behaviour in buyer-supplier relationships.	Automotive, telecommunication	Suppliers'
Jeffries & Reed (2000)	Trust and adaptation in relational contracting.	Diverse	Contract managers'
Cannon, Achrol & Gundlach (2000)	Contractual agreements and relational social norms. The influence of adaptation.	A variety of branches.	Buyers'
Ahmad & Buttle (2001)	Retaining business customers via adaptation.	Chemical industry	Buyers' and suppliers'
Canning & Hanmer-Lloyd (2001)	Explores trust and commitment within the environmental adaptation process.	Telecom, plastics, cable, labels supplier	Suppliers' and customers'
Canning & Hanmer-Lloyd (2002)	The process of adaptation as a series of events, activities and stages. The influence of managers' experience on the process.	Telecom, plastics, cable, labels supplier	Customer companies' and suppliers'
Brennan & Canning (2002)	To model adaptation processes.	Automotive, telecom, IT	Buyers' and sellers'
Brennan, Turnbull & Wilson (2003)	How to measure, define and classify adaptations in inter-firm, buyer-supplier relationships.	Automotive	1. Buyers' and sellers' 2. Sellers'
Walter & Ritter, (2003)	What are the drivers for value creation in business relationships?	Mechanical engineering.	Suppliers'.
Brennan & Canning (2004)	Connection between adaptation at the supplier-customer relationship level, marketing level, and business strategy level.	Conceptual	
Canning & Brennan (2004)	Strategy and adaptation, intrafirm and interfirm processes.	IT and telecom	Sellers' and buyers'
Hagberg-Andersson (2006)	Several suppliers' adaptation towards a multinational buyer in a supply network.	Metal industry	Suppliers' and buyers'
Schmidt & al. (2007)	Types of adaptation, scope of the adaptations, reasons for adaptation, costs and benefits of adaptation.	Transport engineering, printing and pharmaceutical industries.	Buyers' and sellers'.

Adaptations vary in scale and formality. They may imply formal, carefully planned large-scale strategic adaptations involving physical assets, or informal development of mutual orientation among individual actors in the firms. Adaptations are often connected with people in day-to-day operations; learning by doing and learning how to interact with the business partners is an important form of interfirm adaptation. Adaptations may take the appearance of, for example, a common relationship history including established patterns of behaviour, common values, and good knowledge of the partner firm. (Halinen, 1997; Brennan & Turnbull, 1999)

The most common forms of adaptation discovered in the prior research imply products and production processes. Adaptation may also include manufacturing and delivery processes, planning, stockholding, administrative, and financial procedures (Hallén & al., 1991; Håkansson, 1982). Adaptations may involve the organisation itself (McLoughlin & Horan, 2000; Håkansson, 1982), for example its organisational structures, location, production, or marketing procedures, and human interaction related to individual's knowledge, professional skills and attitudes (Halinen, 1997).

In the service context, resources used in adaptation processes are typically intangible rather than physical or economic with direct cost implications for the organization concerned. Physical investments are likely to be small-scale or even non-existent compared to investments in production technology often required in manufacturing industry. (Halinen, 1997) Business travel management is an important support function for the client company. This kind of services usually consists of a large variety of items that involve significant administrative efforts. Suppliers are expected to offer total solutions and geographical coverage, and

adaptations to the specific situation of the client. Even though the services are contracted for a certain period of time, they require continuous interaction and adaptation over time. (Wynstra & al., 2006; Axelsson & Wynstra, 2000)

3 Research method and analysis

The ontological, epistemological and methodological assumptions of this research are guided by the constructivist-interpretive approach. The theory development is based on an abductive research, to which a sequence of qualitative case studies is linked. The study is characterised by systematic combining (see Dubois & Gadde, 2002), where theoretical framework, empirical fieldwork, and case analysis advance simultaneously. The exploratory character of this study supports my choice of a qualitative research approach. Maxwell (1996) explains that qualitative studies are especially suitable when the purpose of a study is to understand the meaning interviewees associate with events, situations and actions.

Business travel industry and its three core actors offer the topical context for the research. The industry is highly network-bounded, but the whole network is impossible to access. Ten in-depth interviews were conducted for this study, with two informants from the *corporate buyer organization*, five informants from *two travel agencies*, and *three service supplier* informants. The informants have from 10 to 40 years of experience in the travel industry, and they represent individuals responsible for strategic decisions, operational decisions, and practical travel arrangements. Each interview lasted from one hour to 2,5 hours, and they were tape-recorded and transcribed. The chosen *units of analysis* imply the dyadic relationships between the actors.

Inspired by the Critical Incident Techniques, which is used extensively in service quality and management research (see e.g. Edvardsson, 1988; Roos, 2002), I created the concept of “*directive event*” to identify interfirm adaptation processes (cf. directive incidents proposed by Edvardsson & Strandvik, 2000). Directive events represent crossroads or turning points on the relationships. Previously, for example Halinen (1994), Halinen & al. (1999), and Tähtinen (2001) have used critical events in studies of business relationships and networks. In B2B context CIT’s use has been minimal, even though it would suit there very well (Gremler, 2004). Directive events are defined by the informants themselves, and they may have different influence over the content and process of relationship development. Events may be endogenous, i.e. arising from the dyadic relationships, or from the individual organisations. They may also be exogenous, rising from the broader business environment and society as a whole (see Anderson, et al., 1994; Håkansson & Snehota, 1995; Mainela, 2002).

To capture the thought process, the frame of reference, and the feelings about an event that has meaning to the informant, I used the critical interview technique developed by Chell (2004) “*The critical interview technique is a qualitative interview procedure, which facilitates the investigation of significant occurrences events, incidents, processes or issues, identified by the respondent, the way they are managed, and the outcomes in terms of perceived effects. The objective is to gain an understanding of the incident from the perspective of the individual, taking into account cognitive, affective and behavioural elements*”. (ibid. p.48)

The informants chose the events they regarded as directive. They also described the adaptations the events have put forward. The events they selected are basically the same, colorized with different perspectives. I have chosen two directive events for this analysis. In the text, I will use direct quotations from the data to support conclusions made, and to highlight the closeness between empirical data and the presented results. Furthermore, I have used trade magazines, professional literature, market analyses, and industry reports to support the industry specific information.

4 Corporate travel and travel management

Travel management is an important support function in many companies, and a significant part of company’s business strategy. Business travel costs may account for up to 15 % of a company’s costs, being generally the second largest controllable cost in a company after wages. (Upton, 2005)

For the corporate buyer, the purpose of business travel is to facilitate the buying firm, and its travellers to complete work related tasks outside the home office. The purchase process is complicated by the need to satisfy a larger number of affected travellers (cf. Fitzsimmons & al., 1998). Business travel services have

several reverse features: for example, they may be long-term and short-term, simple and complex. The services are also directed both to individuals and to the whole company. (Axelsson & Wynstra, 2000)

A business trip may be a simple return flight to one destination. A complicated business trip may include several services, for example flights between several destinations, ground transport, accommodation, car-hire, visas, and restaurant services. Basically business travellers use the same services than leisure travellers. However, they have particular expectations, for example concerning reliability and punctuality of the services, a fact that makes them a very distinct market for the various service suppliers. In addition to the core service, the business trip may include a number of enabling services, and enhancing services (eg. Grönroos, 2007). In a business trip, the core service an airline company offers is the flight, and for a hotel, it is the hotel room. Enabling services make it possible to use the core service, for example a booking system to book the flights, or the hotel room. Enhancing services, are used to increase the value of the service. For example, airlines and hotels provide business class lounges, and travel agencies 24 hour booking services for their clients. For business travellers and their employers, all these elements of the service are important. Business travel agency helps in packaging these services for the corporate clients.

However, the aim of travel management is not to manage the individual business trips. Business travel management is an activity chain where the different actors combine their resources to make the chain work. An established practise is to describe business travel management process as a chain of activities carried out before, during, and after the business trip. Before the business trip, contracts are negotiated, and travel policy and strategies are created and implemented. Practical travel arrangements are taken care by the travel agency, or by the corporate buyer directly with the service suppliers. During the business trip, the traveller makes the service true by consuming the prearranged services. After the business trip, payments are settled. Furthermore, service suppliers, travel agencies, and credit card companies provide the corporate buyer with managerial and expense reporting. The process is circular; reports and managerial information obtained after the trip is used to negotiate new contracts, and to help in budgeting.

Management the corporate travel function in an organisation is ideally the responsibility of the corporate travel manager. However, the corporate travel management process cannot be successful without the support of all other actors involved in the process; the appointed travel agency, and the various service suppliers. The organisation depends on the interactive relationships between these actors in realizing the goals of an effective corporate travel management process. (Douglas & Lubbe, 2006)

5 Adaptation processes in business travel management – empirical findings

The corporate buyer, its three preferred service suppliers, and two business travel agencies are the core actors of the current case study, and they are presented briefly before going deeper into the analysis. Figure one is an attempt to illustrate this rather complicated research setting.

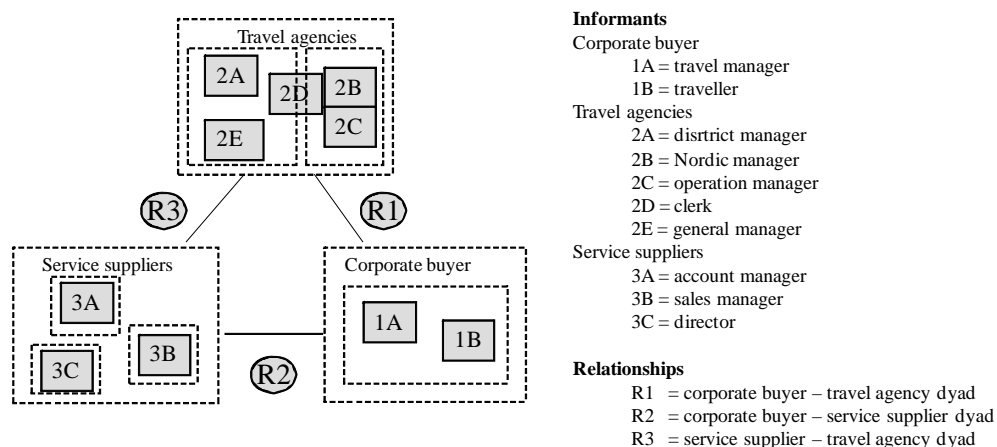


Figure 1: The firm actors and their informants.

The relationships between the three firms form three dyadic relationships, i.e. the relationship between corporate buyer – travel agency (R1), corporate buyer and service supplier (R2), and service supplier and travel agency (R3). An actor may refer both to the firm and to an individual actor representing the firm. It is the individual actors, i.e. the ten informants of the current study, who represent the firms, negotiate on their behalf, and implement the adaptations. The informants are chosen from different organisational levels in order to get more comprehensive picture of the adaptations. Due to confidentiality, I am not able to reveal the names or other details of the firms, of the individual informants.

The corporate buyer

One of the firm actors is the corporate buyer, (corporate client), which is an industrial enterprise that has several business sites in Finland and operation in more than 60 countries. A great deal of work is carried out outside the employees' home offices, requiring a lot of travelling. The company has centralized and international travel management and a strict travel policy. All the informants agree that the corporate buyer's business travel is very demanding because of its wide scope of destinations, and travellers in different organisational levels. The practical travel arrangements are organized with the help of the travel agency's in-house office that is located in the corporate buyer's premises. The corporate buyer is an attractive client for any partner, because of the big purchasing volume, and the ability to direct the purchase to the preferred partners. Corporate buyer's perspective is applied to travel management function, which is the core service the three dyadic relationships are established to accomplish.

The key informant of this case study, the global *travel manager* (1A in the Fig. 1), organises business travel in the corporate level, and negotiates the contacts with partners. In the interview process, she acted as a gate opener, paving the way to the other actors. First, she suggested another informant to represent the corporate buyer. Second, she hand-picked the co-operating firms, and the individual informants to represent the firms. The motivation for selecting these specific actors was the long co-operation with them both in the firm level, and the individual level. The travel manager was convinced that these informants' have the knowledge and ability to reflect the relationships between all the three firms.

The other informant is a business traveller (1B), who has twofold role in this study. In addition for being a regular business traveller, he has been responsible for implementing travel management function in the corporate buyer organization. At the moment of interview, he represented a regular business traveller, and I will call him the "*traveller*".

Business travel agencies

The corporate buyer concentrates its business travel to one business travel agency partner. Not long before the interview process started, the corporate buyer changed its business travel agency partner to a new one for the reasons that will be discussed later in the analysis. Both these travel agencies took part in this research.

The corporate buyer needs a travel agency partner that belongs to an international alliance that covers all the countries where corporate buyer has operations. The two business travel agencies of this case study fulfil the above mentioned requirements. The former travel agency is represented by the *general manager* (2E) and the *district manager* (2A). The sales clerk/account manager (2D, later: *clerk*) worked for the first travel agency, but changed to the new one along with the new contract. Thus, she represents both the travel agencies. She devotes 60 % of her time to account management, and the remaining 40 % to practical travel arrangements. She acts as a link between operational and managerial levels, and she has also direct contact with the business travellers. The informants of the new travel agency are the *Nordic manager* (2B), who is responsible for financial control of the Nordic Region, and the *operation manager* (2C), who is the contact person for the travel manager in Finland.

Service suppliers

The corporate buyer aims at concentrating its purchase to a few reliable partners. The travel manager negotiates contracts with them directly, and the travel agency arranges the practical travel arrangements according to the terms of contracts. The airline informants, the *account manager* (3A) and the *sales director* (3C), and the hotel chain informant, the *sales manager* (3B), are the travel manager's contact persons with

whom the co-operation is arranged. They represent the corporate buyer's most important supplier partners.

The core actors belong to a larger network of actors involved in the business travel industry as visualised in the Figure two.

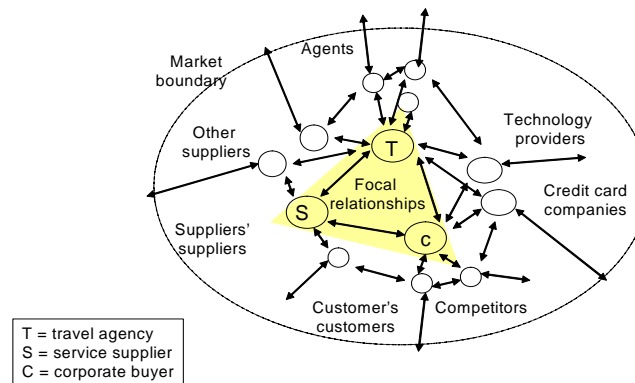


Figure 2: The core actors and the wider network of relationships in business travel management, simplified.

In the following, I will analyse two adaptation processes that I have named *the corporate buyer's cost saving campaign* and *the Internet bookings*. I will first describe the adaptations that each of the actors made. Consequently, I will discuss the different forms the adaptations take, and the ways the adaptations spread to concern all the actors of the triad.

5.1 Corporate buyer's cost saving campaign

A directive event that all the informants started their description with is *the corporate buyer's saving campaign*. The change force behind the saving campaign was internationalization of the corporate buyer's operations, and thereby growing business travel expenses. The cost saving campaign started in the late 1990s, and it included rationalising business travel costs. Before the saving campaign, corporate buyer's business travel purchase was unorganised, and it was characterised by transactional purchase. Travellers and their secretaries made practical travel arrangements with the travel agency. (See Fig. 3 for a simplified illustration)

Business travellers were more or less free to travel as they wished, and no attention was paid to the costs. Decisions regarding which service suppliers and travel agencies to co-operate with were made by those making the arrangements. Furthermore, the travel agency clerks could impact the travellers' choices, or make the choices for them. Other companies with large travel budgets had organised their travel management already for years ago, and the corporate buyer company was "*famous for flying in business class, and wasting money*" (traveller).

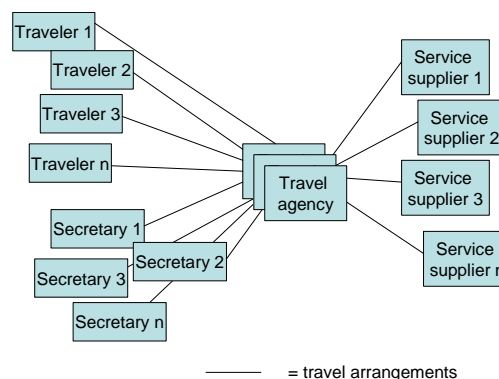


Figure 3: Business travel arrangements before corporate client's saving campaign, simplified.

A lot of people were working with the administration around travel advances and expense reports, but no integrated guiding or reporting existed. There were contracts with tens of travel agency chains and private travel agencies around the world, and hundreds of contracts with same partners in different cities. *“It (the travel management) was a traditional distribution channel, service supplier-intermediary-end user channel...travel management wasn’t very advanced...and travel agencies acted as gate keepers, and the roles were quite clearly divided so that buyers were buying and relaying on the travel agency’s objectivity to distribute the best and most inexpensive services from the providers.”* (Airline, director)

Corporate buyer’s adaptation

In the corporate buyer organisation, a travel manager was appointed. She analysed the corporate buyer’s needs, and created a strategy of how to meet these needs. As a result, travel strategy was established, travel policy where business travel was downgraded to economy class was implemented, and intranet for information was created. *“...then we got this project (to organise business travel), which was a part of a big saving-project, and we started to figure out where we could save money. We did some benchmarking, and noticed that we can’t succeed without a travel manager...It was then when we got this rules of travelling only in economy class...”* (Traveller) Furthermore, instead of a company credit card, business travellers were allocated a credit card with personal responsibility. The supplier base was reduced radically, and the travel agency partner in Finland was changed to an agency that belonged to an international travel agency chain.

The saving campaign was realised in the corporate buyer company step by step starting from Europe, and finally it was incorporated world-wide. Travel policy was implemented with the help of human resources department and the travel agency. It was administered in the finance department, and a person responsible for travel management was appointed in each country. The travel manager was responsible for process development, and acted as a contact person for both external and internal functions of travel management.

Service supplier’ adaptation

Service suppliers were pleased to have a professional travel manager to negotiate with. *“It all started with the contact person (the travel manager), it is difficult to start negotiating contracts without a contact person.”* (Airline, director) With the help of the travel manager, service suppliers got to know the client, and could thus adapt their services accordingly. *“It was good when the corporate client got a travel manager who said how they would like to have it, what was good and what was not good. She had suggestions of how to make it easier for them to work...”* (Airline, account manager)

International co-operation required new contact persons, and account managers and sales managers within the service suppliers’ global organisations were involved. Many local business relationships in Finland and in other business sites were broken, and new ones were established.

Contract negotiations were tight with hours of discussions. With the help of these intensive interactions, a strong relationship that would survive forthcoming ups and downs was created: *“When the situation is challenging, there is a lot of discussion... It is not only to put your name on the paper, but there are a lot of discussions, which strengthen the relationships, also personal relationships.”* (Hotel, sales manager)

The corporate buyer’s actual travel costs turned out to be much higher than estimated. With the measures taken during the saving campaign, travel costs went down even though business travel increased. This had an impact on the service suppliers’ yield, specifically when other corporate clients had corresponding saving campaigns. *“When business travel was downgraded from business class to economy class, our yield went down, of course. It led to a saving campaign for us as well.”* (Airline, account manager) Service suppliers adapted their services to be more profitable because *“they (corporate buyers) were the ones to make the decision that we don’t want to travel business class any more. And if it had been up to the airlines, the economy class would have disappeared.”* (Travel agency, manager) Furthermore, service processes needed adaptations because the bookings were channelled through one international travel agency chain.

Travel agency’s adaptations

Before the saving campaign, corporate client had co-operated with a local travel agency in its home basis. It could not adapt its operations to serve the corporate client globally. Therefore, the corporate buyer made a

contract with an agency that belonged to an international alliance. The new travel agency had a call center in each country where the corporate buyer had a business site. In Finland, the sales clerks from the local travel agency moved to the new travel agency.

The new travel policy brought along a lot of changes for business travellers, and the clerks played a major role in communicating and implementing those changes. In corporate buyer organisation, internal communication didn't reach every employer, and the change resistance was notable. Downgrading travel caused confrontations, and the new payment procedures didn't please the travellers. The clerks were the ones who were in the firing line when forbidding the travellers to travel as they had been used to travel for years, and sometimes travellers got frustrated. *"They (the travel agency clerks) had to face a lot, every time when something didn't work, the travellers blamed the travel agency. They thought all the changes were due to the new travel agency"*. (Travel agency, district manager)

In managerial level as well, it was challenging to create a globally centralised travel management. However, co-operating with the travel manager was perceived as fruitful: *"...it is good to have her (travel manager), we get in to the client company's ways to function, and their structures, and things like that, and we can save the client company's time and money."* (Travel agency, managing director)

The travel agency personnel felt they were left outside, when corporate buyer started to negotiate directly with the service suppliers. *"When service suppliers started to negotiate deals directly with the client company, we in the travel agency felt little like outsiders"*. (Travel agency, district manager) Travel agency personnel would have liked to be more involved in the process: *"We didn't communicate with the service suppliers any more. In some companies, the travel agency takes part in the negotiations, but in our case it was not so. We just got to know later on what they had agreed, but we didn't take part in the meetings."* (Travel agency, district manager) Travel agencies traditional role changed: *"travel agency started gradually turn into an operational organ instead of a decision making organ"* (airline, director); *"...our role is to accomplish the contract the client has negotiated"*. (Travel agency, manager) Service suppliers agreed: *"Business travel agencies were at that time very jealous of so called direct contacts between end user and service supplier. They caused anger in every level..."* (Airline, director) Some service suppliers admit that the travel agency's concern of being left outside was not without cause. To get direct access to the client was a new opportunity. *"That was when service suppliers noticed that travel agencies could be passed by"* (ibid).

However, the goals set for the saving campaign were reached, and a globally centralized travel management was created together with the new travel agency partner, and the preferred service suppliers. (See Fig. 4)

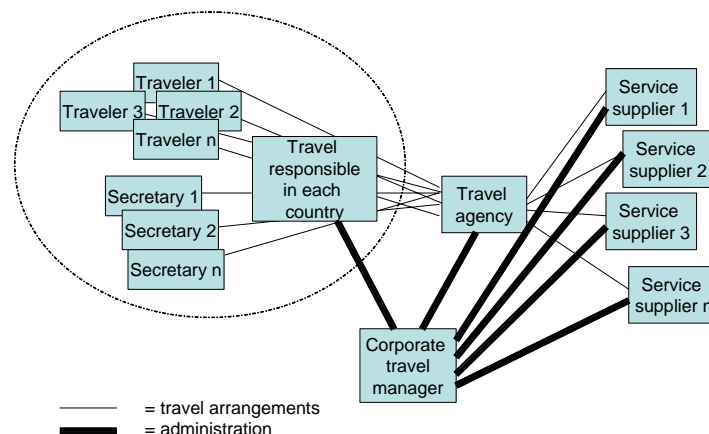


Figure 4: Business travel management after corporate buyer's saving campaign, simplified.

5.1.1 Forms of adaptation

In the corporate buyer organisation, a number of *large scale strategic intrafirm adaptations* were implemented. This had a snowball effect on the other two actors, thus leading to major adaptations in their organisations as well. Within all the three actors, the adaptation processes may be described as an *investment*

processes (cf. Brennan & Turnbull, 1999). The adaptations occurred in all the relationship levels. The long term strategies were implemented in the managerial level, which had an impact on the operational level and on the practical travel arrangements.

The *forms of adaptation* were various. Within the corporate buyer organisation, it was about changing *the purchasing strategy*. Preferred suppliers were chosen, and the aim was to develop the relationships in the long-term basis. The service suppliers adapted their *services* towards the corporate client's downgraded travel. Corporate buyer's travel management process was identified, and the travel agency's and service suppliers' *service processes* were adapted accordingly. The adaptation process led to high involvement relationships (cf. Ford & al, 2003) and independence between the actors.

Earlier research has found out that in the beginning of the business relationships, there will be an early cluster of adaptations, primarily of *the socialisation type*, in order to facilitate business between the counterparts, and adaptations are mainly made to build up the relationship. (cf. Brennan & Turnbull, 1999) In the currents case study, adaptations in *human interaction* within the daily service delivery were facilitated by travel agency clerks who were familiar with the corporate buyer organisation, and the business travellers themselves.

The corporate buyer took the control and coordination over the travel management process, and more employees were involved in the process. Within all the three organisations, both *human and physical resources* were adapted to those of the partners. Major adaptations in the *organisational structures* were made within all the actors when the world-wide travel management network was created.

5.1.2 The spread of adaptations: Connected adaptations

The way the adaptation processes extend to the triadic level may be described as *connected adaptation* (see Fig. 5). It was the corporate buyer who was the initiator, and the one to require adaptations from the other actors. Thus the adaptations were spread *from the corporate buyer to the service supplier, and from service suppliers to the travel agency*.

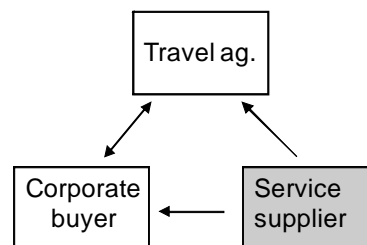


Figure 5: Connected adaptation initiated by the corporate buyer. The shaded box denotes the initiator of the adaptation processes, and the arrows depict the direction of the adaptation.

In the operational level, the travel agency clerks played a major role in implementing the adaptations. They did not take part in the planning of the adaptations. They obtained the information mainly from their own organisation and from the travel manager. The travel managers took care of the internal communication, but travel agency clerks were actually the ones to get the travellers and those booking the travel to internalise the information (see Fig. 6).

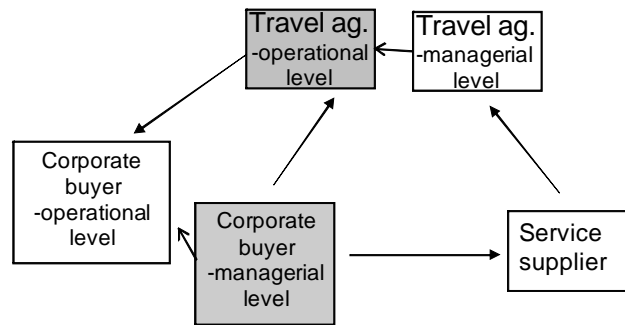


Figure 6: Implementation of the adaptations. The shaded boxes denote the actors mainly responsible for the implementation.

5.2 Internet bookings

The impulse for the second adaptation process was the emergence of *Internet bookings*. The travel industry is a forerunner in the field of information technology, and one of the most interesting sectors in terms of the possibilities offered by the Internet (Ancar, 2003). However, in order to be able to understand the adaptations it brought along, a brief history, and an introduction of an additional actor, namely Computer Reservations System (CRS) is in place.

CRS is a system used to store and retrieve information, and to conduct transactions related to travel. They were originally created and operated by airlines. Major CRS operations that book and sell tickets for multiple airlines are known as Global Distribution Systems (GDS). From the early 1980s onwards travel agencies adopted CRSs and afterwards GDSs. For suppliers, they provided two key profit development opportunities. Firstly, there was no more need to employ large numbers of employees to deal with telephone bookings, because the suppliers were able to display availability directly to travel agencies via the system. Secondly, they created opportunity to develop effective yield-management techniques. Until late in the 1990's, the traditional travel business evolved with an integrated group of players; service suppliers, CRSs, and travel agencies (see Fig. 7). Their success was interdependent, for example, if an airline sold a seat and made money, so did everyone else in the chain. (Tretheway, 2004; Bédard; 2002)



Figure 7: Travel industry supply chain before Internet bookings, simplified.

In the early 2000s, the re-evaluation of service suppliers' and travel agencies' business strategies and processes was needed due to increasing competition in the travel industry. The airline industry had been traditionally extremely regulated with national quotas on flight capacity and fixed prices. Due to deregulation, certain types of discount fares were allowed. Increased competition and new entrants with new service concepts (e.g. low-cost airlines and Internet travel agencies) were another reason to look at the cost-structures. External industry shocks (wars, terrorist attacks, epidemics) decreased travelling, and created strong downward pressure on average fares and specifically on airlines' yields. The cost to the suppliers of linking their own reservation systems to the GDSs was high, with a charge made by the GDS for every booking. In addition, suppliers paid commissions to travel agencies. (Mason & Alamdari, 2007; Alamdari & Mason, 2005; Mason, 2005; Fridström et. al., 2004; Lindstädt & Hauser, 2004; Alamdari & Mason, 2002)

Process development was facilitated by the advancements in distribution technology. (See Fig. 8) Online travel created gradually new business models that changed the relationships between the key actors. Simple travel between two city-pairs can be easily arranged without an intermediary. *"Different Internet-based tools, which enable buyers to combine services directly from the service suppliers, and bulk-services suitable for that, exist."* (Airline, director)

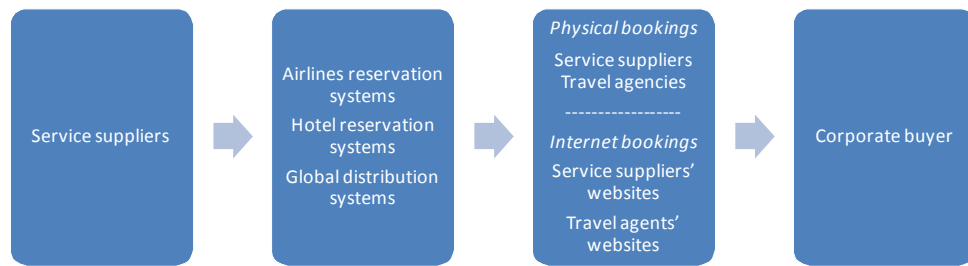


Figure 8: Travel industry supply chain after Internet bookings, simplified.

The actors become less interdependent and more competitive, which led to fading loyalty: “...the clients are shopping more and more. They are not as faithful as they used to be. But I think its part of today's business. It's not only in our industry.” (Travel agency, Nordic manager). Buyers have to be knowledgeable; and they want to educate themselves, because “...people (buyers) have understood that they cannot trust on a partner who makes their profit on your travel.” (Travel manager)

In the focal business triad, specifically travel agencies needed the ability to adapt, as the general manager of the former travel agency states: “...within this industry, you have to be a chameleon. You have to shed your skin every morning, and do the things in a new way...there are no limits in finding new ways to serve your clients, all of them need their own solution.”

Service suppliers' adaptation

For service suppliers, the Internet offered a direct channel to the client, and they started to encourage business travellers to buy tickets directly from airlines. They also started to limit, and finally they finished commission payments to travel agencies.

Commission cuttings tightened airlines' and travel agencies relationships, but brought hotels and travel agencies closer to each another. Travel agencies started to appreciate hotel business. “Before, we did not have a relationship with the travel agency...when the business flows well, the distributor is take for granted. We give them the rates, they make the bookings, we pay the commissions, and that's it.” (Hotel, sales manager) Hotels and travel agencies integrated their booking systems. Overlapping functions were eliminated and the benefits were mutual. “Today, the trend is to make the reservations to float directly to our systems; it means that the travel agencies have made some investments...that is the way to make the business more profitable. Few business travellers use our direct reservation channels, because those of travel agencies' are better. (ibid.)

When striving for cost-efficiency, service suppliers cut down their ground services. However, airline informants admit that they are still dependent on the travel agency: “Travel agencies are still our most important distributors...We do not have the capacity to serve all our clients directly. We do not have the resources to do anything ourselves...earlier they often phoned from the travel agency, saying that there is a client coming to change his ticket...we can't do it any more...the travel agency is doing it for us” (Airline, account manager)

The corporate buyer changed its travel agency partner. Once again, most of the travel agency clerks followed the corporate buyer. This made adaptations easier for service suppliers. “The contacts I have with the persons who sit there (travel agency clerks in corporate buyer's premises), are extremely important. It is very good that they followed with the new travel agency.” (Airline, account manager)

Travel agency's adaptation

Due to commission cuttings, travel agencies were forced to redefine their earnings logics, because they basically lived on the service suppliers' commissions. To compensate the missed commissions, they started to charge service fees from their clients. Ultimately, this saved many travel agencies' lives, because “flight fares have gone down with 30 % during five years. If we were still getting sales commissions, our revenue would also have gone down with 30 %.” (Travel agency, general manager)

As a result of the cheaper Internet fares, the corporate buyer started to put more demand on the travel agency partner's technology development. According to the travel manager, the travel agency has to be able to find all the rates, easily and cost effectively, meaning that the supply has to be "on one screen". Advanced technology is the key to success for the travel agency, as the travel manager states: "...and then we got these Internet rates, and the value of the travel agency returned to the same level it was in the 1980s when they were able to find all the best rates for their client, provided that they have the right equipment (technology)...we do not have time to surf in the Internet, it is too expensive, and we do not find all the rates there". The travel agency informant confirms that "...because of the jungle of rates, we are needed even more than earlier..." (Travel agency, district manager)

The former travel agency did not have the right technology, which was the reason for the corporate buyer to end the relationship. *"Instead of starting to surf in the Internet ourselves, we needed a partner who can give us all the rates. It meant that our travel agency partner wasn't the best for us any more, but we had to get a partner equipped with the new technology and skills...they were not able to offer us the right equipment."* (Travel manager) The former travel agency informant agrees: *"The new partner has the technology we are not able to offer"*. (Travel agency, district manager)

The new travel agency is able to put forward an extensive fare search: *"For instance, if you make today a fare search between Helsinki and Stockholm, it searches for the official fares, it searches for the negotiated fares, and it searches for that specific client fare, if there is a negotiated fare between the client and the airline. But also, it searches for the, what we call them, the web-fares, the fares that can be only booked at the Internet. And then, gives an answer back to the agent, or to the traveller, these are the possibilities, and then, this is the web-fare, this is the corporate fare, this is an official fare. And then they choose..."* (Travel agency, Nordic manager)

Travel agencies put forward different service concepts to their clients. They offer "high-touch", "low-touch" and "no-touch" service delivery, and charge accordingly. The client does "no-touch" bookings him/herself. "High-touch" reservations may be more complicated, and require travel agency clerk's expertise. "Low-touch" reservations position themselves in between high-touch and no-touch. These systems enable resource sharing between the travel agency and corporate client in an efficient way. The new travel agency, for example, provides booking tools to its clients according to the following description: *"...so it is actually that we provide them (corporate clients) with the tools that our agency is sitting with, but on user-friendlier interface. There are of course some limitations, there are some things you cannot do yourself, which is regulated by law. But other things you can do precisely as if you are a real agent, but with easier commands. If you took a skilled agent, and give this tool it will take the agent a bit longer time, because we use all these shortcuts and abbreviations and things like that. As a non-agent, again it's not your core thing here then it should be more user friendly"*. (Travel agency, Nordic manager)

Owing to Internet bookings and electronic tickets travel agencies' role as a "ticket dealer" lost its meaning. This was a welcome change, even though it was by the first sight a threat to travel agencies existence. Earlier, travel agencies were sometimes in the firing line when *"The airlines wanted to sell each possible seat at highest possible price. And in the other end the corporate buyer wants to have the seat at cheapest possible price, and for years we have been somewhere in the middle."* (Travel agency, Nordic manager)

Travel agencies see themselves as information providers and supervisors of their clients' interests. *"We have been in the industry where we used to receive our payments from our suppliers, and we have seen the change over the last couple of years ... we personally feel it is the right way forward. Because we see our role as an adviser, and if you are not paid by the ones you give the advice, how neutral are your advice?"* (Travel agency, Nordic manager) The travel agency "traded places", like the travel agency informant expressed: *"Before, we were the service suppliers' functional supply chain. Of course, that's what we still are, but now when we do not get commissions, we have become the client's partner, in other words, and we have changed from the supplier's side to the client's side."* (Travel agency, general manager)

Corporate buyer's adaptation

Commission cutting and travel agency's new earnings logics were favourable for the corporate client. When travel agencies started to charge service fees, they had to open up the rate structures for the client. Knowing how the costs are structured means that the costs may be challenged. This, however, required that the buyer

was knowledgeable, because “*we (in the corporate buyer organization) have to understand what they (in the travel agency) are talking about so that we can commit ourselves...it is good to have good co-operation, but it can't be based on their (travel agency's) understanding only.*” (Travel manager)

Corporate buyer's adaptation includes to a great extent learning to plan the travel, and to take advantage of the lower fares that are directed to leisure travellers, because: “*...if it is possible for me to travel with 100 €, when I did it earlier with 1000 €, if I get to the same destination with the same plane at the same time, but I have learn to use a ticket that I can't change...then it is just a matter of learning. Everybody understands that it is not worth paying 900 € extra for the freedom of travelling however...we just have to learn to plan...*” (Travel manager).

The corporate buyer started also to pay attention to the travel agency's back office costs. According to the travel manager; “*Technology is a good instrument when developing processes, rationalizing functions and taking care of routines, but it never replaces human beings. Employees should not be made to take care of routines because it costs too much, and we can not afford it in travel business. A strong technology is essential, but it never replaces human brains.*”

Having the same familiar clerks to book the corporate client's travel was highly appreciated in the buyer organisation, as the following quotations show: “*They understand our travel needs, which are very demanding... We don't want to be served by a call-center with 2000 clerks who serve all the clients. They do not understand what is the difference between our board members' and the mechanics' travel needs...we need to have a certain amount of clerks who know our company extremely well, they have to know the places we are travelling to, the factories, and so on...*”

5.2.1 Forms of the adaptations

The adaptations due to the emergency of Internet bookings were large scale strategic adaptations in both managerial and operational level. Due to the cross functional nature of travel management, the adaptations concerned several organisational units within the corporate buyer. Within the two other actors as well, technological adaptations concerned both front-office and back-office functions.

The possibility of Internet bookings was followed by a number of different forms of adaptations that were mainly related to *technology development* within service suppliers and travel management companies.

Adaptations were required from the new travel agency, not only regarding its technology, but also its *services* and *service processes*. Adaptations in *physical and human resources* were forced by the service suppliers, specifically by airlines when they cut down physical and human resources. They made their clients to turn to the travel management companies regarding services they earlier provided by themselves, for example flight re-routings. For all the actors, specifically the corporate buyer, adaptation process meant *learning*, because the choices concerning rates and booking channels were multiplied.

5.2.2 The spread of the adaptations: Connected, derived and triadic adaptations

Three ways of how adaptations extend to the triadic level were discovered in the connection of Internet bookings; connected, derived, and triadic. (See Fig. 9) *Connected adaptations*, where the adaptations are initiated by one of the actors, occurred when the service suppliers developed the direct booking channels to attract the clients to bypass agencies, and to save in costs. I. e. the possibility to make Internet bookings put forward intrafirm adaptations, first with the service suppliers (specifically airlines), and then with the travel agency, and finally with the corporate buyer.

Furthermore, *derived adaptations*, where adaptations are initiated in one of the dyads, occurred. An example is the description of how the bookings “*float direct from the travel agency's booking system to the hotel*”, i.e. hotel chain and travel agency develop together an application, which is then offered to the corporate buyer. The no-touch, low-touch, and high-touch service delivery implies also features of derived adaptations where the technology is planned in co-operation with the travel agency and the service supplier, and then offered to the client.

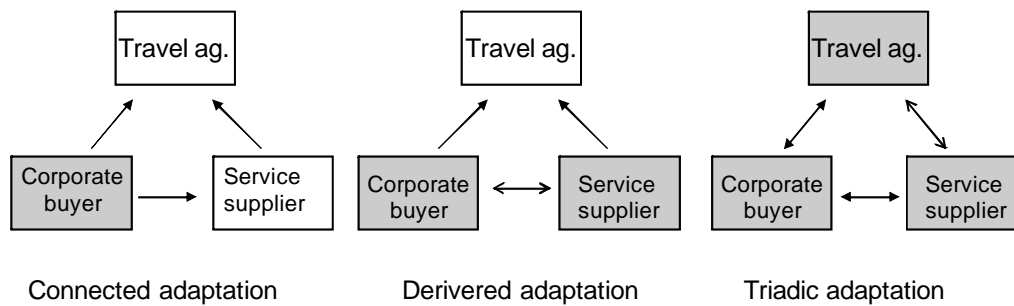


Figure 9: The different ways the adaptations spread in the connection of Internet bookings. The shaded boxes represent the initiators of the adaptation process, and the arrows depict the direction of the adaptation. The double headed arrow indicates adaptation that is planned and implemented in co-operation.

Because corporate buyer perceived the triad as the most convenient and effective way to manage business travel, adaptations also implied developing technologies together, indicating *triadic adaptation*. For example: “we quite often get together, the travel agency representative, the corporate buyer representative, and me. We are not directly negotiating fares, but we discuss how the co-operation could be realised regarding some specific issue.” (Airline, account manager)

According to the travel manager, the ideal situation would be if “all of us (the actors involved in the travel management process) would be in the same database...creating standards instead of developing own solutions” (travel manager). She wants to support the travel agency’s technology development financially: “We are willing to pay the travel agency for their technology development. When we get, for example, these kick-backs from Amadeus (GDS), we don’t need them; we are willing to give them to the travel agency so that they can develop their own systems, because it has an impact on our prices.”

Service suppliers feel responsible for developing their systems in order to make the co-operation easier both for the travel agency and for the corporate buyer: “Our role as a generator of the different systems is very important in order to make it easier for the client company’s budgeting and also in order to make travel agency’s work easier” (airline, account manager).

6 Conclusions, contributions, and suggestions for further research

In this paper, I have investigated adaptation processes in a business triad of corporate buyer, its three service supplier partners, and two travel agency partners. To trace the adaptation processes, I used critical interview technique, where the informants described events that have led to major adaptations in the interfirm relationships. I have named these events *directive events*. The focus of the analysis is on *the different forms of adaptation*, and *how the adaptations spread within the business triad*.

Two distinct adaptation processes are analysed in this study. The first process is *the corporate buyer’s saving campaign*, where the corporate buyer’s travel management function was organised internationally. It led to major strategic adaptations within all the three actors. The adaptations concerned organisational structures, human interaction, services, and service processes. Travel agency’s traditional role changed from a “*decision maker to an operational organ*” (travel agency, manager).

The adaptation processes due to corporate buyer’s saving campaign was the initiation of interfirm relationships between the corporate buyer and travel agency, and also between the corporate buyer and the service suppliers. This kind of organised co-operation in the triadic level was new also to the relationships between the service suppliers and the travel agency. The six month period of implementing the adaptations was characterised by transitional phase from transactional to relational orientation in the interfirm relationships (cf. Brennan & Turnbull, 1999)

The second process concerns *the emergence of Internet bookings*. Due to increasing competition in the travel industry, and the advancements in distribution technology, service suppliers started to offer corporate buyers direct access to travel bookings via the Internet, without the intermediation of a travel agency. They stopped

gradually paying commissions to travel agencies, which in turn forced travel agencies to change their earning logics, and to charge service fees from their clients. However, the rate structure got extremely complicated, and the corporate buyer chose to co-operate with a travel agency. Thus the triadic relationship setting remained. An alternative would have been to arrange business travel without an intermediary, but the corporate buyer needed an expert to represent the multiply service suppliers, and to find the best travel alternatives.

The travel agency partner could not adapt its technology to meet the client's needs, and the corporate buyer negotiated a contract with a new travel agency with more flexible booking technology. Thus, technological adaptation played a remarkable role in this adaptation process. For the corporate client, the alternatives to arrange business travel expanded, which required learning to utilize them effectively. The travel agency adopted again a new role and new tasks. Its role as a "ticket-dealer" lost its meaning, and it became a consultant and an adviser. The travel agency also changed "*from the suppliers' side to the client's side*" (travel agency, director). During both the adaptation processes, the travel agency helped in implementing the adaptations corporate buyer and service suppliers had agreed on, having thus the role of a mediator.

The interfirm adaptation processes due to Internet bookings did not proceed as focused as the adaptations in the connection of the saving campaign. Technology offers new possibilities constantly, and the adaptation processes can not be regarded as "signed and sealed". There is a continuous need to take advantage of the new solutions in order to develop the travel management process.

I discovered three ways of how adaptations spread within the triad; connected, derived and triadic adaptations. First, adaptation is *connected* when it spreads from one actor to the two other actors. Second, derived adaptations spread from one dyad to the two other dyads, getting thus response from all the three actors. Third, adaptation may also be agreed and implemented in co-operation between all the three actors, indicating *triadic* adaptation. The first adaptation processes implied connected adaptations. In the second one, all the three ways were discovered. Derived and triadic adaptations require established relationships, goal-oriented co-operation, and good knowledge of the counterparts needs in order to be able to make successful adaptations. The service the three actors are established to accomplish is the corporate buyer's travel management, therefore the buyer's expertise plays a key role in developing the function together.

6.1 Contributions

Theoretically, the current research contributes to the industrial network approach and the service marketing and management approach. It investigates interfirm adaptation in a new context, and with a new perspective. While extant research on interfirm adaptation is conducted mainly in the manufacturing industry, my research shifts the focus to service industry, and specifically to B2B services. Furthermore, instead of the traditional dyadic perspective, the research perspective is triadic, investigating the adaptations from three different perspectives. The research links particular adaptations of a specific triadic relationship, and investigates them from three different perspectives. This facilitates the investigation of how the adaptations impact on the relationship development in the business triad.

Managerial implications help in developing co-operation in service supply and sourcing. Business travel is a remarkable cost item for many companies. Even though business travel management is a company specific function, this research may give some conceptions of how to cope with the events that put forward adaptations processes. Even though the research is conducted in one industry, other industries featured by triadic relationships may take advantage of the results when adapting to the counterparts' expectations.

6.2 Limitations and further research

This study represents one industry and one type of business triad. Findings from other triadic business relationships and other services would probably give additional value to the research. Furthermore, I have chosen to look at the adaptation processes from an "event perspective". In long-term relationships, adaptations are constant, and there need not to be "an event" to trigger the adaptations. Adaptations may also be conducted proactively. Additionally, adaptation processes due to other events than the two analysed in the current study could be researched. Adaptation processes generally lead to change. In a triadic context, the adaptations may change the nature of the relationships, and the structure of the triad. The question of *how* the

relationships change regarding for example closeness of the relationships remained without an explicit answer.

The current research provides interesting topics for further research. First, it would be tempting to study how relationship specific adaptations can be transferred from one triad to another, i.e. how the adaptations made in the former triadic relationship constellation facilitate the co-operation in the new constellation. In this case study, one of the core actors in the triad was changed, but the triadic relationship formation remained. The same activity chain continued to work with the two previous actors, and the new one. Could the new travel agency take advantage of the adaptations made by its forerunner?

Second, if we go one more step further, a study of how triad specific adaptations can favour the development of the entire industry would be interesting. For example, the corporate buyer created a successful international travel management concept with the help of its service suppliers and the travel agency partner. Service suppliers and travel agencies have other clients that will need similar arrangements. Do the adaptations in one triad have an impact on the development of international travel management in general?

The third suggestion moves from the industry level to the individual level. In the current case study, the travel agency clerks' role in both adaptation processes was crucial. The role of the frontline personnel that implement the adaptations in practise would deserve further research.

Fourth, the adaptation processes investigated in this study were different. One reason might be that the first one was initiated by an endogenous event, and the second one by an exogenous event. An analysis of a larger number of both kinds of events could raise several interesting questions: Is triadic adaptation easier to realise in the connection of exogenous events, or is it only the age of the relationships that defines the type of adaptation? How is derived adaptation responded by the third actor? Would the adaptation be more successful if all the three actors had a possibility to take part in the planning?

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