

DISCONTINUITY IN INTERACTION. FINDINGS FROM TWO CASES IN THE ITALIAN CONTEXT

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ABSTRACT

The paper analysis discontinuity in interaction by investigating the evolving phases in business to business relationships. From the theoretical point of view, the paper deals with the topic of discontinuity considered to be an unexplored aspect of interaction. Methodologically, the paper proposes a comparison between two cases of focal interactions, one in the home appliances sector and one in the fashion industry. In particular, the paper shows the relationship between a focal supplier company and a big and important customer. The paper ends with the proposal of a possible taxonomy of discontinuity in interaction, by describing two possible concepts to be further developed and studied in future research.

Key words: *long-term relationship, discontinuity, interaction, stress, relationship life cycle*

INTRODUCTION

This paper, mainly empirical, deals with the topic of *continuity/discontinuity* in interaction.

During the time, relationship between a supplier and a customer changes or, according to Ford (1980) it will encounter different stages, from its initial development towards the maturity phase. Essentially, business interaction episodes create different relationship states (Ford, 2002; Håkansson-Snehota, 1998; Håkansson-Snehota, 2005). A well-known characteristic of business relationships is its *indeterminedness* (Håkansson-Snehota, 1998) in terms of changes that occur over the time.

Particular interaction events or situation effects can influence the business relationship development and may lead to instability in the relationship between the customer and its suppliers. Although relevant, discontinuity has received minor attention in previous academic debate. Discontinuity in business relationship is characterized by “intermittent” affairs between suppliers and customers during the time. It does not refer to low-value relationships but it considers that business relationships are discontinuous with periods of high activity and others with no business exchange.

From a theoretical perspective we will look at the relation between the interaction and the discontinuity in buyer-seller relationships: considering that there are always tensions and forces of change in business relationships due to the interaction between the participants (Halinen et al, 1999) we claim that the interaction can affect the continuity of the relationships, hence it may create discontinuity. Interaction is considered central for studying business relationships development since the seminal works within the network approach and it has received a renovate attention in recent IMP contributions due to its role in shaping the interdependencies among activities, resources and actors within the network.

Consequently, a general purpose of the paper is to shed more light on the concept of discontinuity in long-term buyer-seller relationships, pointing out the role of interaction. In particular our work specifically aims at answering to the following research question: Is it possible to propose a taxonomy of discontinuity in interaction?

Empirically, we will consider customer relationships of two Italian suppliers. The two suppliers operate in different business arena (one in the high-tech sector and the other in the textile-clothing supply chain) and both the suppliers have incurred in not continuous business relationships with important-primary customers. For each supplier we will consider what happened during time in terms of interaction episodes in its relationship with a primary long-term customer. This should help us to better understand the concept of discontinuity in business network. Data are gathered by means of interviews to firms’ managers based on an ad hoc protocol.

The main findings of the paper relate to the answering to the research question previously outlined. The paper is organized as follows: after reviewing our theoretical background, we present our methodology. Then we describe the two cases and present a general discussion on the interplay between interaction and discontinuity. In particular, comparing the two cases, the paper points out two possible concepts of discontinuity and under which circumstances interaction influences and is influenced by discontinuity.

THEORETICAL BACKGROUND: A BRIEF OVERVIEW OF THE LITERATURE

There is blooming literature especially among IMP scholars about buyer-seller relationships initiation and development (see for example Ford, 1982, 1990; Håkansson, 1982; Håkansson & Snehota, 1995) while little attention had been paid to how, why and when exchange relationships end (Täthinen and Havila, 2004; Harrison, 2004), perhaps we have even less knowledge about the concept of discontinuity in interaction and business relationships.

The interaction in business networks leads to business relationship development and evolvement over the time. Interaction in business relationships concerns resources, people and activities performed (Håkansson et al., 2009); the interaction process consists of a multitude of exchanges and adaptations between the firms (Holmlund and Törnroos, 1997) Two important dimensions are time and space in interaction processes. Time relates to the actors involved in an interaction. It links current issues to their experience of previous interaction and the adaptations made. Space, represents the context in which the focal interaction takes place. It is an extended place, where positions are modified becoming closer or more distant to some depending on what happens between the companies.

An important concept also is to consider that interaction is not linear over time; there are periods when interactions are more frequent and more intense, and there are others that are characterized by less involvement between the parties (La Rocca, 2011).

In the context of our research, the interaction process, is a central piece for understanding both the development and the discontinuity of business relationships. Business relationships involve interactions between actors in long-term relationships (Håkansson and Johanson, 1988; Håkansson and Snehota, 1995) and they have structural characteristic like *continuity* (Håkansson and Snehota, 1995) derived from the maintenance of business transactions over time. Opposed to continuity some authors emphasize the concept of business relationship *discontinuity* (Easton and Araujo, 1994). This concept refers to the non linearity of the interaction processes and of course is linked to a more general concept of stability and change in business networks (Håkansson and Snehota, 1995, pp. 321). Hence, relationships are characterized by change because their dynamic nature and critical incidents in interactions are important in this respect (Halinen and Törnroos, 1998). In her contribute Skaates (2000), assumed that actor bonds change dramatically when the relationships are discontinuos.

Many authors emphasise the antecedents of continuity in interactions, supposed to be related to the concepts of trust, commitment and adaptive behaviours of the parties involved in the process of interaction (Håkansson and Snehota, 1992, 1995). These represents relational concepts that are related to the social aspects of the relationships (how people in firms interact with each other) and allow to understand the behaviour and perceptions of the people involved in the relationships. For instance, trust and commitment as Morgan and Hunt (1994) state are the two central keys for longevity (Coughlan et al., 2003) and the continuity in business relationships. On the other hand, in a recent work, Hadjikhani et al. (2012) state that trust is one of the key element which has effects on company's behaviour when relationships are discontinuos.

But, a key question arises, could we individuate "origins" of discontinuity in business relationships? For example in her organizational studies Gersick (1991) assumed that an organization will experience many irregular changes that can lead to effects on the external relations. Hadjikhani (1996) focuses the research on the buyer-seller relationship during the period of discontinuity which he calls "sleeping relationship". According to Hadjikhani (1996) after a project is ended the relationship becomes sleeping without connected activities and resource ties.

Rytkönen and Strandvik, (2005) refer to unexpected and deviating incidents, i.e critical incidents, incrementally cause stress in business relationships. Authors do not rely that stress lead to relationship termination or dissolution (Rytkönen and Strandvik, 2005, p.19) but this concept could be of usefulness for our study; "a hidden risk factor in a business relationship can be revealed by the stress concept, which builds on accumulative effects of negative experiences" (Rytkönen and Strandvik, 2005, p.20).

Lastly, according to Cova companies which sell project-to-order must in fact cope with great discontinuity in the economic relationship with their clients (Cova & Ghauri, 1996; Cova, Mazet & Salle, 1996; Hadjikhani, 1996; Tikkanen, 1998).

Although, attention has been given to *discontinuity*, it has been under investigated, with respect to the positive view of *continuity*. In this context, the paper in the next paragraphs will propose a potential taxonomy of discontinuity emerging from a cross case analysis of two focal interactions.

RESEARCH METHOD

In this paper we apply the case study method to analyzing discontinuity and stress aspects in depth and thereby gather some evidence on the antecedents of discontinuity through case analysis which is considered particularly important in generating and testing theory (Eisenhardt and Graebner 2007). Case studies can be very useful when investigating a specific phenomenon (Easton, 1995) and are a means to better understand change processes, as they allow for the examination of heterogeneous factors (Halinen and Törnroos, 2005): we selected our case study for the learning potential it offers (Dubois and Gadde, 2002).

We consider customer relationships of two Italian suppliers, considered to be focal companies. The two suppliers operates in different business arena (one in the home appliances sector and the other in the textile-clothing supply chain) and both the suppliers have incurred discontinuity and stress episodes in business relationships with important-primary customers. For each supplier we will consider what happened during time in terms of interaction episodes in its relationship with a primary long-term customer. This should help us to better understand the concept of discontinuity/continuity in business network.

The cases regard two firms, Loccioni, a high tech producers and Lanificio Bardazzi, a textile producer. The selection of the focal firm was made, in light of the authors' previous contact and case studies. For both focal companies hereafter we study a focal customer relationships. In particular, we show interactions episodes in the business relationships between Loccioni and Alfa¹, a global home appliances manufacturer, and Lanificio Bardazzi and Beta, a fast growing Italian fashion company. The selection of the primary long-term customer relationships to study was made according the focal companies suggestions and considering the specific topic of the research. Moreover, to better understand the concept of discontinuity, the two cases have been selected considering different levels of continuity/discontinuity in interaction. While the Bardazzi-Beta interaction is characterized by more stable, although dynamic, and continuous contacts, the Loccioni-Alfa interaction is characterized by unstable and more discontinuous contacts.

To ensure robustness of the analysis and construct validity (Dubois and Gibbert, 2010), the data analysis was carried out in two steps. In a preliminary step, we analyzed the data collected from interviews with firm representatives conducted by the authors since 2001 (for Bardazzi) and 2005 (for Loccioni) (that are, dating back to the first contacts with the firms) and other documents, such as archive documents, press articles, association literature/records, and so forth, to ensure a more fine-grained analysis of the issues addressed.

The cases presented here are the result of data collected mainly through semi-structured interviews. The list of the interviews done is shown in Appendix 1.

THE LOCCIONI AND ALFA INTERACTION

Presentation of the two companies: Loccioni Group (Loccioni) and Alfa

Loccioni Group (Loccioni) was founded in 1968 when Enrico Loccioni started his activity in the field of electrical distribution plants. In 1974 the first company of Loccioni's Group named General Impianti was founded and 6 years later was added AEA, a firm specialized in test of home appliances and cars components. Actually these two companies are identified as Loccioni Group (Loccioni) that operates within the high-tech technology through different business units.

¹ For confidential reasons we use Alfa and Beta as fantasy names to identify customer companies.

Loccioni's core competencies are the testing and quality control systems, integrated solutions for industrial automation and ICT (information and communication technologies). Due to different competencies Loccioni has its focus is on several operating areas such as automotive and home appliances industrial sectors to ICT, health, environment applications. Loccioni's turnover in 2011 was 72 million's euro, it employs 356 persons and in average the 5% of the total turnover is invested in R&D activities. Loccioni's systems are produced in two manufacturing plants and sold directly to the customers without any intermediation.

Alfa Corporation is one of the larger home appliances manufacturer in the world. In 2009 it realized annual sales for about \$17 billion and it employed around 67.000 person with 67 manufacturing plants. From its beginning as a manufacturer of electrically powered clothes washers, Alfa Corporation has become the world's leading producer of major household appliances. Its main products include home laundry equipment, dishwashers, refrigerators, freezers, ovens, ranges, room air conditioners, and mixers and other small household appliances. In the middle of 80's Alfa joins with the Dutch company Philips to establish Alfa Europe (Alfa) a joint venture through which Alfa will market its home appliances even in Europe. Alfa became the wholly owned European subsidiary of Alfa Corporation after the company purchased the remaining shares of the appliance joint venture from a well-know European banded company in the home appliance sector. Today, Alfa has about 14,000 employees throughout 38 countries in Europe, the Middle East, and Africa, with its regional headquarters in Italy. Alfa's European business represents approximately 25 percent of the company's sales worldwide.

The background of Loccioni-Alfa business relationships

1985. The business relationship begins

The business relationship between Loccioni and Alfa will be described and after that analyzed.

In 1985 Loccioni was looking for customers interested in buying a new testing-equipment systems for measuring quality-level of washing machines: for Loccioni the home-appliances industry was really important. Those systems were developed at the end of 1984 due to the collaboration between Loccioni and other Italian mechanical firms. Loccioni took the initiatives and got in contact with European home-appliances producers by organizing in its headquarter a marketing-sales event aimed to present innovative testing systems technologies developed for white-goods producers. In that circumstance three engineers from Alfa reached the event and by looking at the technologies held by Loccioni for the testing systems were positively impressed.

After they back in Germany started to discuss about the opportunity to involve that small company (Loccioni) and its technologies in their "laundry" business.

Initially there was a difficult period of negotiations between Loccioni and Alfa mainly because the latter considered Loccioni as a very small supplier. But despite this problem an agreement was reached as Alfa became more interested in benefit from Loccioni's organization and net of contacts.

In fact in 1986 Alfa bought from Loccioni an automatic test system for washing machines that was installed in Alfa's manufacturing plant in Germany while in 1987 Alfa purchased other 12 test systems more.

Loccioni took a leading role in the development of the relationship working to gain trust from Alfa with high commitment of resources.

During this first phase Alfa bought from Loccioni more than 21 testing units for washing machines which were installed in its manufacturing plants located in Italy, Germany and South America.

Due to Loccioni improvements on Alfa's product quality Alfa took steps to get closer to Loccioni: for instance Alfa started to buy from Loccioni testing quality equipments not only for washing machines but even for other home appliances such as dryers, cookers and refrigerators. After the first period of interactions and contacts as a consequence of Loccioni's efforts to upgrade standards

in quality issues Alfa considered Loccioni increasingly as a valuable partner. The power position of Alfa has partly shifted towards Loccioni to such an extent Alfa had started accepting conditions and indications from Loccioni for what concerns quality standards. Loccioni's employees went several times to Alfa's manufacturing plants around the world to study production lines and Alfa engineers travelled to Italy to observe Loccioni's activities.

Main critical events of Loccioni-Alfa business relationships

1984-1992. The assessment and the beginning of the business relationship

The business relationship between Alfa and Loccioni was not always stable and now we try to summarize and individuate four central stages-levels. Mostly we will focus on the period 1998-2006 where changes happened in the business relationships. We are referring to the business about testing systems for laundries which represents the most part of the whole affairs between Loccioni and Alfa.

The first period has been characterized by close interactions between the companies evidenced even in customer and supplier visits to each other's plants. Loccioni were looking for a prestigious reference customer (Alfa) capable of promoting Loccioni's position in the market as a key company in realizing testing systems for the quality of home appliances. In these years Loccioni worked very hard to develop close relationship.

1992-1998. The cooling-off phase

Even if the relationship was continuous less interactions than the first period happened. For example, Alfa purchased only in 1992 4 testing units for washing machines. After the end of the 1992, Loccioni personnel had less contact with Alfa's purchasing division and seem to perceive less advantages from the relationship.

1998-2006 (the interruption phase):

This represents the critical period in which Loccioni was not involved by Alfa in systems building or in the development of research projects. We have individuated two main reasons dealing with organizational Alfa's choices that caused deep changes in the relationship with Loccioni; changes in the Alfa's procurement "strategy" and the constitution of a corporate engineering division during 90's could be viewed as important reasons. In turn we will describe each of them. The procurement in Alfa was characterized before 1998 by decentralization, the manufacturing plants belonging to Alfa but located in different countries (eg Germany, UK, etc) would make purchases from same suppliers without any coordination. Each of the Alfa's purchasing manager was in charge of deciding investments without coordination with the Italian headquarter and Loccioni's sales personnel interacted directly with them. To finalize a sell was important for Loccioni's sellers to have good "feeling" with the purchasing managers of Alfa.

In the new Alfa's organization from 1998 the responsibility for procurement of important and expensive systems such as testing has been assigned to the purchasing unit in the Italian headquarter; the aim was to create a united front towards the suppliers and even to increase coordination providing possibilities for reducing the procurement costs. This change had effects on the business relationship, immediately. All the previous interactions Loccioni had with Alfa's purchasing manager run out and the new Loccioni's interface in attempting a sell became the Italian central purchasing unit. Contacts were established between people who have got to know each other through cooperation over the years. Moreover before this new coordinated purchasing organization Loccioni had more information on Alfa regarding purchasing conditions, orders, production. By the way an unexpected effect of the new purchasing asset was that manufacturing plant's manager of

Alfa showed resistance in accept the new strategy (for instance each plant lost autonomy in managing decisions..)

Alfa moreover during 90's decided to create a new unit in Italy that was dealing with all the decisions about R&D projects. Not only but this unit, considered as the corporate engineering division, produced own testing systems for quality. Loccioni has been rather disappointed with this decision because of in this way Alfa decided naturally to cut off Loccioni regarding the supply of testing quality systems. From that moment, every attempt of Loccioni's personnel to contact Alfa's plants to propose technologies or systems was ineffective.

2006 up to now. The recovery phase

Since 2006 the business relationship between Loccioni and Alfa has progressively re-developed based on requirements advanced by Alfa to Loccioni. Interesting to say that Alfa realized a lack of skills in facing an industrial problem in one of its manufacturing plants located in Germany, and for that involved again Loccioni in making a testing system. Important the role played by the german plant manager who contacted Loccioni's personell of the R&D department in order to discuss a new complex and high-tech system to detect issues in the washing machines production line. Of course Loccioni exploited this opportunity to get in contact again with Alfa. According to one of Loccioni's sales person, has been even important during the "dark ages" (1998-2006) to maintain with Alfa a direct line of communication aimed to inform Alfa about the Loccioni's progresses in the production of home appliance testing systems. Important to underline is that this "new" relationship was not without compromises; Loccioni, in fact, was involved just to conduct projects regarding such technologies instead of to be involved in all the testing system production. But actually there are intense interactions between the companies. There are actually daily contacts through R&D divisions and sales-marketing offices of both the companies and the relationship atmosphere is good.

THE BARDAZZI AND BETA INTERACTION

Presentation of the two companies: Lanificio Bardazzi S.p.a (Bardazzi) and Beta-Betabrand S.p.a (Beta)

Alberto Bardazzi S.P.A. was born in 1983, as a producer of basic and fancy high quality jersey fabrics mostly for ladieswear. In particular, the company intends to serve from its beginning clothing customer adopting the fast fashion formula as a business model. Bardazzi is located at Prato (Italy) and is a typical Italian industrial district firm with a flexible structure where only weaving is internal but dyeing and finishing are external managed by means of independent mills which are contracted out and managed by Bardazzi personnel. This independent mills work at roughly 80% for Bardazzi. The firm shows its sample products in the leading Premiere Vision fabric show in Paris and at Prima Moda Tessuto in Florence. Bardazzi now has 23 employees with total sales of 12 million Euro. Company's customer are mainly Italians (roughly 70% of the total). Among these, Beta-Betabrand represents the first customer in terms of sales (roughly 17% of the total sales of the company).

Beta Spa is a clothing manufacturer whose main brand Betabrand launched in 1992, during the last fifteen years has experienced a steady growth in profit and sales. Company's turnover is 140 ml Euros, with 250 employees, with a retail presence of 93 monobrand stores around the world (2010 Annual Report). The success of the firm is directly connected either to the innovativeness of its production management model or to the specificity of the supply network. The former, is related to quick fashion formulas linked with branding process, the latter is represented by a group of suppliers (fabrics and manufacturing services) located nationally (the majority in the textile district of Prato) which have been selected during the years for their reliability, production flexibility and

product quality. The very success of the formula is related to the ability to propose to its retail clients a huge variety of new garments to choose from, letting the customers to easily and frequently renew the store assortment. Independent retailers, in fact, could find fashion items every week, renovating their retail store assortment even without risks of unsold products.

The background of Bardazzi-Beta business relationship

1991. The business relationship begins

The relationship between Bardazzi and Beta starts at the beginning of the nineties. In that period, the two companies were both of small dimension (three employees for each) with a predominant role of the founder entrepreneurs in the management of the entire companies' activities. The idea to working together relied on the common willingness to further develop the two firms and to the previous personal knowledge of the two entrepreneurs. In this phase, Bardazzi and Beta share decisions on which fabric sample to produce and which potential trends in the manufacturing of clothing to stress. It is an important period where one may note a strategic exchange of information between the buyer and the supplier, with a common view on which development patterns to introduce within the two companies. In this phase, the relationship begins and trust and commitment increase and reinforcing virtuous interactions.

Main critical events of Bardazzi-Beta business relationship

1993-2002. Close interactions and firms' growth

This period has been characterized by close interactions between the companies. In this period Beta launches the new brand Betabrand, with the new fast fashion formula, based on the proposal of forty minicollection per year. It represents a real novelty with respect to the traditional way of thinking fashion based on the offering of two main collections per year (autumn/winter and spring/summer). During this phase, interactions are frequent and continuous. The two entrepreneurs further develop a strategic exchange on trends both fashion and material trends. Beta's turnover experiences a steady growth of roughly 30% per year. Bardazzi represents the key customer either in terms of timely in delivery or in terms of quality defections (with zero defections). These aspects reinforce close interactions. Due to the increasing dimension, Beta develop new organizational units devoted to the management of the supply chain and production, the research and development in the designing of the product and in the marketing and sales of the product. Beta begins to expand its sourcing portfolio relationships to better fit with the increasing volume of production and variety of collections. Beta remains the key supplier for a part of the production. Moreover, following the customer's success, even Beta turnover experience a rapid growth, although minor if we consider the customer's development. Additionally, dealing with Beta, let Bardazzi to acquire new customers, mainly in the district of Prato. These are followers of Beta, which tries to imitate models and fashion trends proposed by the new brand Betabrand. During this phase, the two companies further develop, but while Bardazzi remains a small company operating in the textile production, Beta becomes a medium company, more and more involved in the manufacturing and distribution of clothing products.

2002-2003. The buyer-seller interface changes

In this phase, it is possible to point out a first moment of stress in the business relationship. Until 2002 the interface with Beta organization was directly managed and supervised by Bardazzi's entrepreneur and founder along with an assistant production junior manager. Unfortunately, in 2002 Alberto Bardazzi, the founder, due to personal problems had to abandon the management of the company and difficulties arise in the interface with the customer. The entrepreneur's wife who succeeded in the management of Bardazzi, becomes CEO and new organizational personnel, a production manager and an account manager were hired by the company. The new top management team decides to relate to Beta by means of the new account manager, specifically devoted to the customer. After few months, Beta shows some criticisms on the management of the interface by Beta. In particular, it is pointed out that although the new account manager is good and competent person in itself, a major understanding of the technical problems related to the development of the collections with Beta fabrics is needed. Consequently, the customer emphasizes that, if Beta does not change the interface with Beta, this could represent a potential cause of ending or progressive diminishing of the orders. A stress in Bardazzi- Beta relationship occurs. As a response to the customer's needs, Bardazzi decided to involve the previous assistant production manager as the main interface with Beta, giving him also commercial function. In other words, the assistant production manager becomes a key account manager with production responsibilities and daily follows any potential difficulties emerging in working with Beta. In particular, the new KAM proposes tips and advices on how to better use Bardazzi fabrics in Beta production and which fabric trends could be useful for the designing of new Beta collections.

2003-2005 Something happens

This period has been characterized by reduced interactions. In this phase, Beta proposed two significant innovations which change the interactions with Bardazzi. Firstly, the company decides to invest more in planned collections, with a reduced percentage of fast fashion collections within the volume of production. Secondly, Beta develops a retail store project in its internationalization process towards European and emerging markets. These two factors, of minor importance at the beginning, will shape the future way of interaction and will represent a new stress moment in the Bardazzi-Beta relationship.

2005-up to now. Price pressure and relationships fading?

With an increasing role of planned collections, Beta decides to shift part of its fabric sourcing to emerging markets. This lets the firm to obtain more convenient supply relationships, and, consequently to better respond to the increasing competition in fashion due to the economic crisis. It is an important moment in the Beta-Bardazzi relationship, with a decreased percentage of orders with respect to some fabric models and the ending of the orders with respect to others. Bardazzi's management is coping with the difficulties in understanding how to relate with the customer, whose supplier's portfolio relationships is increasing and more and more extended towards emerging countries suppliers. Bardazzi's strategy is twofold. Firstly, to better fit with Beta needs, a major attention on price convenience is pointed out. As an example, Bardazzi CEO, stresses how in 2010, the most sold fabric to Beta, has seen a reduction in the average price of roughly 15% with respect to 2009. Secondly, considering the changing production model of Beta, towards planned collections, even Bardazzi begins to produce fabric collections aimed at serving this new type (for the company) of production model. The Beta decision to shift towards emerging markets and planned collections may represent an antecedent of future discontinuity in interactions with Bardazzi.

DISCUSSION AND FINAL REMARKS

In this section we intend to propose some reflections on a possible taxonomy of discontinuity in long-term relationships with large customers. These concepts are described here, considering some points of discussion emerging from the cases of interaction presented in the previous paragraph.

In particular, the cross case analysis of the focal interactions of Loccioni-Alfa and Bardazzi-Beta let us to identify and propose two concepts related to discontinuity in interaction: *discontinuity as sleeping in interaction* and *discontinuity as stress in interaction*.

The first concept of discontinuity (*discontinuity as sleeping in interaction*) is connected to the specific nature of the relationship under analysis. In this case, it is possible to identify situations in which the relationship has intrinsically in its nature and character elements that generate discontinuities. There may be two types of relationships that have an intrinsic nature with potential discontinuity. A first case, like the one we analyzed in the paper in the interaction Loccioni-Alfa, concerns long-term relationships that are based on *projects to order*. At the end of the each project is quite obvious to expect a longer or shorter period of inactivity into the relationship. In this case the relationship between the partners do not lose trust and commitment aspects, but it is nature of the relationship that dictates continuity and discontinuity of the interaction. A second type of relationships which are intrinsically characterized by intermittent affairs, can be identified in long-term relationships where a “*transaction orientation*” prevails at least for one of the two parties. In this case, a large customer, even though giving trust and commitment to a supplier, may decide to interact discontinuously in order to lever from the advantages which derives from having extended supplier alternatives (for instance deciding to use one supplier with respect to another only considering price convenience as key attribute from time to time). In both cases, we are dealing with sleeping situation arising in the interaction or from the project to order nature or from the transaction orientation in long-term relationships.

A second concept of discontinuity (*discontinuity as stress in interaction*) is independent from the nature of the relationship but it concerns critical incidents or stress factors that can occur in long-term relationships and generate potential periods of inactivity. Stress can arise both from internal factors or external factors to the relationship. The *internal stress factors* (relationship stress) involves a series of aspects related to the interaction between two actors. Such factors can be related to the interface between the two companies, the behaviour and skills of individuals involved in the interaction, the strategies implemented by one or both the companies. In the case for example of the interaction between Lanificio Bardazzi and Beta, the changing interface in the management of the interaction has been considered as one of the factors potentially able to generate discontinuity, if not ending of the relationship. In the Loccioni-Alfa interface, instead, the strategy of developing an internal division was considered central to explain a long period of inactivity in the relations between the two companies. The *external stress factors* (network stress) are related to the business network and are connected to discontinuities generated by factors not related precisely to the two actors in a relationship, but from interdependencies in the resources and activities with other actors. For example, in the Bardazzi Beta relationship the growing presence of global production alternatives has considered to be a factor that can generate discontinuities in the interactive processes. The analysis of the two focal interactions points out how the consequences of stress factors may involve either moments of discontinuity (as in the case Loccioni) or can lead to a change in the relationship (as in the case Bardazzi), with the response by one of two parts and an adjustment with the aim to maintain the continuity of relationship.

Figure 1 synthesizes the concepts previously outlined.

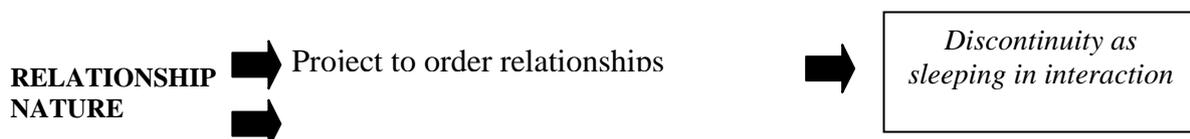


Figure 1. Discontinuity in interaction: a possible taxonomy

Transaction orientation of the customer



Source: author's elaboration

The two concepts are not necessarily alternative. In fact, *discontinuity as stress in interaction* can also intervene in situations of relationships with intrinsic nature of discontinuity. Similarly, changing the nature of the relationship, discontinuity as sleeping in interaction can intervene in situations of stress in the relationship. The two concepts in this sense are a first contribution of research to be investigated in subsequent empirical analysis.

At the end, some words should be spent on the various limitations of this research. First, the discontinuity is analyzed here in terms of perceptions of a player considered focal company, and not considering the counterpart's perceptions. This in particular could lead to different results in the interpretation of the phenomenon of discontinuity. By the way we need to considered that the accessibility to the empirical data concerning ending or discontinuity in business relationships may be problematic (Havila et al, 2001).

Secondly, the analysis focused on two cases and on two sectors (fashion and home appliances) considered mature. In this sense, the use of a wider multiple case study or the specific investigation in other sectors characterized for example by a greater innovative dynamic (such as technological innovation), could lead to different results and to the identification of additional categories of discontinuity.

Finally, the analysis focuses on the relationship between discontinuity and interaction, not examining in particular the causes and effects of discontinuities. In addition, further research should aim to better define whether there are different levels of temporal discontinuity, which can be identified to understand how long the period of inactivity is in order to define discontinuity in the interaction.

	Role of the informant	Company	Date	Type	Form of record	Lenght
1	R&D	Loccioni	8.11.11	Phone	recorded	1 hour
2	Sales	Loccioni	9.11.11	Phone	recorded	1 hour
3	Sales-KAM	Loccioni	2.02.12	Phone	recorded	1,5 hour
4	President and CEO	Bardazzi	3.02.12	face to face	recorded	2 hour
5	Managing Director	Bardazzi	3.02.12	face to face	not recorded	1 hour

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