

# Houston's gourmet food trucks cooperate, compete to elevate group's prestige

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New research by management and organizational behavior experts at Rice University's Jones Graduate School of Business finds that gourmet food trucks in Houston cooperate extensively and engage in friendly competition to promote the group members' excellence and uniqueness. The study, published in *Administrative Science Quarterly*, focuses on 41 food trucks in Houston, the fourth-most populous city in the United States.

Rice's Scott Sonenshein, the Henry Gardiner Symonds Professor of Management; Otilia Obodaru, assistant professor of management; and Kristen Nault, research analyst, developed theory and a model to explain how companies form a strategic group identity that shapes both competitive and cooperative behaviors among its [members](#) in the study "Competition of a Different Flavor: How a Strategic Group Identity Shapes Competition and Cooperation."

Food trucks are the fastest-growing sector in the restaurant industry, generating approximately \$850 million in revenue in 2015, according to the study. They have also become part of popular culture, making appearances on television shows such as "The Great Food Truck Race" and in movies such as "Chef."

"This cultural exposure has called attention to the opportunities in operating [food trucks](#), which have flooded the market in recent years with many new entrants," the authors wrote. "With many market players seeking similar scarce resources, operating a food truck can be a

difficult way to make a living. As our research evolved, it became clear that gourmet food trucks formed a strategic group identity to help with these challenges."

Based on a qualitative analysis of prototypical members of Houston's gourmet food truck market, the researchers found that members cooperate to help each other meet the central tendencies of the group—properties such as tasty food and good ingredients, reliable business practices around cleanliness and legal matters, and mobility in terms of truck location and social media. The researchers said members support each other, for example, by fixing each other's trucks, running errands, donating supplies and volunteering on other trucks.

The researchers also found that members compete to strive for the ideal tendencies of the group—the attributes of members held in highest regard, such as having the best [food](#), most reliable business practices or greatest mobility.

"These competitive and cooperative dynamics lead to three surprising consequences in light of previous research on strategic groups: Existing members of the strategic group help new firms enter the market; resource scarcity leads to cooperation, not competition; and when competition does emerge, it focuses on status within the group and not on price," the authors wrote.

The dynamics the authors theorized about, central and ideal prototypes, can explain how strategic groups evolve over time, they said.

"Central tendencies push firms toward conformity as members embrace the core attributes of a typical member, and ideal tendencies push for intragroup status, allowing some members to rise to the top," the authors wrote. "Thus the strategic group identity fosters both conformity, which allows the group to accommodate new members while maintaining its

core identity, and distinction, which improves the group as exemplary members emerge and become respected and emulated. This push for conformity alongside the tolerance of nonconformity in the form of excellence can offer strategic groups both a means to grow (from new members) and a means to improve (from exemplary members) while protecting the very [identity](#) that holds the group together."

**More information:** Scott Sonenshein et al. Competition of a Different Flavor, *Administrative Science Quarterly* (2017). [DOI: 10.1177/0001839217704849](#)

Provided by Rice University

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