Community purchasing in a start-up of technology business

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ABSTRACT

This study discusses the role of a small community in developing a new business as it purchases from new actors. The study employs extant purchasing, small community and industrial district theories to create a community purchasing theory. The connecting bridge is created with assistance from the concepts of Deleuze, a French philosopher. A 2x2 matrix is introduced to classify purchasing modes of a community. Phuket's tourism industry constructed a market for local start-up software companies. Subsequently, the local software industry formed a labor market for software engineers graduating from the local university. With these two examples, this multiple case study demonstrates the effect of community purchasing modes. With correct organization, in Deleuzian conceptual terms, start-up technology companies can create new lines of flight causing deterritorialization and reterritorialization of the existing structure of a community, including the creation of new types of connection leading to new business opportunities.

Keywords: Purchasing, community, group tacit knowledge, start-up technology companies

1.   Introduction

Enterprise purchasing attracts many scholars (see, e.g., Petersen et al., 2005; Monczka, 1998; Spekman, 1993; Keough, 1993; Shapiro, 1985). There is also plenty of discussion on entrepreneurship in communities (see Jennings et al., 2013). A perspective that has been discussed relatively scantily, or not at all, is the role of a community as a purchaser from new entrepreneurs, and thus its role in creating the initial market for start-up technology companies. In this article, it is proposed that enterprise purchasing theories can be replicated to study purchasing in a community. Keough (1993) discusses cooperative purchasing across organizational borders of an enterprise. In their study, O'Donnell et al. (2002) do not mention the possibility of cooperation in purchasing; however, they mention that small companies, although in competition, also tend to assist each other. This assistance might indicate that a cooperative purchasing dimension exists between companies operating in a community, as it can exist in enterprises.

A community can buy from local suppliers to ensure that it also has the essential competencies in the future. Lingreen and Wystra (2005) put forward an example from New Zealand where local wineries share their knowledge with newer players and lease their production capacity to them, although they are competitors. In a similar fashion, customers in a community can guarantee their own future by taking care of their critical suppliers. This perspective is supported by the discussion on the need for specialization in a network environment (e.g., Lingreen and Wystra, 2005). Buying transactions in a community can be conducted individually by a company; however, customers, although they are competitors, can have a real or unspoken agreement to buy from a particular supplier. Knowing how a community transacts as a purchaser probably includes a large amount of tacit knowledge, which is not readily available to outsiders. Information regarding companies' cooperation in purchasing might not be easily accessed. The sharing of purchasing information might alter the competitive position of the respective companies.

According to Perry et al. (2012), much has been written concerning the lack of marketing competences, their capabilities to leverage and take their innovations to the marketplace, in small and medium size enterprises. For a new supplier producing complex, high technology products, entering a market can be a challenging task due to the lack of a first customer reference, a foothold in a community (Ruokolainen and Mäkelä, 2007). Huang and Brown (1999) suggest that more than 40 percent of start-up companies have problems with marketing. Start-up technology companies have problems finding resources for marketing as marketing resources are rarely either easily or inexpensively available (Leonidou and Katsikeas, 1996). In fact, Autio (1995) states that growth can even be discarded in new technology-based firms. Marketing can be especially problematic for start-up technology companies planning to produce a complex product for several reasons: first, the technology market is both volatile and skeptical (Moriarty and Kosnik, 1989; Beard and Easingwood, 1996); secondly, technology entrepreneurs are seldom market oriented (Freel, 1998).

From the research perspective, this author perceives a need to move the extant discussion from recognizing the market entry problem of start-up technology companies towards how this problem can be solved. From the start-up technology companies' perspective, to smooth their market entry, it is essential to know how communities work as a purchaser. Thus, the research question of this study is how does a community purchase from new actors? The new actor can be a new company run by an entrepreneur or a new function in a community. This function can be a resource supplier; for example, a university. The

focus of this study is on a community in Thailand; namely, on Phuket that had a need for new business models for its tourism industry, based largely on information technology solutions such as hotels' web-reservation systems. The local university educated software coding professionals for the newly established software industry in Phuket, which produced services and solutions needed by the local tourism industry. The whole delivery chain in Phuket, from the tourism industry to the university to the software companies, is covered by this study. The study focuses on two community purchasing cases, the tourism and the software industry in Phuket, and on two market entry cases, the local start-up software companies and the local university.

Deleuze writes that a philosopher's job is to invent concepts (Deleuze and Lapoujade, 2006). He states that to affirm reality, comprising a flux of change and difference, we need to demolish existing identities and become all that we can become, although it cannot be known. Scholars employ concepts introduced by Deleuze to discuss, for example, a community and its change in real and discursive space and time (e.g., Neu et al., 2012; Goh, 2006). Neu et al. (2012) state that Deleuze's concepts bring into consideration a field specific process that has not previously been explored. In addition, a study on entrepreneurship (Hjorth, 2007) demonstrates the use of Deleuzian concepts in introducing the narrative approach. In this study, the use of Deleuze's concepts (Deleuze and Guattari, 1972, 1980) create a meta-level analysis layer that bridges enterprise purchasing models and entrepreneurship theories relating to collaborations in communities.

Prior to entering the discussion on purchasing in enterprises and collaboration in communities, this paper introduces the topic's fundamental concepts including those of Deleuze. Subsequently, the paper studies the reported purchasing practices in large enterprises, and then investigates whether the literature supports the proposed approach. To classify the purchasing modes, a 2x2 matrix is created based on the literature. Next, two case studies were executed with attention directed at Phuket; the first relates to building business between local start-up software companies and the local tourism industry, and the second relates to building a relationship between the local university and the local software industry. Finally, the theory created by this study is discussed based on the evidence of this empirical study and the extant literature. The cases are employed to exemplify taxonomy based on the created 2x2 matrix.

2. Basic concepts in this study

As this paper discusses a community, its industry and industrial districts, and start-up technology companies and entrepreneurship, current concepts and their relationships need to be clarified and defined in the context of the study. The New Oxford Dictionary (1999) defines a community as a district or a country considered collectively, especially in the context of social values and responsibilities. In particular, a group of people who live in the same area can form a community. A community is formed by a set of actors with some shared elements. The substance of the shared elements varies widely in each situation to influence lives and values. The term community is widely employed to evoke a sense of collectivism, an element of which is collaboration. Spekman (1993) describes collaboration as a mutual commitment to the future and a balanced power relationship.

According to The New Oxford Dictionary (1999), industry means a particular form or branch of economic or commercial activity such as car or tourism industries. The concept 'industrial district' can relate to the concept of community; therefore, its meaning and

relations are also discussed here. Becattini (1990) defines an industrial district as "a socio-territorial entity, which is characterized by the active presence of both a community of people and a population of firms in one naturally and historically bounded area." Park and Markusen (1994) define an industrial district as "a sizeable and spatially delimited area of trade oriented economic specialization, be it resource-related, manufacturing, or services." Italian law defines an industrial district as any local area in which the number of employees within a specific industrial sector is 30 percent above the national average, and where firms with less than 100 employees predominate. In this paper, an industrial district comprises actors such as firms, institutes, and communities of people specialized mainly in a particular sector forming local clusters. Porter (1998) defines a cluster as a "geographic concentration of interconnected companies and institutions in a particular field." Porter and Kramer (2011) continue with stating that clusters do include only businesses but also academic institutions, trade associations etc.

An industrial district can be driven by companies, the owners of which possess entrepreneurship and start-up company background in that district, as in this study. Entrepreneurship is defined as an examination of how, by whom, and with what effects, opportunities emerge to create and exploit future goods and services (Shane and Venkataraman, 2000). A start-up company can be defined as one in the process of setting up business (Brierley, 2001). Start-up technology companies are often research and development intensive firms that plan to exploit their knowledge following a breakthrough in R&D. Due to the volatility of the high technology market, achieving a breakthrough can be far from easy (Ruokolainen and Mäkelä, 2007).

As previously mentioned, knowledge on how a community works as a purchaser probably includes a large amount of tacit knowledge, which is knowledge that people carry in their minds and is therefore difficult to access. Often, people are not aware of the knowledge they possess or how it can be valuable to others. Tacit knowledge is considered more valuable as it provides context for people, places, ideas, and experiences. Effective transfer of tacit knowledge generally requires extensive personal contact and trust; it can be transferred only through personal experience or during interactions with an expert (Senker, 1995). Based on Polyani's work (Nonaka, 1994; Davenport and Prusak, 2000), tacit knowledge is personal, rooted in action, and with commitment and involvement in a specific context. It comprises paradigms, perspectives, beliefs, and concrete know-how such as crafts and skills.

To know how a community might work together to survive, concepts relating to group tacit knowledge need to be addressed. Group tacit knowledge (Erden et al., 2008) is considered to be a result of social actions that engage individuals in collective practices. The manner in which these individuals connect their activities makes the system cognitive, which means that a group effectively employing group tacit knowledge shares common mental models. Collective practices are also considered to include practical skills, expertise, and cognitions. Tacit knowledge is deeply rooted in actions and cannot be learned by reading and talking. A community's tacit knowledge can be assumed to be constructed largely from the same building blocks as group tacit knowledge. Thus, the definition of group tacit knowledge can also, to some extent, be employed in defining tacit knowledge in a community. However, there can be some difference between tacit knowledge in a group and in a community. For example, group tacit knowledge is grounded in close and active cooperation whereas tacit knowledge in a community can be based on loose cooperation, although on long-term knowledge gained from the community in question.

In this study, Deleuze's concepts, which are similar to those employed in Neu et al.'s (2012) work that addresses financing aid bodies in a developing country, are employed. They mainly employ the concepts 'assemblage', 'deterritorialization', 'reterritorialization', 'desire', 'the body without organs', and 'lines of flight' to describe various financial aid organizations' movements in discursive space and time. According to Neu et al. (2012, p. 321): "Assemblage is both a process and an outcome in that it refers to the process of arranging as well as the actual arrangement of elements in social space." Assemblage refers to a territory, its signs' regime, and pragmatic system including forces, desires, and processes that deterritorialize and reterritorialize the underlying structure of an assemblage. The Spanish conquest of the Aztecs is an example of deterritorialization, as the Spanish eliminated many symbols of Aztec beliefs and rituals. Reterritorialization usually follows as, in the example, the Spanish replaced traditional structures with their own beliefs and rituals. Similarly Apple's iPhone and Google's Android systems with their new user interfaces caused the Nokia Symbian's and its ecosystem's elimination from the market. This study's previous concepts are instances of the assemblage concept. Communities such as industrial districts, industries, enterprises and their purchasing functions, and even actors create their own territories based on physical or discursive presence, signs' regime, and pragmatic systems. The next concept, lines of flight, represents new thoughts and creative thinking that helps to escape current regulation and rules. For example, in this study the partnership purchasing mode of operation represents a new paradigm of purchasing in comparison to the traditional purchasing paradigm. The desire concept refers to the force that causes the change as described in the example above. In this example the force, or desire, can be knowledge on the gained benefits of the partnership mode of operation in purchasing. The body without organs concept describes an unattainable state of existence in which one imagines oneself as never ages. Erden et al.'s (2008) description of group tacit knowledge demonstrates how an actor, an instance of the assemblage, together with other actors form a new assemblage with its territory and regimes of signs and, thus, proposes that assemblage is recursive by nature.

3.   Towards community purchasing
Unlike single enterprises, companies in a community might not have formal structures in place with which to manage their suppliers. However, despite the lack of formal structures, companies in a community can cooperate closely with each other to support their communal development without a formal or verbal agreement. This kind of rhizome organization (Deleuze, 1988), an organization without a strong center of power, can be effective and, in cases with high quality group tacit knowledge, might even exceed the effectiveness of enterprise purchasing. This cooperative approach is supported by studies on industrial districts (Markusen, 1996), small communities (e.g., Anderson, 2007), and what is known concerning group tacit knowledge (e.g., Erden, 2008). To create a community purchasing theory, this chapter first introduces enterprise purchasing and then the avenue is opened to discuss further the findings of relevant small community and industrial district studies. Employing Deleuzian concepts, a meta-level bridge is built between these disciplines.

Several researchers have divided enterprise purchasing practices into two categories (Spekman, 1993; Hayes et al., 1988; Shapiro, 1985). The first category comprises traditional purchasing practices that lean on the influence of competition. The second category comprises purchasing practices that help create partnership relations between a supplier and a customer. In the traditional purchasing process, suppliers are allowed to compete against each other, and

are kept at arm's length from the purchaser and apart from other suppliers. The aim is to employ competition to gain the best terms regarding delivery, price, and quality. Conversely, among other aspects, partnership purchasing practices mean entering the market together with a supplier and sharing the profit equally. According to Spekman (1993), Hayes et al. (1988), and Keough (1993), long-term cooperation employed in partnership purchasing is believed to generate better benefits than short-term cooperation employed in traditional purchasing. Practical benefits are derived from long-term cooperation and working together openly that are not achievable through the traditional purchasing approach. Close and long-term cooperation with a supplier helps the purchaser employ the suppliers' capabilities more than allowed by traditional purchasing. According to these scholars, benefits might include radical price cuts, improved product quality, and more innovative products. Monczka et al. (1998) put forward bilateral communication behavior and joint-problem solving as playing an imperative role in making a relationship successful. In Deleuze's terms, the descriptions of the modes of operation, traditional versus partnership, define lines of flight for the purchasing organization that means escaping from the old paradigm of employing vendors' competition to the new opposing paradigm of creating long-term and open relationships. The description of partnership driven purchasing represents an instance of an imaginative assemblage, a body without organs, with, for example, objectives of open and long-term cooperation, and joint cooperation.

To gain the benefits listed above, the trends in enterprise purchasing have been towards reducing the number of suppliers to gain sufficiently high purchasing commitment from the remaining suppliers. The objective might also be to reduce spot-type purchasing and extend a supplier's visibility of the business with the aim of extending its future planning horizon. According to Spekman (1993), sharing information openly and knowing each other's' business intentions enables partners to independently set compatible goals that help maintain the relationship. Spekman (1993) writes that collaborative business partners acknowledge that plans are likely to change, and the partners establish processes to facilitate the interchange of information upon which future plans will be built. Furthermore, instead of relying on legal contracts, the partners aim to increase mutual trust. Petersen et al. (2005) emphasize the importance of trust and quality of information to enable effective collaborative planning. Deterritorialization of the traditional purchasing structure and recreation of new types of connection become highly visible if we look at the measures by which partnership purchasing can be achieved; for example, by reducing the number of suppliers, reducing spot-type purchasing, and the open sharing of knowledge. In practice, this means the demolition of the traditional purchasing power structure and the creation of new regime signs by measuring the number of suppliers, types of component, and suppliers' innovativeness, instead of the old regime's measurement with a focus on only finding the best prices and delivery terms. In this case, desire means the benefits that only long- term focused cooperation can deliver, which cannot be achieved through the traditional purchasing mode of operation that focuses on short-term benefits.

Collaboration between partners does not mean that conflicts can be avoided. According to Spekman (1993), disagreements and conflicts are endemic to any trading relationship. He continues to describe how the nature of problem solving has changed (ibid., p. 78): "To a certain extent, dialogue and joint problem solving have replaced negotiations as the primary means of exchanging information. Through early involvement and open channels of communication, suppliers become committed to the final product and willingly share

responsibility for its integrity and reliability."

The development path of the purchasing process from a large enterprise's perspective is studied, for example, by Keough (1993) who describes the purchasing assemblage's lines of flight from several instances in an enterprise to one instance. Keough (1993) suggests that purchasing in an enterprise (e.g., a factory) passes through several phases before achieving world class status. In the first phase, the purchasing groups operate individually, focusing on enhancing clerical and logistical skills. In the second phase, the purchasing groups concentrate on achieving the best price terms, and the focus is on negotiation and cost analysis. In the third phase, the enterprise builds purchasing committees from the individual purchasing groups and nominates a lead buyer. In the fourth phase, the enterprise employs cross-functional teams for problem solving. Some attention is also given to supplier development. In the fifth and final phase, the enterprise has cross-functional supplier teams for problem solving and supplier development. Trent (2004) writes that the movement in an enterprise is towards building centrally led and coordinated purchasing functions. In practice, this paradigm change in the purchasing function means that the purchasing assemblage gains focus by deterritorializing the existing structure of the company, such as forcing R&D to join in cross-functional groups and thus not allowing them to source suppliers and components without restrictions. The lines of flight to a centralized organization means deterritorializing the factory-based power structure and reterritorializing the centrally led power structure of the purchasing function that represents overall increased purchasing power. The desire of the centralization is to increase purchasing power in that enterprise.

A complementary aspect to previous reviews is an investigation on what has been written concerning small communities and industrial districts. Anderson et al. (2007) describe how a geographically small market advances the social interactions inside a firm, between firms, and in a broader social context. They refer to the evolution of a once small Scottish town named Aberdeen, which is nowadays known as the 'Oil Capital of Europe'. O'Donnell et al. (2002) found that small companies exchange information relating to their customers' behavior, sharing overload, supplying resources, and assisting each other, although they are in competition. However, there seems to be a dearth of studies on how these companies interact and share information on purchasing. Nonetheless, profound cooperation in the Scottish town resembles what is written on partnerships with open communication and collaboration. The actors of the town do not have a centralized power structure and dynamically create new connections, and thus they form a rhizome assemblage (Deleuze, 1988).

Markusen (1996) categorizes industrial districts into three classes, which are Marshallian industrial, hub-and-spoke, and satellite platform districts. Marshallian industrial districts, and especially their Italianate variant, emphasize cooperation between competitors in sharing risk, innovations, and stabilizing markets. Usually, strong industrial associations and governmental organizations exist in such districts, and they provide a shared infrastructure for the industry in question. Marshallian industrial districts are characterized by small and locally owned companies, and long-term cooperation with suppliers within the district. In hub-and-spoke districts, the trade is dominated by one or several large companies that are surrounded by suppliers. Cooperation between the dominant companies and the suppliers includes long-term contracts and commitments. Hub-and-spoke districts can be differentiated from a Marshallian industrial district by the fact that the hubs do not share innovations with their competitors. Companies have minimal intra-district trade in satellite platform districts, which comprise externally owned and headquartered companies.

A Marshallian industrial district includes elements that are also possessed by the advanced purchasing function in an enterprise; for example, collaboration between companies with shared infrastructure elements is emphasized. Hub-and-spoke and satellite platform industrial districts illustrate an arborescent assemblage with centralized power structures and vertical and linear connections. It represents thinking marked by insistence on totalizing principles, binarism and dualism (Deleuze and Guattari, 1987). The lack of freedom associated with the centralized structure suggests that new lines of flight are not actively formed.

Anderson et al.'s (2007), O'Donnell et al.'s (2002), and Markusen's (1996) studies employing Deleuzian concepts suggest that findings from enterprise purchasing studies can be tested further to analyze buying behavior in communities. Although companies in communities, unlike enterprises, seldom form a structured purchasing organization, their interest at the general level can be assumed to be similar. Customers want to ensure that essential resources or technologies are available at a particular price, quality level, and delivery terms that make them profitable. The desire of the enterprise assemblage and the desire of the community assemblage can resemble each other. Practices for demonstrating commitment can vary from one community to another. The customers of a community expect that their suppliers are, for example, committed to local values. The commitment to local values is assumed to create trust between local community members. Honig (1998) wrote that, in a small community in Jamaica, suppliers who attend church and have married into the community generate higher profit.

Erden et al. (2008) describe the development of the quality of group tacit knowledge. They divided the development into four states that resemble those in Keough's (1993) purchasing maturity model. In the first state, there is a group as an assemblage in Erden et al.'s (2008) terms, the second state comprises collective actions, the third state includes phronesis, and the fourth state means collective improvisation. The community includes tacit group knowledge, and the quality of this tacit knowledge can, among other factors, depend on the age of the knowledge. In Deleuzian terms, as actors in a community assemblage learn to cooperate and improvise collectively, they can deterritorialize their structures and create new types of connection that also take the assemblage's needs and interests into account. Erden et al.'s (2008) description of collective improvisation represents the ideal state, a body without organs in Deleuzian vocabulary that indicates the direction, or lines of flight, of the community assemblage as it moves in discursive space and time.

An example of a highly horizontally integrated community was brought to the attention of this author by a Japanese electronic manufacturing company in the mid-1990s. The company's representative reported having a central storage for a group of companies operating in the same area. The benefit of having a centralized purchasing and storage area was to build sufficient volume for the supplier, and to ensure turnover of the stocks. To guarantee high stock turnover, the various companies agreed on the purchase items, suppliers, and what components they planned to employ in their future products. In other words, they shared their product roadmaps. According to this Japanese company, the benefits that it gained through horizontal and vertical cooperation were significant.

3.1   Conclusion on the literature
This author proposes that many concepts and theories employed in studying purchasing in enterprises (e.g., Keough, 1993; Spekman, 1993) can be replicated in community studies to

investigate how companies in a community cooperate with their suppliers. Replication in case studies is discussed, for example, by Yin (1994). Theory replication is applied, for example, in a social science study to test Sampson and Groves's social disorganization theory in a more recent environment (Lowenkamp et al., 2003). Support can also be found for theory replication through analysis on the use of Deleuzian concepts. Communities' group tacit knowledge (Erden et al., 2008) in the advanced state, termed collective improvisation, represents the same types of line of flight as described in the world class purchasing category in Keough's (1993) enterprise purchasing evaluation model. In both cases, the target is to achieve a more coordinated approach to cooperate with their suppliers. Thus, as bodies without organs (i.e., the ideal state), they can resemble each other, although their formal power structures differ. The starting point, with a focus only on the assemblages' own benefit, is also the same in both evolution models. The desire (i.e., the driving force) is also the same as, in both cases, joint benefits (i.e., phronesis) are gained from profound cooperation. In both cases, deterritorialization focuses on demolishing the "selfish" factory or the company-only mode of operations. Both evaluation models propose reterritorializing existing structures with more cooperative approaches. Table 1 describes employed Deleuzian concepts, and compares the Deleuze approaches in an enterprise's purchasing and community operations.

"Insert Table 1 Near Here"

The creation of trust to achieve seamless cooperation horizontally in purchasing can take a long time, especially in a situation in which an industry is new to a community. It can be assumed that it is a long trip from the first level, groups as assemblages, up to the fourth level, or collective improvisation as described by Erden et al. (2008). Similarly, it can be assumed that to develop coordinated purchasing in a community, which needs tacit knowledge and trust among the actors, can take several years or, possibly, decades.

Based on the assumption that enterprise purchasing practices can be replicated in a community, this author constructs a 2x2 matrix that is employed in the study to classify the purchasing modes of a community; customers in a community can operate independently or they can operate in close cooperation and share information as in Keough's (1993) enterprise purchasing evolution model. In addition, some customers employ traditional purchasing practices in the community, targeting the best delivery and price terms, while other companies in the community employ the partnership approach to cooperate closely with their suppliers (Spekman, 1993). The assumption is that the community forms various kinds of purchasing structure, which means various types of practice to adopt new suppliers. Based on the above, the following 2x2 matrix can be applied in the taxonomy (see Table 2).

"Insert Table 2 Near Here"

In the first quadrant, customers operate independently without close cooperation with their competitors or suppliers. In the second quadrant, customers cooperate with each other and apply the traditional purchasing approach to suppliers; they employ their joint purchasing power to squeeze the supplier. In the third quadrant, customers enter into a partnership with a supplier individually, without cooperating with each other. In the fourth quadrant, customers work closely with each other and jointly with their suppliers. The community value dimension, which is assumed to be orthogonal to the other two dimensions, can include

the integration of community values; for example, the community might be liberal or conservative (e.g., Honig 1998). This indicates how a supplier needs to adapt to the community's values to become a trading partner.

If examples of the industrial district (Markusen, 1996) are employed, it can be assumed that the Italianate variation of the Marshallian industrial district belongs in the fourth quadrant of Table 2; companies presumably cooperate in purchasing and build long-term relationships. Hub-and-spoke fits into the third quadrant as individual companies have long-term relationships, but do not coordinate purchasing with competitors. On satellite platforms, the companies do not have a long-term relationship with local companies, and they do not coordinate purchasing. Therefore, it can be assumed that companies within the satellite platform district are found in the first quadrant.

4.   Methods and data

The justification for choosing a case-study strategy is that it facilitates holistic understanding on complex phenomena that are not easily separable from their context (Halinen and Törnroos, 2005; Yin, 1994). In this study, the complexity is clearly visible when several embedded layers are discussed. According to Eisenhardt (1989), case study research enables the researcher to focus on understanding the dynamics present within single settings. Thus, it maximizes the realism of the context at the expense of precision and generalization (McGrath and Hollingshead, 1982).

Multiple case study analysis was conducted by employing the 'within the case and across the cases' method (Eisenhardt, 1989). 'Within the case' analysis for each case preceded 'across the cases' analysis (Eisenhardt, 1989; Miles and Huberman, 1994). 'Within the case' analysis was conducted to analyze the kind of purchasing-related cooperation companies have with other companies in the local industry cases, and further analyses were executed on how companies in the respective industry cases cooperated with their suppliers. The perspective of the suppliers was also discussed to analyze how market entry occurred. In 'across the cases' analysis, similarities and differences between the cases in terms of purchasing practices were compared between the two industries. The 2x2 matrix was employed in the analysis to compare the categories as proposed by Eisenhardt (1989). The 2x2 matrix can be employed to visualize different aspects of the two industrial districts. The concepts of the theoretical framework facilitated characterization of the cases, and their framing in terms of the aspects in the 2x2 matrix (Ragin, 1992). The analyses were verified by interviewing the head of the associations in each local industry sector, and by studying further the relation to the literature. The analysis of each industry's purchasing mode of operation was also conducted employing the conceptual frames introduced by Deleuze and Guattari (1983, 1987).

Community purchasing cases from two industries are analyzed in this article. In the first industry case, the aim was to find evidence of vertical and horizontal integration and its effect on purchasing practices in a community between start-up software companies and the tourism industry. Similarly, in the second industry case, the aim was to study how the local software industry was integrated vertically and horizontally, and to study its effect on the local university. As described earlier, the study has several embedded levels. Phuket represents the industrial district community level, the tourism and software industries represent the industry community level, and software companies, hotels, and the local university represent the individual actor level inside the communities (see Table 3).

"Insert Table 3 Near Here"

The local government organization, Software Industry Promotion Agency, helped identify seven well-known software development companies in Phuket, and brokered contact with their representatives. The sampling plan was developed carefully to gain an understanding on the software industry in Phuket and the selected companies represented well the software industry in this relatively small community. The cases presented sufficient variations in terms of sales, customer base, and business focus area to eliminate alternative explanations (Yin, 1994). The birth of the software industry mainly occurred in Phuket between 1998 and 2002 as the feasible infrastructure was established at the same time. Table 4 shows a synopsis of the interviewed software companies.

"Insert Table 4 Near Here"

Three hotels were selected to gain an understanding on how tourism businesses cooperate in Phuket: a hotel with several hundred rooms in Phuket Town, a hotel with less than 30 rooms in Phuket town, and a hotel with several hundred rooms next to Patong Beach. In both industry cases, sampling methods accorded well with the description in Eisenhardt's article (1989). The aim of the sampling was to study the replication of the results in different case-types in Phuket's tourism industry and in Phuket's software industry. The hotel cases also represented variations in terms of size and locations. Local hotel businesses represented a major customer segment in Phuket's software industry.

From the seven software companies, six agreed to be interviewed. Thus, a total of six software companies' managers, two of their customers, and a representative of the local university, which provides graduate students for the local software industry, were interviewed. The interview focus regarding these companies was both on how they entered the market in the start-up phase and how, as an industry, they cooperated with each other and with the local university. In addition, three hotel managers, representatives of the Software Industry Promotion Agency, representatives of a governmental tourism organization, and representatives of a tourism industrial association were interviewed. Table 5 describes when and where the interviews were conducted. The interviews covered both actor-level representatives and the local industries' representatives (see Appendix A). The selected approach on interviews was well in line with the Porter's and Kramer's (2011) view on a local cluster.

Data for the analysis were collected over a two month period when this author stayed in Phuket. A semi-structured interview method (Wood, 1997) was employed at the sites of the companies; open questions were prepared, and additional remarks and comments, as well as artifacts, were collected. The meaning of the site visits is emphasized by Wood (1997) to overcome data collection limitation caused by verbal communication. Data triangulation helped in terms of enhancing the trustworthiness of the results and comprised numerous telephone discussions, email correspondence, and secondary data including artifacts as a supplement to the interview data.

Eisenhardt (1989) explains the importance of altering the data collection method if new theoretical insight can be attained by gaining as much depth as possible. The original data collection was not targeted at the problems described in this study, but rather on

understanding only market entry problems faced by start-up software companies in Phuket. The original scope of the study was altered due to comments made by a Thai entrepreneur concerning problems in sourcing graduates suitable for his purpose from the local university. Together with the local university, it was therefore decided to focus, in addition to market entry problems of the start-up technology companies, on understanding the graduate labor market problem in detail, which can be regarded as representing the market entry problem of this recently established university in Phuket.

5. Case descriptions and analyses

5.1 Phuket's tourism industrial district
Phuket is a tourist destination with several million visitors annually. In 2006 4,5 million visit arrivals were counted, from which more 1,5 million was made by Thais (Rittichainuwat, 2008). Phuket forms an intensive local community around the tourism industry, which is the main source of income for many businesses. Several attractions are offered for tourists such as hotels next to beaches, golf courses, and diving sites. Henderson (2007) writes that Phuket tourism industry has expanded rapidly since 1980s with development beach resorts and hotel complex. According to Henderson (2008), Phuket Tourism industry lists more 100 hotels that are owned by international chains, Australian based groups or Thai companies.

According to the chairman of the local tourism industry association in Phuket, there was a demand to actively develop the infrastructure to maintain the island as a competitive tourist destination and to entice new tourists. The focus of the Phuket assemblage was to extend its lines of flight as a top tourist destination. Local software companies represented the industry that might cause deterritorialization and reterritorialization to occur in the tourism business, which has a long history in Phuket. The local university was ready to support the development of software companies by educating software engineers.

5.2 First case: the local tourism industry's community purchasing with start-up software companies
A key task of Phuket's tourism industrial association was to improve the information technology infrastructure. A large number of the hotels did not have their own web sites. The chairman of the tourism industrial association explained that the importance of tourism agencies was decreasing as tourists increasingly reserved their hotels directly via the internet. There was a growing need for software suppliers. The local software industry in Phuket provided systems for online booking, directory services, and financial accounting. New or new-type connections were established between a tourism service provider (e.g., a hotel) and an end user of that service. The software business was relatively new to Phuket; most of the companies were set-up after 2000.

A software company entrepreneur stated that an important reason for his successful market entry was that the first reference customer actively shared the experience of utilizing his product with existing and potential customers in Phuket. After successfully implementing the product, the entrepreneur stated that selling became easier. The entrepreneur also mentioned that he did not give a discount to the first reference customer as other customers would have required the same discount. The supplier developed the first version of the software independently and did not employ beta test sites. He had no previous contact with

potential customers. The marketing strategy of this company was that the entrepreneur actively maintained close contact with existing customers and tried to keep them satisfied. One of the customers mentioned that they wanted to cooperate with this supplier; however, the supplier was expected to develop its capability to design complex systems.

An entrepreneur producing accounting software mentioned that his company employed a customer as a beta test site to support the development of his first software system. With the help of local beta test sites, local needs were introduced and taken into account during development of the system. A major problem mentioned by the customer's accountant was the irregularity of the electricity supply, as an accounting system needs to minimize potential damage to its database. The customer's accountant mentioned that, in the event of a system failure, local support was essential rather than waiting for support from Bangkok, which would take more time. The entrepreneur explained that the customer company's accountant had recommended his system to other potential customers in Phuket. The reason for the recommendation was that the accountant wanted to ensure the availability of the support services by anchoring the supplier to the community.

In addition to what was demonstrated by these two software companies in their start-up phase, there was further evidence that the local tourism industry in Phuket was profoundly horizontally and vertically integrated. The other four software companies emphasized, in a similar manner, the importance of a positive example and the proactive sharing of information within the local tourism industry. This observation was confirmed by a hotel manager in Phuket City who explained that it openly shared information on the number of visitors with other hotels, especially in Phuket City. It also shared the load in peak seasons with their rivals. In 2007, the hotels had agreed on common goals; for example, to increase their room occupancy levels. The hotel also informed other hotels on suppliers that fitted its purpose regarding price and quality. The manager of the hotel explained that Phuket hotels mostly employed the same suppliers from which they purchased, for example, food for their restaurants.

The tourism industrial association worked actively to improve the business infrastructure. The association had to direct much of its effort to obtaining an additional water reservoir. The head of the association, a hotel owner, confirmed that he actively shared information on his suppliers. He emphasized that the development of the Phuket community and its business was in his and his hotel's best interest. The head of the government tourism office in Phuket stated that there was a lack of necessary skills to develop the information technology infrastructure in Phuket. She stated that the Tourism Authority of Thailand also worked actively to promote Phuket, especially abroad. The local government tourism office collected information on the number of visitors and hotel room occupancy, and educated those who wanted to work in the local tourism industry by running courses, for example, on simple English language. It can be concluded that there were several visible actors that spoke on behalf of Phuket's tourism industry.

Sharing information between hotels and enabling opportunities for new actors seem to indicate that a willingness to promote "common goodness" existed within Phuket's tourism industry. In the organizational knowledge theory, the concept of phronesis knowledge, a practical virtue, is discussed in addition to episteme and techne knowledge, which were originally defined by Aristotle as intellectual virtues. According to Nonaka and Toyama (2007), phronesis defines an actor's ability to take action for common goodness in a specific situation. Erden et al. (2008) employs this concept as a building block in constructing

a theory concerning the quality of group tacit knowledge. The tourism industry seemed to have a sense of collectivism in Phuket. Referring to Erden at al.'s (2008) group tacit knowledge maturity model, there is evidence of phronesis to state that the local tourism industry had matured from the perspective of tacit knowledge. This supports the statement on the existence of horizontal integration.

As discussed here, the local tourism industry actively formed new connections to gain knowledge from its suppliers on how to employ information technology. This illustrates the existence of lines of flight towards less dependence on or independence from travel agencies that was delivered by information technology. The desire was not to share profit with third parties and to gain independence from them. From the perspective of start-up technology companies, Deleuzian deterritorialization and reterritorialization with a willingness to form new and new-type connections created a business opportunity. In other words, new information technology can cause existing business models to fade and make novel ones flourish.

5.3 Second case: the local software industry's community purchasing with a local university

The purpose of the local university was to supply resource to the local industry, although individual graduates negotiated their own deals with "customers". Thus, horizontal integration between software companies and vertical integration with the local university were investigated employing the frameworks of this study. Five of the six software companies complained that they had human resource problems, especially in sourcing programmers. The university professor explained that although the local university educated students for local software industry purposes, their graduates preferred companies based in Bangkok to local companies. The local companies also complained that graduates' skills did not meet their needs. The university's response was that local companies employed outdated technology.

The interviewed entrepreneurs disclosed that they did not cooperate much with each other to share loads or innovations. One entrepreneur explained that they did not employ the same type of software technology and, thus, there was no sense in cooperating. The other entrepreneur stated that he had cooperated with a hardware supplier and a web-design company but not with other software companies. This author asked if students had worked with local companies during their university courses to gain more experience. According to the interviewee, this kind of cooperation did not exist. It was concluded that the local software industry was relatively young in Phuket, and a tradition of joint cooperation did not exist. Most of the companies were established in the early years of this millennium. It might take several years or even a decade before the local software industry starts to act in a coordinated manner.

The software companies did not coordinate their efforts to express their joint interest and future plans to the local university. This aligned with the observation that the software companies in Phuket did not cooperate among themselves. They could have created roadmaps of technologies that they planned to employ. Furthermore, the local companies did not jointly try to improve their industry image although they could benefit from it. The local university was active in setting-up events to demonstrate the capabilities of its students. The Software Industry Promotion Agency (SIPA) worked aggressively to support the software industry, although it was still relatively new in Phuket. SIPA's representative stated that it was a semi-governmental organization, which had a role in promoting the use of software.

The head of the local agency was also a teacher in the local university in Phuket.

The situation of Phuket's software industry resembles that on which Neu et al. (2012) wrote concerning cooperative possibilities between international financial accounting bodies that funded El Salvador's infrastructure developments. They report that the accounting organizations, although having similarities in their accounting practices, differ in the manner by which they are connected to their parent organizations, and thus did not contemplate alternative lines of flights. Similarly, the actors in Phuket employed various software technologies and, consequently, each had their own knowhow based on their chosen technology. Therefore, the actors were not in a position to consider alternative lines of flights that would have enabled cooperation. From this study's perspective, as an assemblage, Phuket's local software industry represented the culmination of its lines of flight in a similar manner to the accountants' assemblage in Neu et al.'s (2012) study.

6. Discussion and conclusion

The aim of this study is to determine how community purchasing supports the market entry of new actors. Six software companies were studied as they entered the local tourism industry market in Phuket. In addition, the difficulties of the university in producing suitable resources for the local software industry were discussed. This study shows that industries can have different purchasing strategies. In the study, the older industry had practices that the younger industry did not yet possess. This statement is also supported by the maturity models of purchasing (Keough, 1993) and group tacit knowledge (Erden, 2008). In Phuket, the software industry was relatively young compared to the tourism industry. The local tourism industry had practices, which the local software industry did not, relating to the cooperation and development of that specific industry. For example, as shown in this study, the local tourism industry actively shared the workload, whereas the local software industry did not seem to have such a sense of collectivism. It can be concluded that alternative strategies are needed to be considered in order to enter the market based on the orientation of the community, as demonstrated in this study by the market entry of the local university and start-up software companies.

There is evidence that the local tourism industry cooperated and had long-term partnership-like relationships with actors in the local software industry, and also with actors in other industry sectors; for example, as stated by one of the hotel managers, with the food supply sector. Thus, the local tourism industry can be located in the upper right quadrant in the 2x2 matrix (Figure 1), which is termed 'Coordinated Partnership Community Purchasing' (CPCP). This author proposes that the local tourism industry's purchasing maturity level was close to that of a large enterprise's coordinated purchasing function (Keough, 1993). The software industry in Phuket hardly seemed to have any joint cooperation; they acted individually in terms of purchasing resources or modes of operation, and did not seem to have long-term cooperation with their supplier. However, as this study was unable to find supporting evidence, this author suggests that the purchasing maturity of the local software industry was close to a large enterprise's clerical-type purchasing function. This corner is termed 'Clerical Community Purchasing' (CCP). The manner in which the industries operate might be essential in planning the market entry of a new actor.

'Insert Figure 1 Near Here'

In the first case, the tourism industry in Phuket had a strong sense of collectivism, which was built with the help of the government organization and the industrial association, as discussed in the empirical part of this study. However, due to the fact that existing relationships with previous suppliers might be hard to disrupt, breaking into such a market can be far from easy. Discontinuities in existing relationships or technologies might create the necessary opportunities. Alternatively, market entry for a new actor can be expected to occur rapidly due to strong horizontal integration if a positive customer reference can be provided (e.g., Ruokolainen, 2008).

In the second case, the software companies felt that they did not have much to share with each other. They had not formed common strategies or goals, or identified the technology on which they wanted to rely in the future. From the local university's perspective, the lack of vision for future technologies among the software companies caused a problem in teaching and research. To contribute to the development of the industry in question, the local university would have needed a shared vision on future technologies with the local companies. The graduate students built their own lines of flight by moving to Bangkok where they were better paid and had jobs that matched their skills. It can be expected that market entry for a new actor might be as difficult as it was for the local university in this case due to not having a homogenous market. This statement is supported by Laur et al. (2012), who state the importance of continuously reviewing and fine tuning the shared vision to serve members' current and evolving needs in university and industry cooperation.

Deleuze's concepts employed in this study provided complementary perspectives on the existing theories of purchasing and collaboration in enterprises and between communities' entrepreneurs. The analysis indicates that although power structures differentiate organizations, their lines of flights and desires are similar; for example, the local tourism industry in Phuket demonstrated many of the same organizational features as possessed by advanced purchasing functions in an enterprise. Among others, it shared information actively and had joint forums for cooperation. This supports the proposed analytical approach of employing studies on enterprise purchasing.

This study demonstrates that communities with ongoing deterritorialization and reterritorialization can provide an additional opportunity to market entry for new actors with innovative solutions. As in this case, new technology can be a catalyst for restructuring the assemblage in question and help form new and new-type connections. In this study, the new software technology enabled new desires of being independent from travel agencies that drove the assemblage to fly this new line of flight. The consequences of new technology with the associated combination of tangible desire and lines of flight create possibilities for the market entry of new industries.

6.1 Contribution to IMP theory, limitations, and further studies

In many aspects, the results of this study are supported by previous studies that emphasize cooperation between competitors (O'Donnell, 2002) and the role of small societies in creating new businesses (Anderson et al., 2007), although the purchasing dimension in a community per se previously has not widely been discussed. Thus, this study contributes to the current scholarly discussion by introducing the purchasing behavior of communities and including a discussion on its taxonomy. The Industrial Marketing and Purchasing (IMP) literature in large extent does not discuss purchasing cooperation aspects in business communities. Therefore, the view provided by this study is relatively novel in IMP research

community. Current IMP literature discusses often about business networks from an individual companies' point of view as, for example, in Ford et al.'s (2003) work IKEA's perspective was well presented. The discussion how IKEA could have cooperated with other companies to purchase new recycled paper manufactured from chlorite free pulp could have interesting. This author expects that marketing, as well as purchasing, can occasionally be seen as an integrated part of both small and large communities, and not only as an individual company's competitive tool.

In IMP literature firms and networks of the firms are regarded as complex adaptive systems compromising interacting sets of organizational and social relationships (Håkansson et al., 2009; Håkansson and Snehota, 1995). Stacey (1996) writes that in these networks each actor is pursuing its own goal. According to this study and to the literature dealing with group tacit knowledge, the additional element that needs to be taken into account is phronesis, the pursuit of common goodness, to create effective networks. This common goodness can include elements of supporting the entrance of a new actor to improve and prolong the existence of a network by introducing new knowledge into the system. The tourism industrial association represents an instance of phronesis; it clearly added value with its activities in its network. Stacey's definitions for network and group tacit knowledge might seem to be contradictory as the former emphasizes the goals of an individual and the latter emphasizes common goals of a group. In fact, the sense of common goodness might not exist to a large extent in purely commercial networks that do not have the community or other similar dimensions to back-up the necessary actions. This study contributes to IMP studies by introducing the phronesis concept and proposes to study in large in extent the effect of it in effectiveness of the business networks. Porter's and Kramer's (2011) shared value is also close to the concept phronesis and, thus, its gives support to this study findings. Shared values enable local clusters development.

From the perspectives of the actor network theory and business-to-business marketing, the new type of thinking here is that an assemblage can have a common behavior with its desires and lines of flight, as demonstrated by the industry cases in this study. In practice, the employment of Deleuzian concepts opens an analytical level that puts forward a novel insight on new actors' market entry opportunities. This author perceives that Deleuze's concepts deliver a new perspective on that of this study, and are manifest in this study's research disciplines. In previous IMP studies mainly synchronization and coordination aspects of time are considered (Medlin and Havila, 2012). The space concept in IMP context as represented by Törnroos et al. (2012) can be benefit from DeLeuzian's concepts 'territorialization', deterritorialization' and 'reterritorialization' with 'lines of flights'. These concepts can describe the how the business networks changes in real and discursive space in the function of time. This author calls for more studies to validate and investigate what Deleuzian lines of flight might offer to start-ups and business-to-business marketing research.

The community purchasing topic is relatively new. Therefore, the multiple case study method was preferred to a survey. According to Gummeson (1993), case studies can be employed to explore little known research areas. A problem associated with both case studies and multiple case studies relates to limitations of generalizing results, due to the limited number of samples. However, the multiple case study method is considered normally to be more robust than the single case study method. This author believes that interviews with representatives in the industries and actor level increased the reliability and internal validity of

the results, as each level brought their own perspective on the topic. Deleuze's concepts enabled the execution of a meta-level analysis in this study, and thus made the results more rigorous.

The majority of current entrepreneurship and small community studies have been conducted either in the USA or Europe, with relatively few in Southeast Asia. Therefore, the results of this study can have an additional contribution to the research community. The observations of this study are likely to be country-specific to an extent, but nevertheless it is believed that they are also valid in other regions. National cultural issues can hinder generalization, although it is not believed that particular focus on topics in this study and that the findings were strongly affected by national cultures. Future research can now be conducted in different cultural contexts, in different industries, and in larger sample sizes. This study paves the way for a survey on the topic by making it visible with the help of this multiple embedded case study. In fact, this study opens avenues for a set of further studies to understand community roles in purchasing and in supporting the marketing of start-up companies, including gaining further knowledge on community purchasing practices, and how and why they evolve. An interesting topic would be to understand more profoundly how these purchasing practices enable a community to be survived.

6.2 Managerial Implication

This author suggests that, dependent on the taxonomy put forward earlier, market entry strategy for a new actor will formulate differently depending on the level of vertical and horizontal integration in an industry. With the help of this study, the first step should be to investigate, for example, the vertical and horizontal orientation of a local industry. The existence or non-existence of an industrial association might indicate what kind of community purchasing strategy is employed. For example, if the outcome is that Clerical Community Purchasing (CCP) is applied, then the new actor's role is to enhance integration between the "old" actors as it would ease its market entry into the community. Entrepreneurs need to invest time and effort in explaining the use of technology to potential customers in a community. Another example depends on whether the outcome of an investigation shows that Coordinated Partnership Community Purchasing (CPCP) is applied, thus indicating difficulties when intervening in existing relationship; in this situation, opportunities might be opened with radical new technologies that introduce new lines of flights or extend those that are current.

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H

Customer-Supplier
Integration Level

**Traditional Partnership
Purchasing (TPP)**

**Coordinated Partnership
Community Purchasing
(CPCP)**

Phuket's Tourism Industry
Evidence from interviews
- tourism industry association
- government's tourism agency
- three hotel cases
- six sw company cases

**Clerical Community
Purchasing (CCP)**

Phuket's Software industry
Evidence from interviews
- government's agency (SIPA)
- six sw company cases
- a university case

**Coordinated Community
Purchasing (COCP)**

L

L   Customer-Customer
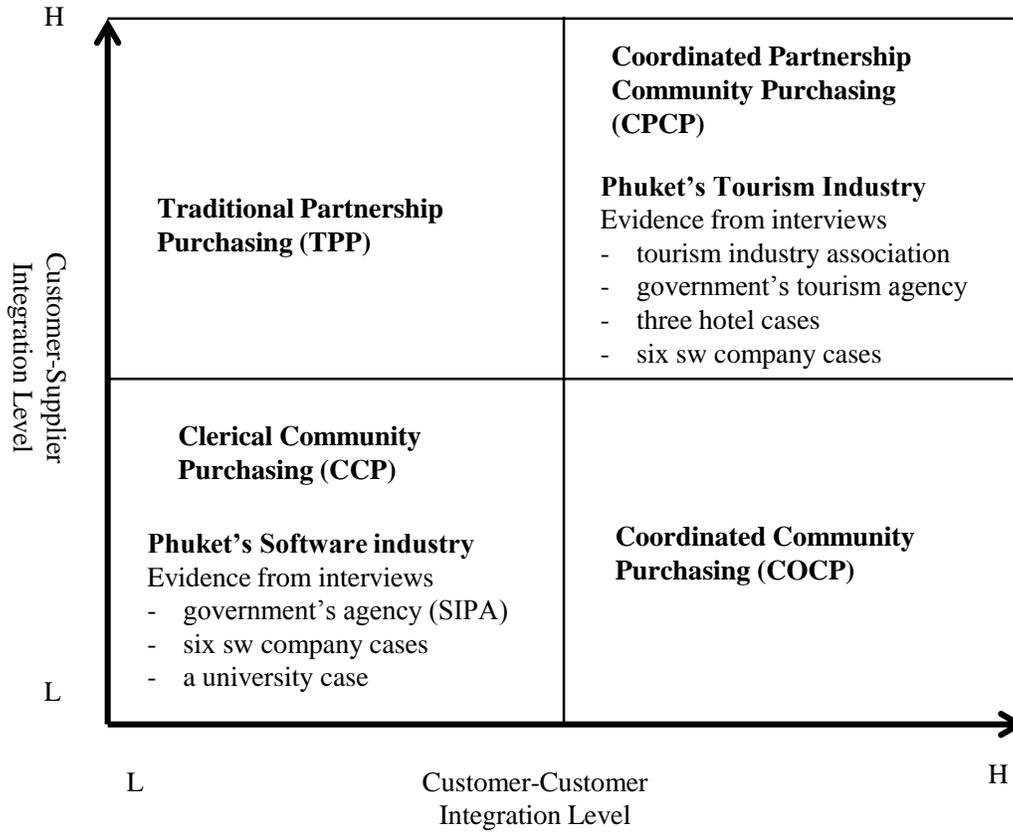   Integration Level   H

Figure 1: A 2x2 matrix analysis of the studied community purchasing in Phuket

Table 1: Deleuzian concepts and their relations in this study

Deleuzian concepts	Enterprise related instance	Literature	Community related instance	Literature
Assemblage	Purchasing in an enterprise	e.g. Keough(1993); Spekman (1993)	Purchasing in a community in an industrial district	e.g., Markusen (1996)
Deterritorialization	Traditional purchasing; Factory only.	Keough (1993); Spekman (1993)	Group of companies with their company focus only.	Erden et al. (2008)
Reterritorialization	Supplier reduction; Components reduction; Long-term contracts.	Keough (1993); Spekman (1993)	Shared infra-structure; Long-term cooperation; Industrial association.	Erden et al. (2008); Markusen (1996)
Desire	Joint benefits.	Keough (1993); Spekman (1993)	Joint benefits; Phronesis.	Erden et al. (2008) Anderson et al. (2003)
Body without organs	Coordinated and cross-functional purchasing	Keough (1993); Spekman (1993)	Collective improvisation	Erden et al. (2008)
Power structure (Arborescent versus Rhizome)	Centralized and coordinated: Arborescent	Keough (1993)	No strong centralized structure: Rhizome	O'Donnell et al (2002); Markusen (1996)

Table 2: A 2x2 matrix for analyzing the purchasing mode of a community

Customer-Supplier Integration Level (vertical integration)		
Partnership mode	*3rd quadrant*	*4th quadrant*
Traditional mode	*1st quadrant*	*2nd quadrant*
Customer-Customer Integration Level (horizontal integration)	Individual purchasing within community	Coordinated purchasing within community

Table 3: Embedded levels of this study

Embedded level	Instances of embedded level (assemblages)
Community: Industrial district	Phuket
Community: Industry	Software industry; Tourism industry
Actors	Software companies; Hotels

Table 4: Figures of the software companies in Phuket

	Established	Number of customers	Turnover	SW sector
Company 1	2001	800	€200k	Accounting
Company 2	2002	68	€100k	Online booking
Company 3	2002	120	€200k	Online booking
Company 4	1998	150	€300k	Buildings
Company 5	2001	70	€60k	Online booking
Company 6	2002	381	€50k	Directory service

Appendix A: Data collection

Face-to-face interviews: Actors and role(s) of the person(s)	Industry	Time, duration, and place
Company 1, two owners of the company	Software	02.10.2006, 3 hours, company premises
Company 2, owner of the company	Software	03.10.2006, 3 hours, company premises
Company 3, owner of the company	Software	04.10.2006, 3 hours, company premises
Company 4, a co-owner of the company	Software	04.10.2006, 2 hours, Phuket Town
Company 5 solution, owner of the	Software	05.10.2006, 3 hours, Phuket Town
Company 6, the other owner of the	Software	8.10.2006, 2 hours, company premises
Vice President of Phuket Tourism Business Association, Head of the hotel	Tourism	5.1.2008, 2 hours, a hotel next to Patong peach
Assistant Director, Tourism Authority Thailand, Phuket	Tourism	3.1.2008, 2 hours, office, Phuket Town
Head of Phuket SW association	Software	24.12.2007, 2 hours, Phuket Town
Hotel Manager of a large hotel	Tourism	1.1.2008, 1 hour, premises of the hotel, Phuket Town
Owner of a small hotel in Phuket Town	Tourism	2.1.2008, 1 hour, premises of the hotel
President of Software Industry Promotion Agency (SIPA) of Phuket Associate Professor, Prince of Songkla University	Software, Education	About 10…15 times between in 2006,2007,2008, Premises of SIPA
Meeting with Phuket SW industry and SIPA	Software	10.1.2008, 2 hours, premises of a large hotel in Patong Beach
Chief Accountant, A customer for company 1	Computer Hardware	16.10, 2006, 2 hour, premises of a customer
Other sources		

Telephone calls	All	Several calls with various actors per week, during the visiting periods, Phuket
Emails	All	More than 50 emails with various actors, before, after and during the visiting periods, in Puhket and outside of Phuket
Secondary data: brochures, web-pages etc.	All	During data collection period, Phuket