

# SERENDIPITY IN BUSINESS RELATIONSHIP BEGINNING

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## ABSTRACT

This paper deals with serendipity in business relationship beginning. The paper results concern the understanding of the unplanned development of the relationship and the opportunities that may arise from the conception of an interactive view of serendipity. The paper shows findings emerging from a longitudinal case study in the mechanical industry. The paper provides a conceptualization of serendipity which is useful for understanding business relationship beginning. In fact, the main contribution of the paper is to point out a different perspective of relationship start.

**Keywords:** serendipity, relationship beginning, interaction, case study

## INTRODUCTION

This paper is dealing with serendipity in business relationship beginning. The initial phase of development of a business relationship appears to pose specific problems with important consequences for marketing and for the management of business relationships in particular.

The interest in studying the beginning of the relationship is relevant, even though this topic seems being not enough discussed both in management research (Edvardsson et al., 2008) and within the IMP school (Holmen and Pedersen, 2001; Aarika-Stenroos, 2008). One reason is that the economic benefits arise when substance is created after certain time that the relationship takes off. Another motivation concerns that the initiation is usually a blurred phase of the relationship.

While in previous studies relationship beginning has been studied by looking at how resources and activities are combined and how the interaction among actors takes place, we will focus on the serendipity concept and its role when relationships begin. In management literature serendipity as concept is most likely associated with episodes that have positive influence on certain events.

It has been defined as "the accidental discovery of something that, post hoc, turns out to be valuable" (Cuhna et al. 2010). Serendipity conceptualization has been exploited in a number of social sciences while in management studies, where it might be considered as central aspect, it has not received much attention. In this respect serendipity could play an important role when studies are aimed to explain how organizations begin relationships.

Hence, this paper will point out which role serendipity plays when a business relationship starts by looking at how events and accidents might affect the development of successful relationships. Methodologically we will refer to a single case study. This study will look at the serendipity role when interaction begins between a supplier and one of its customers.

The remainder of this paper is organized as follows: in section 2 we review the concept of serendipity in management studies; section 3 presents our methodology; section 4 describes the case of an Italian firm and the beginning of the relationship with a partner from an emerging market in the home appliance sector. The case analysis presented in the paper is longitudinal. Section 5 concludes the paper with the discussion of the case study and a summary of our findings.

## SERENDIPITY AND RELATIONSHIP BEGINNING: TWO INTERTWINED CONCEPTS

The word "serendipity" was first coined by Horace Walpole in 1754 (Cuhna et al. 2010) and sub sequentially used in a general and broad sense to identify a fortuitous and unexpected discovery that turn to be valuable.

The serendipity concept is always referred to significant discoveries for the human being. In medicine, it has been argued how accidental experiments have led to important and significant innovation as testified by the very well known case of the accidental discovery of penicillin by Fleming, while he was studying influenza. Another emblematic case is in the exploration, with the case of the fortuitous nature of the discovery of America by Cristoforo Colombo, who was instead looking for the Orient.

Although, serendipity is considered to be a relevant concept for the development of many social sciences, it has received minor attention in management and business studies. The main problem highlighted is related to the difficulty in operationalize it and to propose possible suggestion for firms to deal with it accordingly.

However, within management studies serendipity has been partly analyzed especially in the field of new product innovation. Looking specifically in the research and development stream

of research, it has been argued how accidental events may lead to successful products. It is for example often cited the case of the 3M launch of the post-it product. Moreover, some studies have pointed out how the internationalization process of the firm may in turn be related to the fortuities related to serendipity (Meyer and Skak, 2002). Take for example, the emblematic case of the internationalization process of the Japanese Honda in the United States, whose success came unexpected (Cuhna et al., 2010)

One main aspect to consider to better deal with serendipity is related to the fact that serendipity has different meaning with respect to the one of luck. Luck can occur to everybody in any time (Brown, 2005), while serendipity implies some kind of "openness" to specifically lever strategic opportunities. According to Denrell et al. (2003), strategic opportunities may descend from serendipitous processes, namely that is "success is a consequence of effort and luck joined by alertness and flexibility, where the effort was not initially directed to the specific end realized, alertness is required to recognize the lucky appearance of a new possibility and flexibility is displaying in redirecting the effort" (Denrell et al 2003).

Consequently, a major implication of the study of serendipity, according to Cuhna et al. (2010) is the need to create organizational openness to the non-programmed, to take advantage of serendipitous opportunities. So a major call for abandoning routine and predictability, by a more open appreciation of the unplanned and fortuitous (Plowman et al. 2007) in management field is suggested.

According to Dew (2009), who studied serendipity in the field of entrepreneurship, the study of this concept in essence regards the interplay among three building blocks: (a) a resource, namely sagacity, in other words the prepared mind, in the sense of prior knowledge that is fundamental for the discovery of opportunities; (b) an event in terms of contingencies, that happen by pure chance or without a known cause; (c) an activity, namely the search to find new information. According to the author four kinds of fictional opportunities might be identified (systematic exploration, pre-discovery, spontaneous recognition and serendipitous discovery), among which in only one case the search activity leads to the discovery of something that the actor was not looking for, that is the serendipitous discovery.

Consequently, as stated by Cuhna et al. (2010) "serendipity of these accidental discoveries is not merely the result of the good fortune of the hero: they are also the result of agency and of relational ability, whether this ability be the hero's or the networks around him". In other words, the accidental discovery is not only a matter of casual contingency, but it is related to the intention of the actor to manage serendipitous opportunities. Most of the studies that analyze serendipity in fact call for a better understanding of it, pointing out how firms have to be prepared to serendipitous events.

In line with this reasoning, our aim is to study serendipity in the case of business relationship beginning. The interest in studying the beginning of the relationship is relevant, even though this topic seems being not enough discussed within the IMP school (Holmen and Pedersen, 2001; Aarika-Stenroos, 2008).

However, the beginning of a relationship in business to business markets may be interpreted at least according to two main perspectives in terms of its potential value for one of the two counterparts.

On the one hand, the beginning of customer relationships has been considered in some studies according to a routine and programmed way. In fact, some studies (Cunningham, 1982, Campbell and Cunningham, 1983, Fiocca, 1982; Salle et al., 2000; Turnbull, 1990) argued that it is possible to identify lists of factors by means of which categorizing existing and potential customer as well as supplier relationships. According to these perspective, customer portfolios analysis has been developed to study whether a customer relationship could be started or developed by the firm to obtain any kind of advantages. In these studies, "the

purpose of the analysis is to improve the allocation of scarce technical and marketing resources" between different customers or suppliers to achieve the supplier's or customer's strategic objectives (Campbell and Cunningham, 1983: 369). The beginning is interpreted here in terms of a planned behavior of a single counterpart to reach own and planned ex-ante goals.

On the other hand, and according to a different perspective, in other studies it has been pointed out how the activation of resources among actors in relationship may descend from serendipitous events. For example, Harrison and Hakansson (2006) in a comparative study of ports, show how new business unit resources can activate previously passively connected networks of resource, and how serendipity may increase the value of under-utilized resources. In this case, is not possible to ex-ante define the potential value of a customer or supplier relationship. As the relationship outcomes derive from interaction between two actors, and considering that interaction is embedded in time and space and cannot be considered without looking at the network surrounding the two counterparts, it could be difficult for an actor to plan and program the potential development of the business relationship. In this sense, the beginning of valuable relationships could be difficult to forecast ex-ante.

Although a general agreement on the importance of serendipitous events in the beginning of business relationships, within the IMP studies, the concept of serendipity has not received a specific attention. Looking to this research gap, within the IMP literature, this paper tries to answer to the following research question: Is it possible to propose an interactive conceptualization of serendipity in business relationship beginning?

## RESEARCH METHOD

Our research method is the single longitudinal case study (Yin, 1994), which is motivated by our desire to increase the understanding of relationship beginning. The use of a single-case study in the paper let us to richly describe the phenomena under investigation and considers multiple levels of analysis (Yin, 1994). The use of the longitudinal approach is instead justified by its ability to provide a close-up view of the phenomena under investigations as they evolve over time (Eisenhardt and Graebner, 2007), moreover it has also been argued that "a longitudinal, real-time study, can increase internal validity enabling one to track cause and effect" (Leonard-Barton, 1990, p. 250).

Our objective is to analyze in depth relationship beginning, by using a case study method to address the topic and to provide some indications regarding the previously outlined research questions.

Recent literature in management research has pointed out the particular importance of case research to generate and test theory (Eisenhardt & Graebner, 2007). Moreover, a case study in industrial marketing can provide many insights into the nature of the phenomena observed, as they generally involve networks of organizations (Easton, 2010).

In our research we use a "deductive approach" (Dubois & Gibbert, 2010) to linking theory, method and empirical phenomena: moreover this case study was conducted in real time and as a follow-up study (Halinen & Törnroos, 2005).

### Data collection

The case presented in the paper is the result of data collected mainly by means of interviews, supplemented by previous case study data (documents and narratives collected over the last six years). In particular, the case has been subjected to in depth analysis in the past, interviewing multiple functional representatives, in order to reach construct validity and reliability (Dubois & Gibbert, 2010). Our data sources include both primary and secondary

data, collected in two different phases by means of both semi-structured interviews and direct observations (Appendix 1). One of the authors' worked at Loccioni between 2005 and 2008 as a PhD candidate in the marketing department.

Following an action research approach he was responsible for carrying out part of the interaction phase with ALFA. In 2008 were conducted four interviews to follow-up the relationship development. The key-account manager and the marketing manager were doubly interviewed with the aim to collect details regarding the evolution of Loccioni-Alfa relationship.

The second phase of the data collection has been conducted in 2012. Three semi-structured interviews were carried out to the ALFA's key account manager, to the marketing manager and to a resident manager of Loccioni in USA. The latter has been interviewed due its role in managing the business relationship with the American branch of ALFA. The marketing manager was interviewed in order to gathering information on ALFA's European investments in new technologies for the quality testing while the key account manager provided information regarding the whole interaction process from 2008 up to 2012.

To follow up on the interviews we also engaged in informal conversations, email and phone calls. All the interviews lasted between 30 to 60 minutes.

Besides these primary sources, data were also gathered in the form of documentation; this included internal reports, brochures, Internet material, business publications, and information provided by informants.

## CASE STUDY: LOCCIONI/ALFA RELATIONSHIP BEGINNING

### Loccioni's portrait

The Italian Loccioni Group was founded at beginning of 70's by Enrico Loccioni, who is still the company's sole owner. Loccioni's 2011 turnover was approximately 72 million of EURO, and it employed 350 people: in average the 5% of the total turnover is invested in R&D activities.

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 tests for home appliances and cars components.

The company is a systems integrator, mainly of measurement and testing machines for automotive and home appliance components. According to Enrico Loccioni, the company seeks to develop tailored solutions for industrial customers to help them optimize their work, save time and money, and protect the environment.

Loccioni operates now through different business units relying on core competencies within testing and quality control systems, integrated solutions for industrial automation and ICT. Recently Loccioni also started producing tailor-made solutions to face environmental and eco-sustainability issues (see Baraldi, Gregori & Perna, 2011).

Loccioni's systems are produced in two manufacturing plants and sold directly to customers without any intermediation. Those factories are located in the same area where the headquarter takes place and both are close to transport systems. Looking at the internationalization presence of Loccioni which started at the beginning of 80's it has installed machines and equipments in more than 40 countries all over the world. The 40% of the turnover is achieved in markets such as North America, Germany and China where in the last 4 years Loccioni has opened three overseas sales offices: the first was inaugurated in USA (Washington) in 2009, the second was opened in Germany (Stuttgart) in 2012 and the last has been established at the beginning of 2013 in China (Shanghai).

## Loccioni's business unit for home appliances

In 1974 Loccioni started its operations and activities in the manufacturing of testing and quality control systems for home appliances and their components. The dedicated business unit is called "Loccioni-Home" and it was born when Loccioni designed and manufactured the first test system for washing machines for an Italian important home appliances producer. The solutions Loccioni provides for the market can be completely customized to the specific customers' requirements. Loccioni Home solutions are designed for laundry, dishwashing, refrigeration, cooking, heating, cooling and all the components and sub-components such as motors, valves, compressors. During the years Loccioni has developed know-how focusing especially in the testing and quality control systems for washing machines and refrigerators. Particularly for the latter, Loccioni Home is able to provide integrating testing systems and assembly solutions to enhance refrigerators reliability and quality. Systems are based on infrared analysis sent by the materials and their colors that change according to the temperature; acquiring the temperatures from the back of the refrigerator, it is possible to verify the quality of the product.

Turning to the organization of the business unit, it is based on sales, marketing and R&D personnel who operate jointly in order to discover new commercial opportunities and to propose new solutions on the market.

More specifically about eight persons are involved for sales activities, two others are employed as responsible for marketing activities, while five engineers carry on R&D activities. Other ten persons work as technicians and project managers.

## ALFA's portrait

ALFA (so called for confidential reasons) was founded at the beginning of 80's in China and it operates as home appliances producer. During 90's it has increased so much to be actually considered as one of the leading manufacture of refrigerators. The production of refrigerators has been the core business, even though in the 90's ALFA merged with other enterprises and expanded beyond refrigerators into a range of white goods such as washing machines and air conditioners. From 2000 onward ALFA developed its internationalization strategy. The Chinese market went in a price war that boosted ALFA to offer abroad its products. Even the high competition among the Chinese home-appliances producers fostered ALFA to sell its products on the international markets. The goal for ALFA was to take advantage of the growing market and develop other brands within the diversified sectors. By 1995 ALFA the company exported products to 30 countries and regions including Japan, Europe, Africa, Middle East and America. However, one of the most important issue for ALFA was the quality level of its products. Being such as a Chinese producer of home appliance lead the company to improve the reliability of the products. In this respect ALFA established information and design centers in developed countries such as US, Japan and France in order to learn how to improve its product quality. On the marketing side, for instance ALFA entered the European market by introducing first air conditioners since those products were fairly new for customers. Therefore ALFA gained a certain success since there were not many competitors in this product group and customer had not yet developed loyalty towards any brand. After ALFA established brand awareness in the air conditioner market, it introduced refrigerators and washing machines. ALFA's operations count on more than 45 manufacturing plants all over the world: since the 90s ALFA started to build own factories in South America, Africa, Middle-East, and Asia and also purchased a factory in Italy in 2001. The acquisition in Italy can be considered as a part of ALFA's goal to reach the European

market by means of the direct selling of its products to the most important retail chains. From Italy ALFA managed the sales and management of its products in Europe developing and producing new solutions for the home appliance market.

Global revenues amounted to USD 23 billion in 2011 and it employs more than 70,000 people, including 10,000 outside China.

### Serendipity in the interaction

Between 2004 and 2005 Loccioni developed a cutting edge technology in the field of control test for refrigerators. This was basically a non contact technology based on infrared analysis which allowed the refrigerators manufacturers to implementing short time testing controls in production line (the thermovision). This technology turned to be reliable in the small scale and during 2006 it was implemented in a full scale production site of one of Loccioni's customer. At the end of 2006 it was ready for the commercialization. The company's management started to work on how to go to market with the thermovision. They did not have a clear plan but they understood that they had to act fast to find quick solutions. In fact Loccioni was aware that this technology had to be brought to the market quickly and that a failure to act immediately could be painful for the success of the thermovision.

Initially the idea was to propose the technology to Loccioni's established customers. European and American producers of home appliances were contacted by sales people, the level of interest was high even though Loccioni did not receive any formal request from its customers for buying the technology. Most European and American manufacturers already had invested in expensive testing systems for refrigerators. This was rather unexpected but the management did not give up. There was an abundance of passion and determination to succeed with the new and prominent thermovision technology.

In the middle of 2006 one of the Loccioni's employee (we refer to this person as A for confidentiality reason) hired at the marketing office began to collect general information about the home appliance market in Asia. He has realized that three Asian companies (for confidentiality reason we refer to ALFA, BETA and GAMMA) had started from the 90s to grow into the home appliance business. Their initial business was rather different, since they all were producer of electronics equipment. A shared with the marketing manager the results of that market research. They got together the decision to contact ALFA, BETA and GAMMA as soon as possible. A was in charge of doing this activity, although he did not have past experiences in how to approach potential customers.

A began to contact them in order to "let them know" that Loccioni might be a suitable supplier for quality testing systems for refrigerators. According to the marketing manager, the probability to have success in interacting with the three companies was predicted as very low.

A was in a first step focused on gathering market information about the three companies.

A have realized that BETA and GAMMA would have been his first targets, because their market position and brand identity. Unfortunately, after several weeks spent to break into BETA and GAMMA's headquarters, no results turned out to be positive. The only replies that A received were negative, both BETA and GAMMA at that time for strategic reasons did not invest money in outsourcing quality test on their home appliances. Afterwards, A decided that was time for attempting to contact ALFA. After having contacted by phone the Italian headquarter of ALFA, A obtained the e-mail address and the office phone number of the ALFA's quality manager. Usually when Loccioni has to propose its activities the purchasing manager is considered as the good counterpart. But A received only the contact of the quality manager. An e-mail containing a short description of Loccioni Group, its portfolio of

technologies for home appliances and some important Loccioni's customer references was sent to the quality manager.

Surprisingly and shortly after A received a reply from the quality manager, indeed he was put in contact by him with the plant manager who was in charge to take decisions for all the investments in quality and safety testing systems. Very soon also the plant manager replied positively answering by email that he was interested in getting more information about Loccioni's activities and technologies developed for testing the refrigerators. At this point the Loccioni's Home business manager was contacted by the marketing person and a short meeting was arranged. It was decided that both the sales and the R&D offices had to be involved in a further step.

The Loccioni's Home sales manager contacted the ALFA's plant manager with the aim to arrange a meeting at ALFA's premises. The meeting was scheduled in January, 2007. The Loccioni R&D director and the Home sales manager took part at the first meeting between Loccioni and ALFA. The main objective of the meeting was a general discussion concerning ALFA's portfolio of products, company's market strategies, etc. For Loccioni's representatives the discussion was not really interesting unless ALFA introduced a new argument concerning a big issue about the quality control of refrigerators. In few minutes ALFA opened up an opportunity for Loccioni. At that time ALFA had experienced some problems in doing test for measuring the reliability of its refrigerators. ALFA way of making those tests was basically too much time consuming: ALFA would really fix this issue for gaining an advantage. Loccioni's Home sales manager showed to ALFA the solution for that issue. The thermovision technology became the central topic discussed between the parts. When the Loccioni's representatives went back to the headquarter they realized that ALFA might or not rely on them, but one important step was accomplished. They informed about the meeting's result the Loccioni's President, the marketing manager and the marketing assistant.

#### Serendipitous effects

After the first meeting was accomplished at ALFA's premises, several phone conversations took place between the two companies. Both Loccioni's sales and R&D representatives struggled to gather information regarding ALFA's needs. Therefore Loccioni's efforts were aimed to get as much as possible technical knowledge about ALFA's refrigerators characteristics. Loccioni came up with several and different bids concerning "the machine vision supports test and quality control systems for refrigerators".

After six months (July, 2007) Loccioni received from the Italian division of ALFA two different orders within an R&D project for quality control system for refrigerators.

The implementing phase of the technology started during winter 2007 and in early 2008 the whole system was delivered. Unexpectedly, the American division of ALFA showed its interest in what Loccioni was developing for the European manufacturing plant. They got in contact with Loccioni for a feasibility study about the implementation of the thermovision technology at their manufacturing plants of refrigerators. Few months later, Loccioni was able to commercialize its technology also to the American division of ALFA.

Besides its first customer (ALFA), Loccioni introduced the thermovision to other home appliance producers. This led Loccioni to be recognized within the broader market context as one of the leading suppliers of this technology.

Loccioni has also undertaken important organizational changes as a result of the relationship with ALFA. These changes include:

- the creation of a dedicated team engaged in following customers of the thermovision technology.
- new investments in improving the thermovision range of applications
- the systematic adoption of the CRM (Customer Relationship Management) system to handle this business relationship.

## CASE DISCUSSION AND FINAL REMARKS

The case study is an example of how a business relationship begins. When we consider the background of the business relationship between Loccioni and ALFA, it is fair to recognize that Loccioni was aimed at commercializing its cutting edge technology as much as possible among home appliance producers. Asia was considered as a suitable market, due to the presence of a certain number of big and multinational home appliances manufacturers, only when Loccioni failed to propose its technology to the European and American customers.

Looking at the factors which played a crucial role in starting the business relationship with ALFA, both the thermovision technology and some good customer references within the home appliance market were relevant. On the other side the interaction process started because ALFA was focused in improving the quality level of its products. These two companies did not know each other, the initiative was somehow linked to the business network around them. Both Loccioni and ALFA could not manage by themselves the relationship development, the serendipitous fortunate accident has been really crucial. The interaction was shaped by this accident that opened up business opportunities for Loccioni and Alfa. This episode leads the companies to better understand their interaction behaviors in business relationships as an important element in explaining how business relationships begin and develop (Ford et al., 1998).

Turning now to the research question pointed out in the theoretical paragraph, regarding whether it is possible to propose an interactive conceptualization of serendipity in business relationship beginning we may find some implications from our research.

From a managerial perspective this paper shows that serendipity matters in business to business relationships and that the beginning is a key aspect of relationship development even though is always problematic to identify both. A relevant aspect we could highlight concerns the need for managers to look at the beginning as a “learning” moment along the developing process. By beginning a relationship companies may increase business opportunities, or they could gain advantages in terms of market knowledge. An implication is that the beginning leads companies to interact with actors in order to exploit other resources within the business network. With this respect the beginning could be viewed as a critical moment in which companies put efforts to enlarge/develop a market. Interesting for companies the adoption of marketing skills in order to get as much as information on potential customers and their markets. If the company is able to exploit customer references the beginning process might take advantage.

Above all, our research emphasizes the importance of interfaces among resources for a profitable development of the relationship. In our view, to face with serendipity, managers should pay attention on the potential interfaces affecting the relationship beginning. In this regards, implications for managers from our research are twofold.

Firstly, we posit that is not possible to predict when interfaces will be, but that these interfaces will have a strong influence on the future of the relationships. Consequently,

managers should consider all potential interfaces among social and physical resources trying to evaluate what could be the influences of possible patterns in resource ties between the two counterparts. Prepared mind for serendipitous effects means to be aware that resource ties may lead to strategic opportunities to exploit. Consequently, serendipity call for identifying all potential ties among actors that may have an influence on the relationship, rather than focusing on the firm's own goal in the beginning of a business relationship. We can then propose the following research proposition:

*P1) Serendipity is tie related in business relationship beginning.*

Secondly, we state that firm's resources are not sufficient to explain the relationship beginning. In other words, our study points out that the beginning should be interpreted according to a network perspective. In so trying to say that managers should rely on resources which are dispersed in the network, but that could be leveraged to begin a new relationship. Again, serendipitous effects may be captured by networking strategies. Consequently, serendipity in business relationship beginning may descend from the network surrounding the two firms, rather than from the actions of the two actors in relationships. We may interpret relationship beginning as a serendipitous effect of the other network actors on the two counterparts. A second research proposition may emerge:

*P2) Serendipity is network related in business relationship beginning.*

Moreover, we argue that beginning should be approached not only according to a planned way. In other words, managers should see beginning also as an unpredictable and serendipitous sequence of events. Serendipity in business relationship beginning calls for an open mind approach. The emergence of serendipitous effects may change the way of relating with the counterpart. The openness in this sense requires the firm's ability to understand when these changes will occur and how to exploit them positively in the business relationship, rather than considering them potential obstacles to the own planned goals. A third and final proposition may be considered:

*P3) Serendipity implies to exploit the unpredictable events in business relationship beginning*

In synthesis, the implications for managers descending from our study regard the dimensions to look at in the relationship beginning. Our study contributes to put emphasis on the role of resources and stress the need for an openness and prepared mind. In fact, although it is very difficult to predict the outcomes of new interactions, the actor's intention to develop the new business relationships, may lead, surprisingly, to some positive effects. We posit that by viewing beginning according to a serendipitous perspective, relationship start could cause beneficial change processes. In our view, this change could be the more innovative the more unpredictable the beginning phase will be considered by the firm.

Lastly, some words should be spent on the various limitations inherent in the present study. Firstly, our analysis regards the fact that it has focused on data collection only from the supplier side. Although longitudinal in nature, further research should be directed towards an empirical investigation of the customer's perception of the relationship beginning. Second, the case analysis regards only one case. Although the undoubted relevance of the study of a longitudinal case, one may note that other additional and different features may emerge by studying multiple cases. Consequently, given the variety of situations in business relationship beginning, the considerations advanced herein should be investigated considering various different cases. In conclusion, our analysis points out the relevance of serendipity for understanding business relationship beginning.



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Appendix 1: summary of the data collection

|                    |  |                              |                |             |              |                       |                  |
|--------------------|--|------------------------------|----------------|-------------|--------------|-----------------------|------------------|
| <b>Method</b>      | <b>(A) Direct Observations (period 2006-2007)</b>  |                              |                |             |              |                       |                  |
| <i>Description</i> | Direct participation to 6 meetings by one of the paper's authors within Loccioni Group to open up the interaction with ALFA (and with the functions of developing the relationship; sharing internally the relationship trend) |                              |                |             |              |                       |                  |
| <b>Method</b>      | <b>(B) Semi structured interviews (period 2008-2012)</b>   |                              |                |             |              |                       |                  |
| <i>Description</i> | <i>N.</i>  | <i>Role of the informant</i> | <i>Company</i> | <i>Year</i> | <i>Type</i>  | <i>Form of record</i> | <i>Lenght</i>    |
|                    | 1  | Marketing Manager            | Loccioni Group | 2008        | Face-to-face | Notes                 | About 45 minutes |
|                    | 2  | Key Account Manager          | Loccioni Group | 2008        | Face-to-face | Notes                 | About 45 minutes |
|                    | 3  | Marketing manager            | Loccioni Group | 2008        | Face-to-face | Notes                 | About 1 hour     |
|                    | 4  | Key Account Manager          | Loccioni Group | 2008        | Face-to-face | Notes                 | About 45 minutes |
|                    | 5  | Marketing Manager            | Loccioni Group | 2012        | Face-to-face | Notes                 | About 45 minutes |
|                    | 6  | USA resident manager         | Loccioni Group | 2012        | Phone        | Notes                 | About 45 minutes |
|                    | 7  | Key Account Manager          | Loccioni Group | 2012        | Phone        | Recorded              | About 1 hour     |