1 Introduction: why a handbook of research on competitive strategy?

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In this introductory essay, I first wish to draw the reader's attention to the four most relevant reasons that have initially inspired the publisher, Edward Elgar, and the present editor to take steps towards assembling and publishing a *Handbook of Research on Competitive Strategy*. Second, I shall explain how and why the competitive strategy approach has rapidly become a subfield of strategy and the different theories that currently exist on the subject. Third, I shall speculate on the emergence, persistence and shortcomings of a so-called 'competitive strategy mindset' and finally outline the structure of the handbook. As the reader may expect, any handbook is an opportunity to encapsulate in one comprehensive volume the state of a research field and ruminate on its current development. As it may be read in Wikipedia:¹

A handbook is a type of reference work, small manual, or other collection of instructions, that is intended to provide ready reference. A vade mecum (Lat. 'go with me') or pocket reference is intended to be carried at all times. Handbooks may deal with any topic, and are generally compendiums of information in a particular field or about a particular technique. They are designed to be easily consulted and provide quick answers in a certain area.

For this reason, handbooks are usually published when a research field has grown too large to master easily through the study of journals and books, so they appear when the contributors of the field are ready to celebrate progress. In this view, a handbook is nothing but a last-ditch commemorative monument erected in memory of the efforts already made by others. In a way this handbook is no exception, because competitive strategy is a subfield of the strategy arena that has grown quickly and accumulated several strong branches of research organized around specific theories and applications, as many of the chapters in this collection will show. Uniquely, this handbook also summarizes the state of the art in the field, and thus some of its most established research traditions. However, this handbook also follows a different strategy since it also tries to uncover and shed light on a variety of smaller branches and twigs that are hidden among the major branches of competitive strategy research and that claim larger relevance in strategy inquiry. That is why I chose to baptize the

fifth and last part of the volume 'Competitive Strategy at the Intersection between Research and Practice: A Look into the Future'. This is perhaps the most remarkable contribution that, collectively, the authors of this book have chosen to make towards strategic management investigation and the broad business community. Because, by doing so, they have supplied the reader with a number of signposts and tips that need to be developed, matured and turned into conceptual approaches and managerial advice in the years to come.

This handbook appears inspiring and thought-provoking to those who are genuinely interested in fast-developing strategy dynamics since it marshals a notable assortment of conceptual lenses (i.e. the resource-based theory, the network perspective, the social-cognitive perspective, the competitive dynamics view and the strategy-as-practice view), fresh themes (i.e. governance, entrepreneurship, family business, multinational enterprises, strategic alliances, innovation and technology management and M&As), cutting-edge methodological perspectives (i.e. quantitative methods, semiotic analysis and computer simulation modeling), and eventually looks at new strategic intersections (i.e. business-model competition, trust-based strategies, the bridge between finance and strategy, the relationship between ownership structure and strategy, coopetition strategy and impact on business practice) that prove to be increasingly important to today's informed students, managers and thriving companies.

The handbook is the outcome of the collective effort of 47 scholars who operate in the strategy domain. We are pleased to proclaim that some of the best-minded and much-acclaimed thought gurus of strategic management have kindly accepted to contribute to the volume. This, however, is not the topical feature of this endeavor. Since in crafting and delivering their chapters our most authoritative intellectual leaders have, in many cases, decided to interact with more greenhorn and ascending scholars, overall the volume is the product of a set of contributions from an excellent mix of senior, mid-career and junior researchers. For its breadth and depth and for its 25 original contributions (other than this introductory essay), the book aims to provide executives, entrepreneurs, students and scholars in management a myriad of lively and captivating insights on the nature and process of strategy formation, configuration and development.

COMPETITIVE STRATEGY AS A RESEARCH FIELD IN STRATEGIC MANAGEMENT

In recent years, competitive strategy has taken center stage in discussions of strategic management. This contention is corroborated, on one hand by

the extensive and increasing number of articles, books, and textbooks on this theme that have cumulated (and are cumulating) over time and, on the other, by the upspring of a large quantity of courses and cases dedicated to competitive strategy in universities and business schools throughout the world. This is also testified by the inauguration, in 2004, of a highly attended Interest Group, labeled 'Competition Strategy', within the sphere of the Strategic Management Society, currently the world's major congregation of academics and practitioners in strategic management. In addition, when asked to position themselves, many strategy scholars and researchers would have no doubt identifying themselves immediately as scholars of competitive strategy. This state of affairs becomes apparent by reading a number of researchers' curricula vitae in which it is possible to find the major research interests they cover. Finally, in some universities and business schools, the academic group or faculty area concerned with strategic management is usually named 'competitive strategy'. The condition that reveals the soundest recognition of competitive strategy as a subfield of study within strategic management, and the concurrent identification of a competitive strategy scientific community, is consistent with sociology of science predicaments that science proceeds by the succession of generations of scientists. Kuhn's (1970) point was that 'community assent', rather than 'canons of reason', is often the final arbiter in whether a new paradigm or a theory affirms over the old one.

To be sure, the circumstance that competitive strategy is connected today to the very heart of strategic management, intended as an academic discipline as well as a practitioner domain, comes as no surprise. First, competitive strategy constitutes the foundational nucleus around which strategic management has developed in the last decades since its inception in the early 1980s.² In fact, absent of a strategy curriculum at the PhD level, the majority of early strategic management scholars had academic backgrounds in industrial organization and applied economics. Given their background, they were almost naturally driven to bring post-Marshallian economics, competition research and the Mason-Bain Structure-Conduct Performance paradigm industry analysis into the newly-born field of strategic management (Porter, 1981; Rumelt, Schendel and Teece, 1991; Foss, 1996). Second, when anyone interested in management and strategy (e.g. an MBA student, a business executive, a consultant or an entrepreneur) hears or reads of 'competitive strategy', he or she immediately credits a connotation to it, since he or she has a rather mechanical and lucid idea of what it is. This condition is the result of a pathway that the phrase's use has traced across time and space and in standard textbooks (e.g. Porter, 1980; Kay, 1993; Ghemawat and Rivkin, 1999; Saloner, Shepard and Podolny, 2001; Barney, 2002; Thompson et al., 2011; Hitt, Ireland and Hoskisson,

2011) since the early 1980s. In fact, in order to activate the process of *path recognition*, the recognizer is to be equipped ex ante for the recognition of the word's significance and its significance path (Dagnino and Rocco, 2009). Third, professional consultants in strategy have contributed by generating, adopting, and widely applying an entire kit of rough-and-ready analytical tools (such as the SWOT analysis, the BCG and GE-McKinsey matrixes, the five forces framework, and the value chain model) that are today the familiar paraphernalia and, hence, the consultant standard equipment in competitive strategy practical breakdown. Fourth, for the reasons above, starting in the early 1990s – roughly speaking from the publication of Porter's third book *The Competitive Advantage of Nations* (1990) – the use of competitive strategy has also managed to trespass the original realm of strategic management to affect other fields of inquiry, such as marketing, industrial and regional economics, economic geography, business and economic history and international affairs. Based on these considerations, it is possible to confirm that competitive strategy is nowadays one of the essential components of the inner circle or mainstream in strategic management.

Competitive Strategy Definition

Notwithstanding these evolutions, we still lack a definite unambiguous understanding of the meaning of 'competitive strategy'. Statements about competitive strategy abound, ranging from strategy, to marketing, to regional economics and economic geography to international affairs, but a precise definition is elusive.³

In reviewing the use of the term competitive strategy in the literature, the common theme is how to achieve a *competitive advantage* in a typical and unique way. In Michael Porter's (1980) initial view, competitive strategy refers to how a company competes in a particular business. Competitive strategy is concerned with how a company can gain a competitive advantage through a distinctive way of competing. In his landmark book, *Competitive Strategy* (1980), Porter identifies four fundamental competitive strategies (cost leadership, differentiation, focus on cost and focus on differentiation, eventually developed in a more sophisticated way in his 1985 book on *Competitive Advantage*) and lays out the required skills and assets, organizational elements and risks associated with each strategy.

Competitive advantage results from a firm's ability to perform the required activities at a collectively lower cost than rivals or to perform the same activities in unique ways that create greater value for buyers and hence allow the firm to command a premium price. Pursuing one of these advantages will make a firm's product or service unique, and is strongly

Source: Adaptation from Porter, 1980; 1985.

Figure 1.1 Five generic strategies

suggested so that the firm is not “stuck in the middle” (Porter, 1980: 40); a position where, by pursuing both competitive advantages, neither one is achieved.

More recently, some authors (Flynn and Flynn, 1996; D’Aveni, 2010; Grant, 2010) have criticized the idea that cost and differentiation strategies are actually self-excluding by purporting that they are all but incompatible.⁴ An *integrated* cost leadership-differentiation strategy is a *hybrid* strategy chasing the lower or lowest cost and product differentiation concurrently. Various benefits may be associated with effectively pursuing cost leadership and differentiation strategies simultaneously. While differentiation allows a firm to charge a premium price, cost leadership makes it possible to charge the lowest price. Hence, the firm may be capable of achieving a competitive advantage by delivering value to customers based on both product features and low price. In this way, the classic generic strategies become five instead of four (see Figure 1.1).⁵

We second Porter’s basic idea that an economic organization’s competitive strategy is tightly related to the accomplishment of a ‘competitive advantage’. However, as we have observed in the case of competitive strategy, there is not yet much agreement on the issue of to whom and when comparative advantage accrues. Consequently, in the two following subsections we shall discuss first the ‘elusive’ nature of the competitive advantage concept and then the essence of dynamic competitive advantages.

Competitive Advantage

Since there is no unanimous consensus on the meaning of the concept, scholarly views of competitive advantage have proliferated in the last three

Table 1.1 Competitive advantage definitions

1. Competitive advantage is created by favorable terms of trade in product markets (Dierickx and Cool, 1989). That is, sales in which revenues exceed costs.
2. Competitive advantage is revealed by ‘super-normal’ returns (Barney, 2002; Peteraf, 1993).
3. Competitive advantage is revealed by superior stock market performance stemming from surprising increases in expectations (financial economics view).
4. Competitive advantage is manifested in terms of shareholders’ returns.

Source: Our elaboration from Rumelt, 2003.

decades. Richard Rumelt (2003) emphasized that there are four schools of thought in defining competitive advantage. According to the first, competitive advantage is created by favorable terms of trade in product markets (Porter, 1980; Dierickx and Cool, 1989). That is, sales in which revenues exceed costs. A second school of thought maintains that advantage is revealed by ‘super-normal’ returns (Barney, 2002; Peteraf, 1993). A third school of thought eventually ties advantage to stock market performance. According to financial economics, in fact, superior stock market performance stems from surprising increases in expectations (that is, the financial economics view). A fourth idea, that is more tightly tied to measurement, essentially refers to those strategy consulting firms that measure competitive advantage in terms of shareholder returns (see Table 1.1).

There are some intriguing areas of confusion here. We will focus on one of these areas that we consider the most stimulating for current competitive advantage investigation: does competitive advantage mean winning the game or having sufficient distinctive resources to maintain a position in the game (Rumelt, 2003)? This resembles the deep-seated story that is often told in strategy and leadership classes in universities and business schools. Is it worthwhile to stay in business and keep on competing only when one is the first or the second in the industry, as purported in the 1980s by Jack Welch, the commanding CEO of GE at the time? Or, more simply, when one is able to barely stay in business or to survive the competitive arena?

In this regard, two rather influential and countervailing streams of thought exist in strategic management. The former argues that sustainable competitive advantage (SCA) actually does exist (Porter, 1980; 1991; Barney, 2002; Saloner, Shepard and Podolny, 2001) as an organization can gain and sustain an advantage over time. The latter supports instead the apparently opposite contention that, in today’s technology-driven, volatile, and unstable hypercompetitive environments, sustained competitive

advantage does not exist. According to this view, since we actually live in the age of temporary advantage (D'Aveni, Dagnino and Smith, 2010) epitomized by a series of frequent endogenous and exogenous competence-destroying disruptions and discontinuities, competitive advantage can be achieved only for a concatenation of limited time periods (D'Aveni, 1994). This contention drives us inescapably to dedicate space to the concept of dynamic competitive advantage.

Dynamic Competitive Advantage

Since we have come to recognize that the achievement of a stable competitive position at all times is impossible, it is high time to turn to dynamic competitive advantages; i.e. to understand the dynamic processes by which firms perceive and attain superior competitive positions. This is a theme that Porter (1991) had pioneered two decades ago, when he rightly acknowledged that, till that date, strategy had fallen short in explaining the true origin of advantage. Porter also emphasized that this origin rests in strategic dynamic processes viewed not as static symbols but as moving targets. Nonetheless, Porter's (1991) immediate response was the proposition of his 'diamond', intended – in his own words – as “a dynamic system” and a way to detect and respond to the environmental influences on the dynamics of competitive advantage.

Two decades after that early contribution, the study of the detection of the antecedents of the dynamics of competitive advantage has become key in strategy research, and for the inauguration and rapid affirmation of at least four significant streams of study. The literature on high-velocity, hyperturbulent, and chaotic environments inaugurated by the intuition regarding hypercompetition (D'Aveni, 1994; Wiggins and Ruefli, 2005), the studies on competitive dynamics that specifically focus on the speed and aggressiveness of firm actions that may undermine the effectiveness of a firm's position and movements (Ferrier, Smith and Grimm, 1999; Smith, Ferrier and Grimm, 2001), the dynamic resource-based view of the firm (Helfat and Peteraf, 2003), and finally the dynamic capability approach (Teece, Pisano and Shuen, 1997; Eisenhardt and Martin, 2000; Teece, 2007; Helfat et al., 2007). In sum, to respond to ever-changing environmental pressures (e.g. competitive, social and technological), the continuous reconfiguration and deployment of new resources and capabilities have become the essential seeds from which the dynamics of organizational competitive advantage are grown. In a nutshell, the Rosetta stone of today's dynamics of competitive strategy is firmly engraved with an inscription on the ability to relentlessly re-align the firm's resource and capability base to the varying environmental opportunities or to the

creation of new ones (see Alvarez and Barney, 2007, for an introduction to the idea of ‘creation opportunities’).

THE COMPETITIVE STRATEGY MINDSET

As we have attempted to show, bearing a competitive strategy mindset is no doubt relevant in the strategic management field, since it has allowed substantial conceptual and practical advancements. Nonetheless, looking beyond popular perception, it is important to examine what a competitive mindset is really about. Therefore, I ask: what does having a competitive strategy mindset mean? What is the logic underlying a competitive strategy mindset? Does the competitive strategy mindset evolve?

Interestingly enough, if we wish to understand a competitive strategy mindset, it may be helpful to leverage the etymologies of the three related words that compose the phrase. Actually this specific mindset is based concurrently on ‘competition’ and on ‘strategy’. While the Latin etymology of the word ‘competition’ recalls the issue that brings us to ‘the act to ask or request together’ with some other party, the ancient Greek word ‘strategy’ (the ‘*stratēgos*’ – from *stratōs* = army and *egos* derivation of *agein* = to lead – was the one who was designated as commander-in-chief of the army) drives us to recognize the inner interdependence of two or more actors within the same game. Accordingly, we can confirm that, etymologically speaking, a competitive strategy refers to a game in which the actors involved request the same object or aim at the same target in a specifically interdependent setting. If we pass from the actor level to the organization or firm level, we can purport that competitive strategy is related to a game in which two or more firms aim at the same target in a strategically interdependent setting.

Finally, we can introduce the third ingredient: mindset. A mindset is a set of assumptions, methods, or notations held by one or more people or groups of people, which is so established that it creates a powerful incentive within these people or groups to continue to adopt or accept prior behaviors, choices, or tools (see Hutchins, 1995). According to this definition, a competitive strategy mindset involves the full acceptance of “a game in which two or more firms aim at the same target while operating in strategically interdependent settings” (see Table 1.2).

In this sense, since the late 1980s and early 1990s the competitive strategy mindset has revolved around concepts such as, respectively, ‘competitive organization’ and ‘competitiveness’. A competitive organization entails, in this view, an organization that vis-à-vis its competitors, in a defined time period and setting, can temporarily be more cost efficient (pure economic

Table 1.2 Etymology and definition of the competitive strategy mindset

	Competition	Strategy	Mindset
Etymology	Latin	Ancient Greek	Anglo-Saxon
Original	<i>Cum-petere</i>	<i>Strategos</i>	A set of assumptions,
Meaning	i.e., “the act to ask or request together”	commander-in-chief of the army (etym: <i>stratòs</i> = army + <i>egos</i> derivation of <i>agein</i> = to lead)	methods, or notations held by one or more people or groups of people, which is so established that it creates a powerful incentive within these people or groups to continue to adopt or accept prior behaviors, choices, or tools
Current Meaning	“A game in which the actors involved request together the same object or aim at the same target in a specifically interdependent setting” and, <i>by extension</i> , “a game in which two or more firms aim at the same target in a strategically interdependent setting”		
Definition	Full acceptance of “a game in which two or more firms aim at the same target while operating in strategically interdependent settings”		

perspective), or more able to differentiate, or both (pure competitive perspective), or more transaction efficient (transaction cost perspective), or more able to learn (behavioral perspective), or more able to manage agency relationships (agency theory view), or more able to play with selective pressures (evolutionary perspective) (see Pearson, 1992; Pucik, Tichy and Barnett, 1993). Competitiveness is in turn the comparative ability and performance of a firm, sub-sector or even country to sell and supply goods and/or services in a given market. A good degree of competitiveness is believed paramount for achieving corporate success (Hitt, Ireland and Hoskisson, 2011).

The one depicted earlier was roughly the situation of the competitive strategy mindset especially following the launch of Michael Porter’s two books, respectively, on competitive strategy (1980) and competitive advantage (1985), and the mild influx that game theory has exerted in the development of strategic management in that age (Camerer, 1991; Saloner, 1994). In the course of the 1990s, fueled by the dramatically

shifting realities of business phenomena in the new decade, the issue of interfirm cooperation and cooperative strategy (Contractor and Lorange, 1988; Dussauge and Garrette, 1999; Faulkner and de Rond, 2002) has emerged and progressively managed to find burgeoning room in the competitive strategy domain. By extension, cooperative strategy has joined the vast, flexible and expanding domain of competitive strategy and has been incorporated into it.

As illustrated earlier, the inauguration and development of the research field related to competitive strategy has marked several steps forward in strategy and management. Nonetheless, the competitive strategy mindset has been henceforth guided by a pure Aristotelian logic that is fundamentally binary or dual. A two-valued logic reasons by extremes, excluding any degrees of variation in a continuum. For the ‘law of excluded middle’, which has long dominated the thought of the Western world, any other solution is deemed paradoxical and therefore simply unacceptable (Chen, 2008). Competitive strategy has relied on and only admitted two opposite and supposedly irreconcilable behaviors: competitive behavior and cooperative behavior. Accordingly, the possibility of admitting a multi-valued logical reasoning was denied and the simultaneous coexistence of a mix of competition and cooperation, trustworthy and opportunistic behaviors, multiple business models, ownership problems and conflicts, and so forth, has been completely neglected.

To moderate this initial condition in the beam of some recent developments in strategy research, the last section of this volume hosts a handful of essays in which the pure competitive mindset is actually blended with the pure cooperative mindset and trust and opportunism are reputed concomitant items, so as to allow a seemingly paradoxical ‘coopetition mindset’, the strategic management of trust, multiple business models interaction and, finally, an in-depth discussion of the value of the ownership issue. According to these multi-valued perspectives, the volume is also home to other contributions that dig out, respectively, the impact that competitive strategy investigation has had (and currently has) on practice and the elucidation of how strategy research has started to study not only how firms and their competitors perceive and respond to each other, but also how stakeholders make sense of firms at the collective level; and the consequences of collective cognitive and interpretative processes and structures on performance. A complementary contribution in this vein pinpoints that micro-foundations – such as activities and beliefs – are crucial in the inspection of how novel competitive positions materialize, frequently amalgamating with the macro-conditions – or practices and meanings. In the next and final section of this essay, we provide a full account of the structure and content of the handbook.

Table 1.3 *Synopsis of the Handbook of Research on Competitive Strategy*

Part 1: Origins and developments	Part 2: Theoretical approaches	Part 3: Advanced topics	Part 4: Methodological issues	Part 5: Look into the future at the intersection between research and practice
2. <i>Origins and developments</i> Vincenzo Pisano and Michael Hitt	6. <i>Resource-based theory and managerial implications</i> Jay Barney, Valentina Della Corte, Mauro Sciarelli and Asli Arikan	11. <i>Role of mergers and acquisitions</i> Olimpia Meglio and Arturo Capasso	18. <i>Use of quantitative methodologies</i> Roberto Ragozzino, Asda Chintakananda and Jeffrey Reuer	21. <i>Management of trust</i> Sandro Castaldo and Katia Premazzi
3. <i>The genesis: a historian's view</i> Christian Stadler	7. <i>Socio-cognitive perspective</i> Violina Rindova, Rhonda Reger and Elena Dalpiaz	12. <i>Strategic implications of alliance formation and dynamics</i> Africa Ariño and Esteban García-Canal	19. <i>Semiotic methods and the meaning of strategy in firm annual reports</i> Maria Cristina Cinici and Roger Dunbar	22. <i>Competing through business models</i> Ramon Casadesus- Masanell and Joan Ricart
4. <i>Theory of science perspectives: debates and a novel view</i> Nicolai Foss	8. <i>Management of growth strategies in firm networks</i> Simone Ferriani and Antonio Giuliani	13. <i>Innovation and technology management</i> Bruno Cassiman and Maria Chiara Di Guardo	20. <i>Role and impact of computer simulation modeling</i> J. Richard Harrison and Gordon Walker	23. <i>Coopetition: nature, challenges, and implications</i> Giovanni Battista Dagnino, Maria Chiara Di Guardo and Giovanna Padula

Table 1.3 (continued)

Part 1: Origins and developments	Part 2: Theoretical approaches	Part 3: Advanced topics	Part 4: Methodological issues	Part 5: Look into the future at the intersection between research and practice
5. <i>Young and growing research directions</i> Joel Baum and Henrich Greve	9. <i>Strategy-as-practice</i> Patrick Regnér	14. <i>Governance issues</i> Igor Filatotchev		24. <i>Crossing boundaries between research in strategy and finance: the firm's financial structure and competitive strategy</i> Maurizio La Rocca and Elvira Tiziana La Rocca
	10. <i>Competitive dynamics stimulated by pioneers' technological innovation</i> Francesco Garraffo and Gwendolyn Lee	15. <i>Entrepreneurial issues</i> Mario Sorrentino		25. <i>Investors, corporate governance and strategic competitiveness in privately-held firms</i> Rosario Faraci and Wei Shen
		16. <i>Family business</i> Giorgia D'Allura and Alessandro Minichilli		26. <i>Competitive strategy research's impact on practice</i> Constantinos Markides
		17. <i>Multinational firms</i> Grazia D. Santangelo		

STRUCTURE AND CONTENT OF THE HANDBOOK

Though some handbooks may dedicate a great deal of room to recapitulating the book's content in an analytical fashion, we have chosen to make the content synopsis as handy and small as possible. Table 1.3 gathers the general synoptic summary of the contributions to this handbook.

The handbook is divided into five basic parts, which respond to a compelling organizational logic. In the following paragraphs, we will display the main features of the focal parts of the book, pinpointing some glimpses on each of the 25 relevant chapters. The five parts are asymmetric in length, responding to a rationale given by the themes sheltered within them.

As it may be straightforward to anticipate, the first part regards, broadly speaking, the origin and developments of research in competitive strategy. It presents four unique chapters. Chapter 2 by Vincenzo Pisano and Mike Hitt speculates on the internal and external factors that are posited at the origins and developments of competitive strategy considered as a relevant research area in strategic management, while Chapter 3 by Christian Stadler offers an interesting historian's view on the genesis of competitive strategy, supplying a few historical examples that span from ancient times to medieval Greenland and nineteenth century Hong Kong, and dissecting the view of military strategy. Chapter 4 by Nicolai Foss deepens the influx of theory of science perspectives in competitive strategy research, by casting original light on the recent methodological debate on the matter and the swinging strategic management pendulum oscillating between the micro and the macro. Last but not least, Chapter 5 by Henrich Greve and Joel Baum summons a number of captivating hints for discussing a set of young and growing research directions in competitive strategy research (e.g. multiunit rivalry, geographic location and spatial structure, ecological dynamics).

The second part of the book is dedicated to the discussion of the main conceptual approaches that inform today's competitive strategy research. It consists of five chapters. Although it has proved unfeasible to gather all the approaches in competitive strategy research, we are confident to say that we have managed to pull together some of the most important and promising ones. Chapter 6 by Jay Barney, Valentina Della Corte, Mauro Sciarelli and Asli Arikan provides a thorough discussion of one of today's mainstream theories in competitive strategy – the resource-based theory – and examines its relevant managerial implications. Chapter 7 by Violina Rindova, Rhonda Reger and Elena Dalpiaz covers the advent of the socio-cognitive perspective in strategy research, clearly extricating the inception of collective cognitions and sensemaking in markets and organizational

fields. Chapter 8 by Simone Ferriani and Antonio Giuliani addresses the issue of management growth strategies in firm networks, proposing a stylized model of opportunity discovery via network ties. Chapter 9 by Patrick Regnér illustrates another appealing theoretical perspective in today's competitive strategy landscape that is labeled strategy as practice, especially as concerns the emergence of organizational competitive positions. Finally, in Chapter 10 Francesco Garraffo and Gwendolyn Lee supply a tempting discussion of the antecedents of firms' competitive dynamics stimulated by the introduction of pioneers' technological innovation.

By offering an issue-based rather than theory-oriented view of competitive strategy, the third part considers an ample array of significant topics in competitive strategy research. This is the largest part of the book, featuring seven original chapters. Chapter 11, by Arturo Capasso and Olimpia Meglio, is concerned with the relevant evolving role that M&A research increasingly plays in the competitive strategy subfield of investigation. Chapter 12, by Africa Ariño and Esteban Garcia-Canal, gives a notable portrait of the consequences of alliance formation and dynamics for competitive strategy formulation and implementation. Chapter 13 by Bruno Cassiman and Chiara Di Guardo clearly depicts the fundamental position in competitive strategy of studies in innovation and technology management. In Chapter 14, Igor Filatochev discusses in detail the current emergence of important governance issues in competitive strategy (e.g. board characteristics, strategic decisions and performance and the roles of block-holders and shareholder activism). Chapter 15 by Mario Sorrentino carefully reviews and discusses the role of entrepreneurial issues and wealth creation through new ventures in competitive strategy research. In Chapter 16, Giorgia D'Allura and Alessandro Menichilli give a sound picture of what undoubtedly is a rising and promising subject in competitive strategy research: that related to the dissection of family business and family enterprises. In Chapter 17 Grazia Santangelo argues about the central importance of the conversation on multinational firms in competitive strategy research (this stream has recently witnessed the launch of the *Global Strategy Journal*).

The fourth part of the volume is devoted to discussing thoroughly what is today a fundamental requirement for the scholarship of any researcher working in a university, research center, or a business school, or in industry and consulting practice: the role of methodological issues in competitive strategy research. It comprises three unique chapters. Chapter 18 by Roberto Ragazzino, Jeff Reuer and Asda Chintakananda looks at the comparative use of quantitative methodologies in competitive strategy research. Taking a rather different but in many ways complementary perspective, which makes use of a series of annual reports, Chapter 19 by

Roger Dunbar and Cristina Cinici provides an original extrication of how semiotic methods can shed light on the meaning of competitive strategy. Chapter 20 by Richard Harrison and Gordon Walker shows the role and impact of computer simulation modeling in competitive strategy research.

The fifth and final part of the volume harbors an array of contributions for taking a (hopefully smart and foresightful!) look at the future of competitive strategy. As briefly anticipated in the prior section, the contributors to this section have collectively attempted to look ahead, by excavating the grounds and boundaries of a particular frontier area, which lies at the interface between current research in strategy, other disciplines and professional practice. This part comprises six intriguing chapters. Chapter 21 by Sandro Castaldo and Katia Premazzi is devoted to meticulously detecting and extracting new important additions that the management of trust may offer today to competitive strategy research. Chapter 22 by Ramon Casadesus-Masanell and Joan Enric Ricart lays down a suite of compellingly rigorous insights to firms that wish to compete through business models. Chapter 23 by Giovanni Battista Dagnino, Chiara Di Guardo and Giovanna Padula is committed to the study of the strategy mid-way between competition and cooperation strategies, which has been named cooptition strategy. In the process, the authors provide some clues on the nature, challenges, and implications of this novel managerial mindset for firms' strategy. Since it vigorously connects the dots between the firm's financial structure and competitive strategy, Chapter 24 by Maurizio La Rocca and Elvira Tiziana La Rocca is a true boundary-spanning piece, which intersects research in the realms of strategy and finance. In Chapter 25 Rosario Faraci and Wei Shen investigate whether and to what extent ownership matters. In so doing, they hook up the expanding roles of investors, corporate governance, and strategic competitiveness as specifically concerns privately-held firms. In the final chapter of the handbook, Chapter 26, Costas Markides explores the impact on practice that competitive strategy research has had in the last couple of decades.

As a final tip, we are confident that the reader may appreciate the collective effort of the contributors to this volume and, therefore, that the publication and dissemination of this handbook will have the best of fortune among students, researchers and practitioners. We are also confident that the volume will more than satisfy the reader interested in the strategy and management domain, to actually reach thinkers and practitioners in disciplines and fields that are germane to it, and with which there has been (and there is) good trade. Scholars and professionals in such topical areas as regional and applied economics, economic geography, business history, political science and international affairs may actually find it (or at least some part of it) helpful to their daily thinking and practice. I look forward

to receiving any kind of constructive and critical feedback from all these communities.

NOTES

1. I am conscious that, for its open source design, Wikipedia may not be considered a reliable source of information. Nonetheless, in this very case, among the three that I have detected in my research, it appears to provide the most comprehensive and accountable discussion of the word at hand. In fact, at the entry “handbook,” the *Oxford Dictionary* online reports “a book giving information such as facts on a particular subject or instructions for operating a machine”, while the *Merriam-Webster Online Dictionary* conveys “a book capable of being conveniently carried as a ready reference: MANUAL; a concise reference book covering a particular subject”.
2. Actually, I am perfectly aware that, according to some authors (Porter, 1991; Rumelt, Schendel and Teece, 1994), the birth of strategy (or better business policy, as it was called at that time) as a research field conventionally dates back to the early 1960s. The steep signpost of this dating is given by appearance of the works of the triad of founding fathers, Alfred Chandler, Igor Ansoff and Kenneth Andrews, who supplied as many classical contributions in the vein in those years. For our purpose, we have taken into account the initial daylight of ‘strategic management’ as a scientific discipline by making unequivocal reference to both: (a) the launch of the *Strategic Management Journal* (1980) and (b) the establishment of the Strategic Management Society (1981). In a way, we could perhaps contend that the strategy field presents us with an unexpected two-step dawn: (1) the primeval one in the early 1960s, as reported by the foundational writers upsurge, and (2) the contemporary one at the onset of the 1980s.
3. While we recognize that the accrual of various discord definitions in the competitive strategy vein may cause confusion, we do not support the contention, originating from some scholars, that, in order to achieve cumulativeness, we must reach a shared consensus on a single distinctive definition. For instance, *The American Heritage Dictionary of Business Terms* (2010) defines competitive strategy as “A plan for how a firm will compete, formulated after evaluating how its strengths and weaknesses compare to those of its competitors”, while *BusinessDictionary.com* (www.businessdictionary.com/definition/competitive-strategy.html) reports that competitive strategy is a “Long-term action plan that is devised to help a company gain a competitive advantage over its rivals.” Finally, taking a marketing view, the *Barron’s Business Dictionary* (www.answers.com/topic/competitive-strategy) says that it is “A promotional strategy used in an advertising campaign that is designed to compete with rival brands. For example: A competitive strategy may try to discredit another brand or undercut another brand in terms of price, or may point out qualities and consumer benefits that are not present in another brand”.
4. According to Michael Porter cost and differentiation strategies are not incompatible, but a hybrid cost-differentiation strategy is indeed very unusual and sporadic. Porter (1985) stated that, in the rare occasions when firms were successful at simultaneously pursuing both competitive advantages, they reaped even greater benefits than firms which pursued only one competitive advantage: “If a firm can achieve cost leadership and differentiation simultaneously, the rewards are great as the benefits are additive – differentiation leach to premium prices when cost leadership implies lower costs” (1985: 18).
5. Similarly, low cost, and low price, alone do not sell products and services. The products must possess qualities that are perceived as desirable and of value (Stonehouse and Snowdon, 2007: 258). Furthermore, Mintzberg et al. (1995) argue that price – together with image, after sales support, quality and design – can be used as the traction for product differentiation.

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