This thesis focuses on the simultaneous existence of cooperation and competition between firms, and falls under the research area of coopetition. In recent years, coopetition, inherently complex and paradoxical in nature, has attracted increasing attention in both business practice and research. As a result, coopetition is confirmed as a phenomenon of contemporary importance to companies varying in size and industry. Moreover, from a research standpoint, coopetition has been established as a distinct theoretical approach to explain inter-firm relationships and, in particular, cooperation between directly competing firms.

Yet, to advance extant knowledge on coopetition, calls have been made for research scrutinizing the interaction process and focusing on the handling of simultaneous cooperation and competition, at multiple levels of analysis starting from the individual. To this end, the overall aim of this article-based thesis is to develop a theoretical understanding of how coopetition is maintained as a process and as a strategy, alongside an empirical understanding of the interplay between cooperation and competition. The thesis answers three interrelated research questions, addressing the dynamics of coopetitive interaction, the deliberate and emergent features of coopetition, and the balancing of cooperation and competition.

Article 1 contributes by conceptualizing change in coopetitive interactions through three mechanisms. The outlined mechanisms are inter-organizational learning manifested in cooperation between competitors, intra-organizational learning based on exchanges of contrasting experiences between individuals within the organization, and the development of the external business environment. The article further contributes by developing the notion that the nature of the change process underlying cooperation, in terms of the generative change mechanism and predefined or discontinuous character, depends on the balance and strength of the cooperative and competitive interactions.

In Article 2, the theoretical contribution comprises a framework explaining coopetition as a deliberate and/or emergent strategy. By integrating research on strategy-as-practice and, thus, focusing on the social nature of coopetition, the framework delivers four scenarios on how coopetition strategy manifests in an organization. The framework implies that coopetition strategy ought to be explained as an activity occurring across multiple levels in an organization, and at an institutional and inter-organizational level. Furthermore, the framework broadens extant views on individuals who influence strategy and activities that may be consequential for the strategy.

Article 3 contributes to discussions on the influence of different levels of strength of the cooperative and competitive interactions on relational outcomes. The contextual contribution lies in the study’s examination of coopetition in relation to the internationalization process and among a group of SMEs operating in a traditional manufacturing industry. Empirical results imply that the continuity, scope, and strategic impact of opportunities gained through coopetition vary with the balance and strength of the cooperative and competitive interactions.
Coopetition in Inter-firm Relationships

A Conceptual Development of Coopetition as a Process and a Strategy and an Empirical Investigation of the Outcomes in an International Context

Helsinki 2017
Coopetition in Inter-firm Relationships: A Conceptual Development of Coopetition as a Process and a Strategy and an Empirical Investigation of the Outcomes in an International Context

Key words: Coopetition, Inter-organizational Relationships, Inter-organizational Learning, Change, Strategy-as-Practice, Deliberate Strategy, Emergent Strategy, International Opportunities, SMEs

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March, 2017

Johanna Dahl
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1 INTRODUCTION

This thesis focuses on the simultaneous cooperation and competition between firms that falls under the research area of coopetition. Competing firms have conflicting objectives, which the buyer usually controls (Easton & Araujo, 1992, 72). Nonetheless, competition between firms can be far more than a zero-sum game that evolves solely around becoming the winner of the buyer's resources (Ritala & Tidström, 2014). Coopetition scholars maintain that the roles performed by one firm in a relationship with another firm depend on and vary with the different activities performed (Bengtsson & Kock, 1999, 2000). Against the notion that two firms are simultaneously collaborative partners in some activities but competitors in others, coopetition has even been suggested as a prerequisite for an inter-firm relationship to function efficiently because the benefits move beyond cooperation advantages in terms of gaining access to complementary resources. Owing to the simultaneous existence of competitive tensions in a relationship, there is also pressure and a need to engage in individual activities and to outdo each other (Bengtsson, Eriksson & Wincent, 2010a, 208). Accordingly, a relationship becomes about balancing opposing interactions and goals pertaining to its cooperative and competitive dimension (Gnyawali & Park, 2011; Le Roy & Czakon, 2016; Ritala & Tidström, 2014).

An increasingly dynamic and complex business context is said to lie behind the ever more frequent use of coopetition by firms (Bengtsson & Kock, 2014, 180). In support of this notion, research provides evidence of coopetition as a widespread phenomenon. Coopetition spans the context of large corporations (Gnyawali & Park, 2011) and small firms (Bengtsson & Johansson, 2014), as well as widely diverging types of industries (see e.g. Gnyawali & Park, 2011; Lundgren-Henriksson & Kock 2016a,b; Tidström & Hagberg-Andersson, 2012). Coopetition is currently a popular research topic and its current relevance can be seen in an increasing flow of coopetition studies (see reviews by Bengtsson & Raza-Ullah, 2016; Bouncken, Gast, Kraus, & Bogers, 2015). This relevance is also reflected in the number of recently published and upcoming special issues on coopetition in a variety of journals, such as, Industrial Marketing Management (Bengtsson & Kock, 2014; Le Roy & Czakon, 2016), International Journal of Technology Management (Bouncken, Kraus, Ritala, 2016), and Strategic Management Journal (Hoffmann, Lavie, Reuer, & Shipilov, forthcoming).

Regarding the theoretical development of coopetition, Ketchen, Snow and Hoover concluded in 2004, twelve years after the first introduction of the term “coopetition” in the business literature, that “much remains unknown about co-opetition. And yet the phenomenon in practice is on the rise” (Ketchen et al., 2004, 795). Since then, the concept of coopetition has been defined, redefined and delimited to distinguish its nature and distinctiveness as a theoretical approach (Bengtsson & Kock, 2014; Bengtsson et al., 2010a; Padula & Dagnino, 2007). Extant research has furthermore analysed coopetition in terms of motives, outcomes and the interaction process (Bengtsson, Eriksson & Wincent, 2010b). For example, studies have from both theoretical (e.g. Gnyawali & Park, 2009) and empirical standpoints (e.g. Czakon & Czernek, 2016) looked at coopetition antecedents, as well as, the multilevel nature of factors driving competitors to cooperate with each other (Raza-Ullah, Bengtsson & Kock, 2014, 191). Prior research has also investigated, with varied results, the relationship between coopetition and performance outcomes such as innovation and market performance (for an overview see Le Roy & Czakon, 2016). Lately, coopetition as a research field has been described as having “matured” and of having gained a clearer focus of the topics studied (Bengtsson, Kock, Lundgren-Henriksson & Näsholm, 2016b). This is shown, for example, in the recent
attention directed towards the management of tensions resulting from the simultaneity of cooperation and competition (Bengtsson, Raza-Ullah & Vanyushyn, 2016a; Fernandez, Le Roy & Gnyawali, 2014; Gnyawali, Madhavan, He & Bengtsson, 2016; Le Roy & Czakon, 2016; Tidström, 2014).

However, the coopetition field still has several challenging questions to deal with (e.g. Bengtsson & Kock, 2014, 183) and is overall argued to be in need of research which looks beyond simple relationships and, thus, more closely scrutinizes the interaction process to explain aspects of coopetition (Le Roy & Czakon, 2016, 4). To this end, one emerging research stream, which is generally deemed critical for the theoretical development of coopetition is the maintenance of simultaneous cooperation and competition on different levels of analysis (Bengtsson et al., 2016b; Le Roy & Czakon, 2016; Yami, Castaldo, Dagnino, Le Roy, & Czakon, 2010). This notion is also confirmed by special issues in journals, where the research questions pertain, to a large extent, to the management of coopetition; examples include how cooperation and competition coevolve on the firm and dyad level, the role of middle managers in implementing coopetition strategy and learning, trust and routines in coopetitive relationships. Hence, how coopetition is managed within the focal firm and in a relationship with a competitor is a critical research question for future theoretical models and empirical research on coopetition. This overarching question has been addressed and delineated in different research streams within the field of coopetition. Three of these generic streams – the dynamics of coopetition, coopetion strategy and the balancing of cooperation and competition – broadly lay the foundation for this thesis and its overall aim. These three streams are briefly shortly presented below and then the specific research questions of interest within each stream are defined.

To begin with, extant research has underlined the need for further explanation of the dynamics of cooperative and competitive interactions as a coopetition relationship unfolds over time (e.g. Bengtsson & Kock, 2014; Bengtsson et al., 2016b; Tidström & Hagberg-Andersson, 2012). By taking a process perspective and exploring the nature of the change process underlying coopetition our current knowledge of coopetition as a concept can also be advanced. This argument rests upon two key notions. First, coopetition has been defined as “a process based on simultaneous and mutual cooperative and competitive interactions...” (Bengtsson et al., 2010a, 200). Second, coopetition is frequently referred to as a dynamic phenomenon (e.g. Bengtsson & Raza-Ullah, 2016; Bengtsson et al., 2010a; Czakon & Czernek, 2016; Mariani, 2007; Ritala & Tidström, 2014; Tidström & Hagberg-Andersson, 2012; Yami et al., 2010). Yet, research conceptualizing how and why the coopetitive interactions change over time remains scarce.

Another fundamental question for the coopetition field is the impact of coopetition on strategy (Bengtsson & Kock, 2014, 184). Coopetition is frequently conceptualized and referred to as a strategy (see e.g. Dagnino & Rocco, 2009; Mariani, 2007; Ritala, 2012). However, although this stream of research discusses coopetition on the level of the firm’s business model (Ritala, Golnam & Wegman, 2014), there is not much research explaining how coopetition is manifested in a firm regarding strategy formulation and implementation activities (see calls by Ritala & Tidström, 2014, 513; Yami et al., 2010, 7). A valuable starting point for such calls is to go beyond viewing strategy as something an organization has and instead conceptualize coopetition strategy as something individuals do (Jarzabkowski, Balogun & Seidl, 2007, 6). Hence, what underpins coopetition strategy in terms of activities and social interactions in the firm and in its external environment is a fundamental question for future theoretical and empirical
Lastly, as a theoretical approach, coopetition is based upon the “idea that the potentially negative consequences of competition and collaboration can be avoided by simultaneously engaging in a cooperative and competitive interaction” (Bengtsson et al., 2010a, 203). Clearly delineating the connection between cooperation and competition is put forth by Chen (2008, 300) as a crucial and urgent challenge for future research. Extant research generally acknowledges the interplay between the opposing types of interactions through, for example, the simultaneous existence of value creation and appropriation (Gnyawali & Park, 2011; Ritala & Tidström, 2014) and different forms of coopetition (Yami & Nemeh, 2014). However, work within this area is still in its infancy. In fact, in reviewing the coopetition field, Bengtsson et al. (2010b, 33) note that, past studies generally tend to analyse the cooperative and competitive interaction processes separately and at the expense of the relationship between their opposing characters. In a similar vein, Park, Srivastava and Gnyawali (2014, 210) conclude that few studies look at the effects of the interplay between simultaneous cooperation and competition. Hence, whereas research focusing on the balance between cooperation and competition is currently emerging (Bengtsson et al., 2010a; Bengtsson et al., 2016a; Park et al., 2014), this remains an important question for future theoretical and empirical studies (Bengtsson & Kock 2014, 183).

This thesis complies with the outlined need for research scrutinizing the interaction process to explain the phenomenon of coopetition. Based on the proposed research avenues above, the overall aim of this thesis is to develop a theoretical understanding of how coopetition can be maintained as a process and as a strategy alongside an empirical understanding of the interplay between cooperation and competition. Thus, the thesis seeks to answer three interrelated sub-questions.

1.1 Specifying the research gaps and questions of interest

The following section presents the research questions of the thesis and the intended contribution. This section also describes the specific research gaps underlying each research question.

1.1.1 The dynamics of coopetitive interaction

The first question of interest pertains to the dynamics of coopetitive interactions over time. Coopetition between firms is frequently explained as resulting from changes in the structural conditions of a market (see e.g. the review by Bengtsson et al., 2010b, 29). The centrality of external forces for understanding the development of cooperative interactions between competitors, ultimately rests, according to Bengtsson and Kock (2000, 416), on the prevailing dependence between competitors operating in the same industry. Based on this dependence and on similarities in resources, interests, and challenges, competitors have been outlined as valuable partners for sharing costs and risks. This reasoning particularly arises when competitors need to internationalize (Luo, 2007), have shorter product life cycles and face technological change and challenges (Gnyawali & Park, 2011; Ritala, 2012; Yami & Nemeh, 2014). However, to increase the current understanding of coopetition as a process, research needs to go beyond the external motives and forces behind changes in cooperation between competitors. Instead, models that also incorporate how changes in the interactions are maintained by
individuals on an intra- and inter-organizational level are called for (Bengtsson et al., 2016b; Bengtsson et al., 2010b, 32; Czakon & Czernek, 2016, 65-66; Mariani, 2007, 98; Tidström, 2008, 215; Yami et al., 2010, 14).

To meet this call, the thesis discusses the development of coopetitive interactions in the light of learning between competitors. Following research on organizational learning (Holmqvist, 2004), interactions are conceptualized as dependent on the agreements, or the rules for cooperating and competing between competitors, which are formulated based on relationship-specific experience. This conceptualization complies with research on business networks, and the notion that processes of learning and experience form the nature of present and future interactions between two actors (Ford & Håkansson, 2006a, 8; Johanson & Vahlne, 2003; 2009). This conceptualization also fits with research acknowledging the ability of competitors to jointly store and learn from direct experience accumulated while cooperating and competing with each other. Such notions are implicitly found in coopetition studies that address concepts such as relational-specific routines (Gnyawali & Park, 2011; Luo, 2007), learning (Mariani, 2007; Schiavone & Simoni, 2011), social capital/prior cooperation (Bouncken & Fredrich 2012; Czakon & Czernek, 2016, Yami & Nemeh 2014), tacit norms and trust (Baldwin & Bengtsson, 2004, 79; Bengtsson & Kock, 1999, 182; Castaldo & Dagnino, 2009, 93; Ritala, Hurmelinna-Laukkanen & Blomqvist, 2009, 259). Similarly, recent work on the management of the cooperation-competition paradox emphasizes that “capable partners over time develop informal rules of the game which enhance mutual adjustments and players’ co-evolution as the situation changes” (Gnyawali et al., 2016, 14). Yet, to date, research discussing how competitors store and learn from direct experience that go beyond a source of stability and predictability in a relationship remains scarce (cf. Feldman, 2000; Farjoun, 2010). More importantly, there is a dearth of theoretical discussion on how relationship-specific experience acts as the basis for how interactions between competitors change as inter-firm relationships unfold over time.

This discussion leads to the first sub-question:

RQ1: How do rules for interaction change based on changes in the external environment and the development of relationship-specific experience resulting from the competitors’ cooperative and competitive interactions with each other?

1.1.2 The deliberate and emergent nature of coopetition

The second issue of interest evolves around how coopetition is maintained as a strategy and as a process. In particular, this issue demonstrates the need to acknowledge the planned and unintended nature of coopetitive interactions. Within the strategy literature, deliberate actions are based on intentions, while emergent actions are described as “patterns or consistencies realized despite, or in the absence of, intentions” (Mintzberg & Waters, 1985, 257). Current research emphasizes the importance of incorporating both deliberate and emergent features into explanations of coopetition and its distinct nature (Czakon, 2010, 69; Dagnino & Rocco, 2009, 292; Kylänen & Rusko, 2011; Tidström, 2008). Extant research often describes coopetition as deliberately planned, especially owing to the risks involved in cooperating with a direct competitor (Ritala et al., 2014, 237; Tidström, 2008, 214). Simultaneously, the interplay between cooperative and competitive interaction is frequently depicted as emergent (e.g. Czakon, 2010; de Rond & Bouchikhi, 2004; Tidström & Hagberg-Andersson, 2012), even to the point of being unpredictable (Yami et al., 2010). The emergent stream recognizes the influence of, e.g. self-interest and opportunistic actions (Khanna, Gulati, & Nohria, 1998;
Tidström & Hagberg-Andersson, 2012), learning (Mariani, 2007) and features dependent on the informal and social nature of the interactions (Bengtsson & Kock, 1999; Easton, 1990, 73; Oliver, 2004).

Hence, to advance coopetition strategy as a theoretical concept, the interplay between deliberate and emergent features must come to the fore. This conclusion specifies the abovementioned call for research that conceptualizes coopetition strategy as an activity in two important ways. First, there is a need to analyse the concepts underpinning coopetition strategy as a deliberate and emergent activity because there is a lack of such a theoretical discussion. Second, how individuals maintain coopetition strategy as a deliberate and/or emergent activity within the firm and on the inter-organizational level is a key question for understanding the impact of coopetition on strategy.

Furthermore, when approaching coopetition from a process perspective, the deliberate and emergent nature of coopetition illuminates the interplay between the predefined and the discontinuous nature of the change process (Van de Ven & Poole, 1995). Such reasoning is confirmed in extant studies where explanations of change vary from emphasizing its planned (e.g. Fjeldstad, Becerra, & Narayanan, 2004), unintended (e.g. de Rond & Bouchikhi, 2004) and gradual nature (e.g. Castaldo & Dagnino, 2009). However, theoretical explanations outlining the implications of the deliberate and emergent features of the actual change process in terms of underlying change events and generative mechanisms (Van de Ven & Poole, 1995, 520) are few and far between.

This discussion leads to the second sub-question:

**RQ2: How do deliberate and/or emergent features manifest themselves in coopetition as a process and as a strategic activity?**

### 1.1.3 The strength of and balance between cooperation and competition

To approach the interplay between cooperation and competition, the third issue of interest draws attention to different types of coopetition depending on the strength and balancing of cooperation and competition. The simultaneity of cooperation and competition as two contradictory but interrelated elements characterizes and distinguishes coopetition as a phenomenon (Bengtsson & Kock, 2014, 181). As a theoretical approach, coopetition emphasizes that cooperative and competitive interactions vary independently of each other in strength (Bengtsson et al., 2010a, 199; Padula & Dagnino, 2007, 38). Simultaneously, the interrelatedness between cooperation and competition forms as both elements are required for the relationship to be efficient and to enhance firms’ long-term competitiveness and innovation (Bengtsson et al., 2010a, 208). Hence, a key point for discussion is the influence and appropriateness of the different levels of strength of the cooperation and competition (Bengtsson et al., 2010a, 208, Bengtsson et al., 2016a; Ketchen et al., 2004, 795; Park et al., 2014, 210; Wu, 2014, 200). However, the current understanding of the concept that the outcome of an inter-firm relationship depends on the balancing of the cooperation and competition is still limited (Park et al., 2014, 210; Wu, 2014, 200). In this light, Bengtsson and Kock (2014, 183) conclude that, “the degree of balance needs to be studied in relation to various outcomes”. This thesis specifically examines the influence of different types of coopetition on the firm’s international expansion. In this regard, the thesis broadens extant research investigating the strength of and balance between the interactions in relation to innovation outcomes (Park et al., 2014, 210; Wu, 2014, 200). In addition, the thesis strives to deepen generic discussions on the potential value of coopetition on the
internationalization process (e.g. Chetty & Wilson, 2003, Holmlund, Kock & Vanyushyn, 2007).

Furthermore, in coopetitive relationships, the competitive dimension, characterized by the pressure and the drive to create private benefits and outdo each other, ensures a dynamic nature and the existence of moves and countermoves (Bengtsson, Eriksson & Kock, 2005, 205; Park et al., 2014, 211). These characteristics exemplify the importance of acknowledging the balance between cooperation and competition in explaining the development of coopetitive interactions over time. In extant research, both opportunistic actions (Tidström & Hagberg-Andersson, 2012; Yami et al., 2010) and the accumulation of trust (e.g. Castaldo & Dagnino, 2009) underlie explanations about the development of coopetitive interactions over time. Nevertheless, the balance between cooperation and competition remains an unexplored contextual feature in explaining coopetition from a process perspective.

Based on the above discussion, the third and last sub-question is:

RQ3: How does the balancing of cooperation and competition influence a) the dynamics of coopetition and b) the nature of international opportunities gained through coopetition?

1.2 Bridging the articles and posed research questions

To answer the posed research questions above, three articles were written that have distinct objectives and applied theoretical frameworks. The articles jointly contribute to reaching the overall purpose of thesis. As shown on the left-hand side in Figure 1, each of the three articles approaches one or several of the research questions. The articles’ objectives are summarized below and the linkages between the three articles are briefly discussed.
Figure 1  Interrelatedness of the posed research questions and articles

**Article 1:**

The purpose of this conceptual piece is to develop a framework that explains how and why coopetitive interactions change as a relationship unfolds over time.

As shown in Figure 1, Article 1 addresses all the three research questions of the thesis. Regarding the first research question, the article develops a framework that distinguishes key events and mechanisms underlying change in the cooperative interactions between competitors. The article approaches research questions 2 and 3 by presenting three scenarios that illuminate different explanations as to how change occurs. These scenarios delineate the nature of the change process in competition- and cooperation-dominated relationships and in relationships characterized by equal and moderately strong levels of cooperation and competition.

**Article 2:**

Article 2 is also conceptual in its nature. Its purpose is to define coopetition strategy as an activity by applying a strategy-as-practice perspective.

Article 2 focuses, first and foremost, on answering the second research question by developing a multilevel framework that explains how and why coopetition strategy as a deliberate and emergent activity is formulated and implemented. From this conceptual model, the article presents four scenarios with distinct theoretical propositions explaining how coopetition strategy is generated by organizations.
In its conceptualization of coopetition strategy, Article 2 also touches upon RQ1. Following a strategy-as-practice approach, coopetitive practices are outlined as a key concept underlying coopetition strategy as an activity. In short, practices refer to formal and informal shared norms of how to act that individuals draw upon when making and executing the strategy (Whittington, 2006, 619-620; Vaara & Whittington, 2012, 287). Article 2 proposes that these practices may be of a relationship-specific character and depend on, for example, trust-based understandings between the competitors. This notion corresponds to the theoretical reasoning regarding how competitors learn from direct experience, which underpins RQ1. In addition, the influence of the external environment is conceptualized through industry-based norms and external actors shaping the cooperative and competitive activities that occur between the competitors.

Article 3:

The purpose of the third article is to empirically explore international opportunities gained through coopetitive relationships in small- and medium-sized enterprises (SMEs). The article also seeks to analyse how the balancing of cooperation and competition influences the characteristics of the international opportunities gained through coopetition. As outlined in Figure 1, Article 3 addresses RQ3.

1.3 Key definitions

This section defines some of the central concepts in the thesis. Alternative views on the concepts are shortly discussed here, along with the definitions applied in the thesis. The discussion below is delimited to the concepts addressed in the overall aim of the thesis presented above. In conjunction with the theoretical discussion in Chapter 2, more key terms will be introduced.

In line with Bengtsson and Kock (2014, 182), the thesis defines coopetition as “a paradoxical relationship between two or more actors simultaneously involved in cooperative and competitive interactions”. The applied definition is a narrow view of coopetition which stems from the existence of cooperation between two or more direct competitors (Bengtsson & Kock, 2014, 181; Gnyawali & Park, 2011, 651). The thesis thus strives to grasp the complex and paradoxical nature distinguishing coopetition as a phenomenon and as a theoretical approach (Bengtsson & Kock, 2014, 181; Bengtsson et al., 2010a, 203; Gnyawali & Park, 2011, 651).

The abovementioned definition contains two key delimitations. First, the definition conceptualizes coopetition as an interaction process. Such notions can be contrasted with research defining coopetition as a context. A context-oriented approach departs from the assumption that coopetition occurs when combining the existence of the cooperative and competitive interactions of different actors and relationships in a network (see Bengtsson et al., 2010a, 200-201; and recent discussions by Bengtsson & Raza-Ullah, 2016). Accordingly, coopetition may occur between two competitors while they individually cooperate with the same suppliers in a value network (Nalebuff & Brandenburger, 1996, 30). Second, the cooperative and competitive interactions are viewed to exist on two different continua (Bengtsson et al., 2010a, 199; Padula & Dagnino, 2007, 38). Based on this delineation, coopetition becomes a multidimensional construct consisting of

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1 This conceptualization can in turn be contrasted with the assumption that the cooperation and competition exist at the different ends of the same continuum. In this scenario, increases in the cooperative dimension consequently require a decrease in competitive interaction and vice versa (Bengtsson et al., 2010a, 199; Padula & Dagnino, 2007, 38).
cooperation and competition as two constructs which vary independently of each other in strength (Padula & Dagnino, 2007, 38). Consequently, the existence of strong cooperative interaction does not preclude strong competition in an inter-firm relation.

The definition of coopetition above raises three additional concepts, which recur throughout the thesis: the processes of interaction, cooperation and competition. In line with a business network approach, inter-organizational relationships are viewed as building upon a continuously evolving interaction process (Håkansson & Snehota, 2006, 260; Ford & Håkansson, 2006b, 250; IMP Group, 1982, 24). Here, interaction is defined as a continuous pattern of actions by one actor, subjective perceptions by the other actor as well as subsequent reactions (Ford & Håkansson, 2006b, 252).

**Cooperation** implies that the competitors have mutual goals, which they jointly strive towards (Easton, 1990, 62; Easton & Araujo, 1992, 76). This conceptualization is distinct from collusion as a dimension of inter-competitor cooperation. Collusion is based on illegitimate cooperation where the competitors team up with the specific aim of injuring a third actor, usually a customer or competitor (Easton, 1990, 80; Easton & Araujo, 1992, 88). Following Easton (1990, 73) and Bengtsson and Kock (1999, 181), the thesis further acknowledges that cooperative interactions may take on a formal and/or informal character. To explain cooperation, the thesis also recognises cognitive aspects in terms of socially constructed and shared beliefs based on relationship-specific experience (e.g. Holmqvist, 2003a). This view directs attention to joint behavioural agreements, such as, a common understanding and vision in explaining cooperation between competitors.

**Competition** implies that the actors have conflicting objectives, which the buyer usually controls (Easton & Araujo 1992, 72). To explain competition, the thesis follows a cognitive perspective. Hence, attention is directed at perceptions and socially shared beliefs that the competitors have of each other and which are believed to ultimately guide how they interact (Porac, Thomas & Baden-Fuller, 1989; Baldwin & Bengtsson, 2004). From a cognitive perspective, formal and informal interactions and experience in the past are addressed in understanding the perceptions that managers form of their competitive environment (Porac et al., 1989, 404-405). This view contrasts with others by analysing the level of competitive intensity, which is studied through various structural characteristics and conditions, such as the similarity of the markets targeted and the resources held by the competitor (Chen, 1996, 111).

Besides studying coopetition, the overarching aim of the thesis also addresses process and strategy as two key concepts. Van de Ven (1992, 169-170) highlights how the term **process** can be defined, applied and perceived in three distinct ways. The first approach defines and analyses process as a causal relationship between independent and dependent variables. The second approach views process as a category of concepts (constructs) and analyses process by measuring a set of variables and whether they change at different points in time. The third approach, to which this thesis also assigns, views process as a developmental event sequence and defines it as “a sequence of events or activities that describes how things change over time” (Van de Ven 1992, 170).

The strength of applying the third approach to examine coopetition lies in the ability to develop an explanation of how a change in interactions actually occur as the inter-firm relationship unfolds over time (Van de Ven, 1992, 170). Following this stance, the thesis acknowledges that studying process is about explaining “sequences of incidents, activities, and stages that unfold over the duration of a central subject’s existence.” (Van de Ven, 1992, 170). Hence, the thesis sets out to explain coopetition by focusing on the progression of change events, defined as incidents in which competitors “engage in
actions related to the development of their relationship” (Ring & Van de Ven, 1994, 112). The nature of the change mechanism is also in focus, i.e. the generating force that underlies this progression (Van de Ven & Poole, 1995, 520). Finally, within the definition of process as a developmental event sequence Van de Ven and Poole (1995) set out four ideal theories to explain process: life cycle, teleology, evolution and dialectics. These theories lay the theoretical foundation for the thesis to understand how coopetition can be maintained as a process. All four theories assume different events, sequences among events and generative mechanisms in their explanations of process as a concept. Furthermore, the theories build upon the standpoint that the sequences among outlined events occur in a cyclical manner. Whereas this cycle may occur between events within one and the same theory, it may also occur between events outlined in different theories (Van de Ven & Poole, 1995, 527). These notions illustrate the assumption that the sequence of change events constituting the concept of process is repetitive.

To define strategy as a concept, the thesis applies a strategy-as-practice approach. Hence, strategy is perceived as a “socially accomplished activity” (Jarzabkowski et al., 2007, 7). The activities constituting strategy stem from interactions between the individual actors (Jarzabkowski et al., 2007, 8) involved in formulating and/or implementing the strategy (Whittington, 2006, 619). Moreover, these activities may be consequential for the direction of the organization in a planned or unintended way (Jarzabkowski et al., 2007, 8; see also Johnson, Melin & Whittington, 2003; Regnér, 2008; Vaara & Whittington, 2012). Accordingly, this view complies with the longstanding notion that strategy is unlikely to be perfectly deliberate or emergent (Mintzberg & Waters, 1985, 258).

1.4 The theoretical and empirical scope of the thesis

A coopetition approach spans the theoretical framing of the whole thesis. Correspondingly, a coopetition perspective on inter-firm relationships is found in all three articles constituting the thesis. In addition, the intended contribution of the thesis pertains, first and foremost, to the coopetition field.

The thesis departs from the notion that coopetition forms a distinct research paradigm to the established paradigms on competition and cooperation (Bengtsson et al., 2010a, 195). Also, based on the articulated value of the tensions arising between simultaneous cooperation and competition, coopetition is distinguished from research on horizontal alliances. Alliances between competitors can be a context for coopetition; however, coopetition does not necessarily take place due to the competitors’ sole focus on the cooperative elements. This argument is supported by Dagnino’s and Rocco’s (2009, 9) conception that coopetition might lead to the creation of an alliance or arise due to the existence of an alliance.

As a theoretical approach, coopetition has been applied to explain cooperation and competition on various levels of analysis. This thesis focuses on coopetition at the inter-organizational level. Accordingly, issues related to coopetition at an intra-organizational level of analysis are discussed in relation to the existence of coopetition between firms, not within the focal firm.

The theoretical scope of the thesis builds upon three additional approaches and areas of research: business networks, organizational learning and strategy-as-practice. The perspectives illuminate different theoretical concepts and arguments to explain
coopetition. The application of the perspectives is briefly described below and chapter 2 presents a more in-depth discussion of the perspectives.

Network theories are generally applied in the coopetition field to scrutinize the relational dimension of coopetition and its underlying social interactions (Bengtsson et al., 2016b, 5-6). In addition to this point, the thesis applies a business network approach to explain coopetition based on three theoretical notions: 1) the conceptualization of the interaction process as contingent upon the aims and experience of the individuals, 2) the inclusion of formal and informal means of cooperation in explaining inter-organizational interactions, and 3) explanations of the internationalization process as explained by a firm’s increased commitment to the new and existing members of its business network.

By applying research on organizational learning, the thesis develops a theoretical discussion on how relationship-specific experience acts as a basis for the interactions of competitors. Through this theoretical argumentation, Article 1 conceptualizes coopetition to depend on experientially learnt agreements or rules for cooperating and competing that explicitly or tacitly exist between the competitors. Also, the interplay between the concepts of intra- and inter-organizational learning (Holmqvist, 2004) is brought to light to explain how experiences developed between the competitors act as a mechanism for change in interactions. This theoretical standpoint distinguishes the thesis from several ongoing discussions on learning in coopetition. Experience is viewed as relationship-specific, embracing a partner’s earlier reactions to certain actions and insights into each other’s resources, strategies, and needs (Johanson & Vahlne, 2003, 93), thus creating an understanding of each other’s behaviours (Zollo, Reuer & Singh, 2002, 703). Accordingly, the influence of a firm’s general experience based on cooperating with other competitors, as addressed by, for example, Gnyawali and Park (2011, 657) and Bengtsson et al. (2016a, 21), falls beyond the scope of the thesis. Furthermore, learning in coopetition is commonly addressed by scholars in terms of accessing competitors’ knowledge and is discussed in relation to innovation outcomes (e.g. Bouncken & Fredrich, 2016; Park et al., 2014; Ritala et al., 2009). This thesis can be distinguished from that stream of research as the learning process within the focal firm is conceptualized from a more fundamental standpoint in terms of organizational members’ sharing of contrasting goals and experience gained from interacting with a competitor (Holmqvist, 2004, 77; see also Kolb, 1984, 29; Feldman, 2000, 613). In addition, learning is first and foremost discussed in relation to understanding changes in coopetitive interactions as an inter-firm relationship unfolds over time.

The fourth and final theoretical perspective included is strategy-as-practice. The strength of the practice perspective is based on its ability to uncover the actors and their interactions in the daily activities influencing strategic outcomes (Jarzabkowski, 2003, 51; Johnson et al., 2003, 14; Whittington, 1996, 734). Hence, the practice approach is applied as it provides a theoretical foundation for distinguishing the social nature of the strategic work underpinning coopetition strategy. From a strategy-as-practice lens, explanations of coopetition strategy as an activity are delimited to three conceptual elements: practices, praxis and practitioners (Jarzabkowski, 2005, 40).

Finally, regarding the empirical scope, the thesis consists of one empirical article, Article 3. In this article, the context for studying coopetition is characterized by a focus on international expansion and SMEs. Three aspects particularly underlie the study’s focus on international expansion as a context for studying coopetition. First, viewed from a

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2 The thesis adopts the SME definition provided by the European Commission (2005). In line with this definition the concept of SMEs incorporates independent companies with < 250 employees and a turnover < 50 million euros or alternatively a total annual balance sheet of < 43 million euros.
business network perspective, the idea that a firm gradually internationalizes by increasing commitment to new and existing members of the company’s business network (Johanson & Vahlne, 2009, 13) supports the study’s scope to study outcomes of coopetition in terms of international opportunities gained. Second, viewed from a coopetition perspective the rationale that sharing costs and risks when creating new markets acts as a key driver for cooperating with competitors (Gnyawali & Park, 2009; Ritala, 2012) could be applied as companies are entering foreign markets. Third, the study’s choice of studying coopetition in the context of international expansion relates to a theoretical and empirical gap in extant research regarding network involvement in internationalization. Of particular interest is how coopetitive relationships may act as a source of international opportunities.

Furthermore, in Article 3, the context for studying coopetition consists of Finnish SMEs. Extant research has underscored the value and centrality of cooperation between SMEs who are normally competitors. Such ideas are particularly discussed with regard to a firm’s vulnerability to changes in the external environment and the resource constraints often associated with this category (Bengtsson & Johansson, 2014, 403; Bouncken et al., 2015, 594; Czakon, 2009, 45; Gnyawali & Park, 2009, 309; Morris, Kocak & Özer, 2007, 38). Nevertheless, research focusing on coopetition in SMEs and particularly on coopetition as a means for overcoming various liabilities in this type of firm remains scarce and therefore required (Bouncken et al., 2015; Gnyawali & Park, 2009). These notions underlie the thesis’ choice of empirical context and form part of its intended empirical contribution.

1.5 The structure of the thesis

The thesis consists of two main parts. The first part of the thesis reflects on how the specific aims, applied theories and contributions of the three articles advance current explanations on coopetition in inter-firm relationships. This part consists of five chapters:

In chapter 1, the objective is to familiarize the reader with the coopetition research field and its current state. This chapter introduces the research gaps, questions of interest and the overall aim of the thesis. In addition, the distinct aims of the three articles constituting the thesis are presented. Next, the key concepts that reoccur throughout the thesis are defined along with the theoretical and empirical scope of the thesis. The introductory chapter ends with a description of the structure of the thesis.

Chapter 2 presents the thesis’ theoretical framework. This chapter introduces the theoretical perspectives and conceptual elements applied in the three articles. The theoretical perspectives are discussed in view of their distinct and complementary characteristics in developing extant knowledge on coopetition.

In chapter 3, the research design is presented. This chapter begins with a discussion on the concepts of ontology, epistemology, human nature and methodology. Next, the thesis’ philosophical foundation is discussed from a critical realism approach. The reader is also introduced to the research process and to the methodological choices made in the empirical study. Finally, the chapter explores the trustworthiness of the empirical study and scrutinizes the development of the two conceptual articles.
Chapter 4 provides an overview of the three articles constituting this thesis. The chapter presents the purpose of each article, their key findings, and the overall outline of the articles’ discussions. In addition, the contribution of each article is summarized.

Chapter 5 contains the concluding discussion. Here, the theoretical and empirical contributions of the thesis are presented alongside the managerial implications. Lastly, suggestions for further research are made.

The second part of the thesis consists of the three articles. The articles are included in their final publication form. However, the articles are not presented in the same chronological order as they were written. The first article to be developed and published was Article 3, then Article 1 and finally Article 2. An overview of the articles is presented in Table 1 below.
### Table 1  Overview of the articles constituting the thesis

<table>
<thead>
<tr>
<th>Article 1</th>
<th>Article 2</th>
<th>Article 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Title</strong></td>
<td>Conceptualizing coopetition as a process: An outline of change in cooperative and competitive interactions</td>
<td>Conceptualizing coopetition strategy as practice: A multilevel interpretative framework</td>
</tr>
<tr>
<td><strong>Keywords</strong></td>
<td>Coopetition, inter-competitor cooperation, change, inter-organizational learning</td>
<td>Coopetition, deliberate strategy, emergent strategy, strategy-as-practice</td>
</tr>
<tr>
<td><strong>Type</strong></td>
<td>Conceptual</td>
<td>Conceptual</td>
</tr>
<tr>
<td><strong>Aim</strong></td>
<td>To develop a theoretical framework explaining how and why coopetitive interactions change as competitors acquire new experiences from mutual cooperation, and their external environment changes</td>
<td>To define coopetition strategy from a strategy-as-practice perspective and thereby explain how coopetition strategy as a deliberate and emergent activity is manifested in an organization</td>
</tr>
<tr>
<td><strong>Areas of research</strong></td>
<td>Coopetition, business networks, organizational behaviour/learning</td>
<td>Coopetition, strategic management, strategy-as-practice</td>
</tr>
<tr>
<td><strong>Research strategy</strong></td>
<td>Literature Review</td>
<td>Literature Review</td>
</tr>
<tr>
<td><strong>Author(s)</strong></td>
<td>Johanna Dahl</td>
<td>Johanna Dahl Sören Kock Eva-Lena Lundgren-Henriksson</td>
</tr>
</tbody>
</table>
2 THEORETICAL FRAMEWORK

This chapter introduces the theoretical framework of the thesis. The chapter is divided into two main parts. The first part introduces the three main theoretical perspectives applied in conjunction with a coopetition approach to explaining coopetition between firms (Figure 2). When striving to combine different theoretical approaches to advance knowledge on a phenomenon under study, an important starting point is to uncover both the similarities and differences underlying the approaches. Hence, the discussion sets out to explain the distinct characteristics of the perspectives and what the perspectives may contribute to the understanding of coopetition. Next, the interrelatedness of the perspectives is discussed based on four shared assumptions on the nature of the interaction process. Lastly, the key conceptual elements derived from the perspectives are put into a coopetition context and distinguished on the intra- and inter-organizational levels and in the external environment. The second part focuses on the theorizing of coopetition as a process; different explanations are introduced as theoretical foundations for explaining how and why change occurs as a coopetitive relationship unfolds over time.

Figure 2 Conceptual elements addressed in the theoretical perspectives

2.1 Coopetition in business networks

In this thesis, a key setting for analysing and understanding coopetition between firms is the business network. The applied organizational setting has distinct implications for how coopetition is approached (Bengtsson & Kock, 2014, 181). Hence, the business
network approach is briefly described below with respect to the implications it has for how the interaction process between competitors is analysed in the thesis.

From the business network approach, markets are viewed as networks consisting of companies linked to each other through relationships (Anderson, Håkansson & Johanson, 1994, 3). The structure of a network is conceptualized through three key theoretical dimensions: actors, activities and resources (Håkansson & Johanson, 1992, 29). In particular, inter-firm relationships are viewed as linking the activities and resources of the actors in networks (Håkansson & Snehota, 2006, 260). By using this theoretical background, network scholars have explained buyer-supplier relationships (IMP Group, 1982). However, explanations have also been extended to the internationalization processes of firms and discussions on network relationships as sources of resources and information within these processes (Johanson & Vahlne, 2003; 2009).

In general, the application of the business network approach directs attention to the relational dimension of coopetition and its underlying social interactions (Bengtsson et al., 2016b, 5-6). To this end, coopetition scholars have presented the business network approach as a valuable perspective with which to, for example, approach the interplay between the firm and the relationship level in explaining coopetition strategy (Ritala & Tidström, 2014, 511). In addition, the business network approach may provide a fruitful point of departure for untangling the nature of the interaction process between competitors.

2.1.1 The interaction process

The business network approach is characterized by its assumption that inter-organizational relationships are based on a continuously evolving interaction process (Ford & Håkansson, 2006b, 250; Håkansson & Snehota, 2006, 260; IMP Group, 1982, 24). Alongside such acknowledgements, companies are conceptualized as having multiple and unclear roles in the network structure (Ford & Håkansson, 2006b, 255). That is, the roles are depicted as depending on the viewpoint taken and the activities performed in the interaction process (Easton & Araujo, 1992, 62). In the coopetition literature, this reasoning is found in the argument that the cooperative and competitive roles of the actors vary according to the resources available and the activities performed (Bengtsson & Kock, 1999; 2000).

In explaining inter-organizational relationships, the business network approach further recognizes the importance of looking beyond the actions of one actor. Instead, inter-organizational interactions are conceptualized as a continuous pattern of actions by one actor, subjective perceptions by the other actor and subsequent reactions (Ford & Håkansson, 2006b, 252). Also, to explain the interaction process numerous theoretical elements have been suggested. Two elements central to this thesis are the aims of individuals and their experiences (Håkansson & Snehota, 2006, 260; IMP Group, 1982, 24; see also Bengtsson & Kock, 2000, 413). Another aspect is time because to explain present and future interaction we need to understand past interaction, particularly “processes of learning and experience” (Ford & Håkansson, 2006a, 7-8; see also Tidström & Hagberg-Andersson, 2012).

Based on the conceptual arguments above, the business network approach is also distinguished from other theoretical streams in the network literature. In contrasting the business network approach with the social network literature, Slotte-Kock and Coviello
(2009, 42-43) note that the latter stream tends to focus on only one actor in a
relationship and on measuring the characteristics of the ties, such as tie strength, to
explain inter-organizational interactions. Given the diverse elements outlined to explain
the interaction process, the value of the business network perspective in reaching a
deeper understanding of competitive relationships has also been highlighted in the
coopetition literature (Bengtsson & Kock, 2000, 413).

Lastly, following the business network approach the nature of coopetitive interactions is
analysed through both formal agreements and the informal means for cooperation used
between the competitors. Informal cooperation exists based on social interactions
between individuals, knowledge-based and information-based exchanges, and/or social
norms (Easton, 1990, 73). These notions are found in extant explanations of cooperative
interactions between competitors given the existence of trust between individuals
(Easton & Araujo, 1992; Bengtsson & Kock, 1999, 178), inter-personal relationships (e.g.
Chetty & Agndal, 2008; Oliver, 2004; Ritala et al., 2009) and friendship ties (Ingram &
Roberts, 2000).

As outlined in Figure 2, the business network approach is applied to explain coopetition
based on three distinct implications: 1) the conceptualization of the interaction process
as contingent upon individuals’ aims and prior experience (Article 1 and Article 2), 2) the
inclusion of formal and informal means of cooperation in explaining inter-organizational
interactions (Articles 1, 2, 3), and 3) the conceptualization of the internationalization
process as explained by a firm’s increased commitment to the new and existing members
in its business network (Article 3). However, to obtain a more in-depth explanation of
how coopetition is maintained, the need for other theoretical perspectives arises, thus
Article 1 applies an organizational learning approach to explain coopetition as a process
and Article 2 takes a strategy-as-practice lens on coopetition as a strategy.

The next section demonstrates how an organizational learning perspective may
contribute to explanations on the nature of cooperative interactions between
competitors. The business network approach outlines relationship-specific knowledge
and learning as two key conceptual aspects for explaining change in interactions (see e.g.
Håkansson & Snehota, 1995, 272; Johanson & Vahlne, 2009, 6). However, given the
primary focus on cooperative relationships, experiential learning is conceptualized as a
source of gradual increase in an actor’s commitment and cooperation (Johanson &
Vahlne, 2003, 93; Johanson & Vahlne, 2009, 14). Coopetition also brings experiential
learning into a context that is additionally characterized by competitive tensions. Such
tensions may, for example, reside in the competitors’ striving to acquire resources from
the partner to use as leverage outside the mutual activities (Park et al., 2014, 211). Thus,
to also capture the competitive dimensions of the learning process, the value of including
research on organizational learning comes to the fore. As discussed below, this stream
acknowledges the simultaneous existence of and interplay between inter- and intra-
organizational learning processes in explanations of how relationship-specific
experience acts as a mechanism underlying change (Holmqvist, 2004).

In view of the organizational learning literature, the thesis introduces three key concepts
to explain coopetition: relationship-specific experience, inter- and intra-organizational
learning, and agreements or rules for cooperating and competing. The following section
depicts the nature of these concepts and their interrelatedness in a coopetition context.
2.2 An organizational learning approach

Following research on organizational learning (e.g. Levitt & March, 1988) and individual learning (e.g. Kolb, 1984) this thesis departs from the standpoint that learning is experiential. Along this line of reasoning, research on organizational learning builds on the assumption that an organization as an entity can store and institutionalize experiential knowledge created at the individual or group level, and thus ultimately learn by producing, reproducing and changing routines and rules that guide behaviour (Crossan, Lane & White, 1999, 525; Levitt & March, 1988, 320). Based on the growing importance of external actors and resources, learning scholars have come to conceptualize inter-organizational interaction as a “unique learning entity” of its own (Holmqvist, 2004, 72). Along these lines, research on both business networks and strategic alliances have defined and applied concepts of experience, learning and inter-organizational rules and routines to explain the nature of inter-firm interaction (Holmqvist, 2003a; Håkansson & Snehota, 2006; Johanson & Vahlne, 2009), while also studying the performance of these relationships (Zollo et al., 707). Similarly, in looking specifically at coopetition, recent empirical research provides evidence of prior cooperation as a moderating factor for understanding the outcomes of coopetition in terms of the type of innovation jointly engaged in (Yami & Nemeh, 2014, 256, 257; see also Bouncken & Fredrich, 2012).

2.2.1 Learning by interacting

Experience is created at the individual level referring to the process of acquiring knowledge from doing, seeing, hearing, and feeling (Crossan et al., 1999, 525; Kolb, 1984, 42-43). Hence, experience forms, for example, as organizational members interact with the environment (Håkansson & Johanson, 2001, 4-5) and enact plans through action (Feldman, 2000, 625). Along these lines, research on inter-organizational learning particularly conceptualizes experience and experience-based knowledge as stemming from the gradual accumulation of interactions between two actors in a dyad (Johanson & Vahlne, 2003, 93; Zollo et al., 2002, 706; see also Håkansson & Snehota, 1997, 272). Hence, experience is explained as embracing the partner’s earlier reactions to certain actions and insights into each other’s resources, strategies, and needs (Johanson & Vahlne, 2003, 93), thus forming an understanding of each other’s behaviour (Zollo et al., 2002, 703).

Learning has generally been defined through the notion that “an entity learns if, through its processing of information, the range of its potential behaviours is changed” (Huber, 1991, 89). In adding an experiential perspective to this definition, learning as a form of information acquisition process becomes delimited to stemming from feedback about the relationship between actions and outcomes; that is, doing (Huber, 1991, 91). Along these lines, inter-organization research explains learning as occurring if the organization changes the ways it performs certain activities because of the inter-organizational interactions (Håkansson & Johanson, 2001, 5). Another, more delineated, definition is provided by Holmqvist (2003a, 458) who defines inter-organizational learning as “processes in which collaborating formal organisations learn together from experience by producing and re-producing various kinds of rules and routines.” The thesis follows this definition of inter-organizational learning. This applied definition encompasses two central notions for explaining and studying learning.

First, the definition calls attention to rules and routines as two key concepts to explain and define inter-organizational learning. Organizational learning scholars emphasize
that learning occurs as experience is encoded into routines that guide behaviour (Levitt & March, 1988, 320). Routines in this remark broadly refer to forms, rules and procedures around which the organization is formally structured, as well as to the beliefs, frameworks and codes that support or contradict formal routines (Levitt & March, 1988, 320). Within discussions on organizational learning, the concepts of rules and routines are frequently applied to explain the storing of experience. Over the years, organizational routines have been defined from a number of different standpoints, however, a core definition that can be discerned from this discussion is that an organizational routine refers to “a repetitive, recognizable pattern of interdependent actions involving multiple actors” (Feldman & Pentland, 2003, 96). More recently, research has specified this definition by emphasizing routines as generative systems consisting of ostensive and performative parts, which interact with each other (Pentland & Feldman, 2005, 795; Rerup & Feldman, 2011, 579). The performative part refers to “specific actions performed by specific actors at specific times” (Rerup & Feldman, 2011, 579). Over time, these actions form the ostensive part, defined as “abstract patterns that participants use to guide, account for and refer to specific performances of a routine” (Pentland & Feldman, 2005, 795).

Since it is beyond the scope of the outlined framework in the thesis to identify specific actions that would constitute a routine in coopetitive relationships, the concept of routines will not be applied when explaining competitors’ mutual learning from, and storing of, relationship-specific experience. Instead, the thesis applies the concept of rules. Organisational rules are defined as “agreements that at one time prevail over other potential agreements” (Holmqvist, 2003a, 445). In this regard, rules form “templates for interactions” between individuals (Holmqvist, 2003a, 445). This defining feature aligns with research on organizational learning that links rules to the ostensive parts of a routine and, thus, the background against which actions are performed (Pentland & Feldman, 2005, 796). The thesis further departs from the assumption that rules may be of a formal and written nature, but also take the form of tacit and informal conventions, roles and codes (Holmqvist, 2004, 74). This assumption furthermore aligns with March’s (1999, 24) comment on rules noting that “following them is orderly not a case of wilful entering into an explicit contract. Rather, it is a set of understandings of the nature of things, of self-conceptions, and of images of proper behavior”. Taking an inter-organizational perspective, Holmqvist (2003, 458) underscores that the influence of joint learning from experience lies in the idea that rules create “behavioural couplings”, which make individuals belonging to different organisations to behave in a similar manner. Accordingly, organizational actions stem from matching, that is, finding what is appropriate to do, rather than from rationally calculating the value of different behavioural patterns (see March, 1999, 21). Hence, given assumptions on the competitors’ ability to mutually learn from relationship-specific experience created while interacting, the rules for cooperating and competing become a central concept for understanding the nature of the interactions.

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4 To describe cooperation between competitors coopetition research has also addressed the concepts of formal and informal norms (see e.g. Baldwin & Bengtsson 2004; Bengtsson & Kock 1999). Norms closely relate to rules. However, literature on relational norms defines norms from the viewpoint of “habitual behavior” and, thus, predominantly views norms as a source of stability in the relationship (see the review by Ivens & Blois 2004, 24). In contrast, routines and rules have been approached from a dynamic perspective as well (Feldman, Pentland, D’Addario & Lazarić, 2016; Holmqvist 2004), which furthermore complies with descriptions of coopetitive relationships as inherently dynamic in nature. Finally, literature on relational norms leaves experience and learning out of the main scope of explanation (see Ivens & Blois 2004).
Second, the applied definition of learning as production and reproduction of rules based on experience illuminates learning as a social practice including interaction and social construction. In pointing towards the internal dynamics of routines, Feldman (2000, 625) conceptualizes routines to form through a recurring cycle consisting of plans which are embodied into actions which produce outcomes which, when evaluated related to goals and expectations, set the scene for future plans and actions. Similar assumptions underlie research on the formation of and change in organizational rules (Holmqvist, 2004, 71). Within this process, scholars particularly note that drawing inferences from experience and understanding and evaluating outcomes in relation to goals and expectations involve interaction and social construction (Feldman, 2000, 625; Holmqvist, 2003, 445). Hence, rules are produced as organizational members engage in a process of interaction, possibly in the form of bargaining and compromising, to “create a social reality that is understandable in terms of their earlier experiences” and thus also manageable (Holmqvist, 2009, 279). Finally, as the cycle outlined above explains the process of producing, reproducing, and possibly changing rules and routines based on experience, it also explains the process of organizational learning. Therefore, central to the thesis’ understanding of learning is that learning consists of an interaction process between individuals through which outcomes of actions are jointly evaluated, interpreted, and negotiated, resulting in the production or reproduction of rules, or changes in them. When this process of interaction occur between employees within a focal organization it is termed as intra-organizational learning; whereas when occurring between employees of different organizations it is regarded as inter-organizational learning (Holmqvist, 2003a, 448).

2.2.2 Rules for cooperating and competing created based on experience

The previous discussion provides a generic definition of organizational rules as explicit and/or tacit agreements created based on experience, which by functioning as a sort of template for action and interaction make individuals behave in a similar manner (Holmqvist, 2003a). Continuing on this discussion, this section looks more closely at the nature of rules in the context of coopetitive relationships. Following the research by Holmqvist (2004, 2009), Article 1 defines coopetitive rules as explicit or tacit agreements for cooperating and competing based on experience that prevail between two competitors. Drawing on prior research on coopetition, Article 1 illuminates the importance of conceptualizing agreements and rules beyond their contractual nature. This notion pertains to the observed centrality of an informal and social nature of cooperative interaction between competitors (Bengtsson & Kock, 1999; Castaldo & Dagnino, 2009; Chetty & Agndal, 2008; Easton & Araujo, 1992; Fernandez & Chiambaretto, 2016, Ingram & Roberts, 2000; Mariani, 2016; Oliver, 2004; Ritala et al., 2009). Furthermore, given its focus on agreements for both cooperative and competitive interactions, the definition seeks to incorporate theoretically the dualities of value creation and appropriation constituting coopetition (Gnyawali et al., 2016, 9).

Furthermore, regarding its inclusion of experientially learnt agreements for competing, the definition extends earlier arguments that competitive interactions in business networks depend on enforced rules for acting that exist in the market (Bengtsson & Kock, 1999, 181; Easton, 1990, 61). That is, in support of the research by Baldwin and Bengtsson (2004, 86), rules are conceptualized to also pertain to formally agreed or tacitly shared perceptions on “proper behavior” (March, 1999, 24) or “spirit” (Holmqvist, 2003a, 457) regarding direct competitive actions towards each other. This argument is strengthened by the notion that in coopetition, competitors continuously face a dilemma concerning “the existence of attractive opportunities and risks of misappropriation by the partner”
(Gnyawali & Park, 2011, 652; see also discussions by e.g. Bouncken & Fredrich, 2016, 1754). Hence, a shared view on direct competitive actions towards each other can be perceived as fundamental for the maintenance of a coopetitive relationship over time. Based on this background, the theoretical definition of coopetitive rules emphasizes that experientially learnt rules for interaction pertain not only to the cooperative dimension of the relationship, but also extend to the competitive interactions as well.

The conceptualization of rules above matches the arguments by Le Roy and Czakon (2016, 5), that the integration of the cooperative and competitive dimension by organizational members becomes an important condition for successfully implementing coopetition. In this way, the outlined definition also acknowledges recent discussion on the duality of separation and integration characterizing the management of coopetitive relationships (Fernandez et al., 2014, 233; Gnyawali et al., 2016, 9) particularly emphasizing, in line with the integration principle, the link between cooperation and competition.

2.2.3 Experience as a source of change

In view of the development of relationship-specific experience resulting from the competitors’ cooperative and competitive interactions with each other, this thesis seeks to explain how rules for interaction change as the relationship unfolds over time. With regard to explaining change in interactions, the organizational learning literature puts forth two key implications. First, experientially learnt rules developed by the competitors can make “future interaction and learning more predictable and stable” as these create a shared perspective on how to cooperate and compete with each other (Holmqvist, 2003a, 456-457; see also Czakon & Czernek, 2016, 67; Farjoun, 2010). Here, the influence of rules fundamentally builds on the assumption that the ways in which organizational members handle the simultaneity of cooperation and competition stems from the logic of appropriateness, rather than from rationally calculating consequences (see March, 1999, 21).

However, in view of the organizational learning literature it can be argued that existing rules for interaction may also support change and the formation of new rules, even in an unpredictable manner because competitors acquire new experience and new ideas from their interactions with each other (Feldman, 2000, 613; see also Farjoun, 2010; Tsoukas & Chia, 2002). This argument leads to the second implication: organizational behaviour and actions change in relation to experienced outcomes (Levitt & March, 1988, 320; March, 1999, 22-23). In other words, rules for interaction may change as individuals respond to and evaluate actions in terms of attained, unattained or unintended outcomes or new resources and possibilities produced by the outcomes (Feldman 2000, 620). Within this discussion, scholars have furthermore pointed towards the importance of acknowledging the existence of both intra- and inter-organizational learning processes to explain how experience influences change in behaviour (Easterby-Smith, Lyles & Tsang, 2008, 687; Holmqvist, 2009, 280). This notion is further developed in sections 2.5 and 2.6 where intra- and inter-organizational learning processes are discussed in the context of coopetition and in relation to change in cooperative and competitive interactions.

The generic conception that change depends on direct experience and occurs as outcomes are evaluated (Levitt & March, 1988, 320), falls in line with recent coopetition research on the management of tensions. A central idea within coopetition is that the benefits and evolvement of coopetition hinge upon the management of tensions arising
from a relationship’s paradoxical nature (Bengtsson et al., 2010a; Fernandez et al., 2014; Raza-Ullah et al., 2014). Tensions emerge as the actors evaluate the positive and negative consequences of the cooperative and competitive interactions on their firm’s well-being (Raza-Ullah et al., 2014, 190). Accordingly, these ideas broadly support the value of applying an experiential learning perspective to conceptualize how coopetition is maintained as a process.

The final theoretical perspective applied to explain the maintenance of coopetition is a strategy-as-practice approach. In line with the frequent conceptualization of coopetition being preceded by intentionality, the practice approach advances the notion of individual aims as a key element underlying inter-organizational interactions. In particular, as shown in Figure 2, the practice perspective is applied to capture how deliberate and emergent features manifest themselves in coopetition as a strategic activity. Furthermore, the strategy-as-practice lens provides the theoretical basis for advancing current notions on coopetition as a strategy through three key conceptual aspects: practices, praxis and practitioners (Jarzabkowski, 2005, 40).

2.3 A strategy-as-practice approach

The strategy-as-practice-approach is known for its definition and its exploration of strategy as a “socially accomplished activity”. Within this approach, strategy making is viewed as a social practice where interactions between actors constitute the strategy process (Regnér, 2008, 570, 573). As a result, a key strength of the perspective is its ability to uncover the actors and their interactions in the daily activities influencing strategic outcomes (Jarzabkowski, 2003, 51; Johnson et al., 2003, 14; Whittington, 1996: 734). The conceptualization of strategy making as a social practice (Regnér, 2008, 570) is built, according to Golsorkhi et al. (2010, 7), on three particular ontological assumptions.

First, strategy builds on a socially created reality which is formed and reformed through interactions between different actors (Golsorkhi et al., 2010, 7). Consequently, the focus is on distinguishing actors and their interactions in their daily activities in relation to strategic outcomes and actions (Jarzabkowski & Spee, 2009, 72; Johnson et al., 2003, 14; Regnér, 2008, 566). Furthermore, this reasoning acts as a basis for delineating strategy practices, praxis and practitioners as the three interdependent elements underlying strategy as a concept. Practices generally refer to formal and informal norms or agreed ways of acting when making and executing strategy (Whittington, 2006, 619-620; Vaara & Whittington, 2012, 287). Praxis relates to actual strategy formulation and the related implementation activities and to the practitioners involved in these activities (Whittington, 2006, 615, 619; see also Jarzabkowski et al., 2007, 10). Section 2.5 presents these three conceptual elements in a coopetition context.

Second, strategy occurs across multiple levels in an organization and at an institutional and inter-organizational level (Golsorkhi et al., 2010, 7; Whittington, 2006, 620, 626) (see also Figure 3). This conceptualization complies with the coopetition literature on strategy and the described influence of the institutional actors (e.g. Mariani, 2007; Tidström, 2014) as well as the organizational members that exist beyond top management (Bengtsson & Kock, 2008; Kylänen & Rusko, 2011; de Rond & Bouchikhi, 2004). At the intra-organizational level, the practice approach acknowledges strategic actors beyond the top management team, giving room to a more bottom-up-approach in the strategy process (Jarzabkowski, et al., 2007, 12; Regnér, 2008, 570; Whittington, 2006, 619). Similarly, attention is directed beyond formal strategic actors in defining
strategy practitioners within the firm. This standpoint stems, from the conception that strategy formulation and strategic goals, on the one hand, and implementation and operational actions, on the other, are intertwined (Jarzabkowski, 2005, 40; Regnér, 2008, 571; Whittington, 2006, 627).

The ontological assumptions above lay the theoretical foundation for advancing notions on the emergent features linked with coopetition in the extant research. By acknowledging individuals who are involved in the actual interactions, people who maintain informal cooperative interactions inherent in social processes, is raised (Bengtsson & Kock, 1999; Castaldo & Dagnino, 2009; Easton, 1990). As a result, activities that are not articulated as strategic at the outset may in fact become consequential for the coopetition strategy (Vaara & Whittington, 2012, 310). On the other hand, the ability of managers to adapt to experienced outcomes and reform strategy along the way may arise (Mintzberg & Waters, 1985, 270). This notion complies with the emergent features of coopetition outlined through learning (Baumard, 2009, 19; Czakon, 2010, 60, 68; Mariani, 2007), the emergence of opportunism (Czakon, 2010; de Rond & Bouchikhi, 2004) and the development of trust between the competitors (Castaldo & Dagnino, 2009; de Rond & Bouchikhi, 2004). Finally, the third key assumption advocates strategy as “reality in flux” (Golsorkhi et al., 2007, 7). That is, strategy has a dynamic nature and is continuously formulated and reformulated through strategy activities (Regnér, 2008, 577; Whittington, 2006, 624).

The discussion above illuminates how the business network, organizational learning and strategy-as-practice approach may explain, by using different conceptual arguments, how coopetition is maintained. The following section ties this discussion together by exploring four key similarities between the approaches regarding the interaction process.

2.4 Some shared assumptions about the applied theoretical perspectives

When combining theoretical perspectives, it is also important to clarify the extent to which the perspectives emphasize similar underlying processes and mechanisms in their explanations (Okhuysen & Bonardi, 2011, 7). Consequently, this section summarizes some of the common assumptions underlying the applied research streams. This summary is delimitated to the four key assumptions presented below.

2.4.1 The social interaction process

The applied approaches share an emphasis on the social interaction processes occurring within and between firms when explaining coopetition. This emphasis complies with the definition of coopetition as “a process based upon simultaneous and mutual cooperative and competitive interactions between two or more actors at any level of analysis” (Bengtsson et al., 2010a, 200). The business network approach describes inter-firm relationships as “consisting of a web of interactive relations between individuals in both organizations” (Håkansson & Snehota, 2006, 260). Similarly, organizational learning is viewed as a social practice (Holmqvist, 2009, 278-279). That is, learning occurs as individuals, through their social interactions, produce and reproduce certain agreements for interaction, which are followed by a set of individuals (Feldman, 2000, 625; Holmqvist, 2004, 74-75; Levitt & March 1988, 320). In turn, the strategy-as-practice approach conceptualizes strategy as the construction of strategic activities through actions, interactions and negotiations between different actors (Jarzabkowski et al., 2007, 8) at an intra- and inter-organizational level (Whittington, 2006, 621).
2.4.2 Conflicting perceptions on the interactions

Within the interaction process, the perspectives further acknowledge, through different theoretical aspects, that the organizational members may hold conflicting perceptions of the interactions. To summarize, network scholars note that there may be multiple and diverging interpretations of the inter-organizational interactions held by the organizational members. The diverging interpretations stem from differences in past experience and the perceptions of the context in which the interactions occur (Ford & Håkansson, 2006a, 15). Similar assumptions are found in organizational learning research. As a result, explanations about the influence of experience on change in organizational behaviour incorporate activities such as translating and communicating idiosyncratic experiences among organizational members (Holmqvist, 2004, 78-79).

Within the practice literature, assumptions on strategy formulation and implementation as an intertwined and continuous process have led to arguments on the complexity of strategy as a concept. In turn, such arguments have resulted in a redefinition of strategy as consisting of multiple and even contrasting streams of goal-oriented activities, favoured and maintained in different ways by actors across an organization (Jarzabkowski, 2005, 64; Regnér, 2003, 78). Hence, the management of multiple streams of activities and their interplay and association with each other is associated with strategy as an activity (Jarzabkowski, 2005, 64). In addition, scholars note that strategy formulation and implementation may be characterized by bargaining between organizational members (Whittington, 2001, 22).

The theoretical concepts above comply with and advance the outlined complexity of maintaining coopetition. This complexity resides in the organizational members’ different perceptions and even their awareness of the simultaneous existence of cooperative and competitive interactions (Bengtsson & Kock, 2000, 423; Oliver, 2004, 158; Tidström, 2009, 510). This complexity is further strengthened by the argument that the simultaneously existing cooperative and competitive interaction processes may be divided between different activities and, thus, individuals (Bengtsson & Kock, 2000).

2.4.3 The dynamic nature of the interaction process

All three approaches highlight the dynamic nature of the research phenomenon. The business network approach is characterized by its assumption that inter-organizational relationships are based on a continuously evolving interaction process (Håkansson & Snehota, 2006, 260; Ford & Håkansson, 2006b, 250; IMP Group, 1982, 24). Similarly, the organizational literature supports the idea of routines and rules as dynamic (e.g. Feldman & Pentland 2005). Finally, practice scholars advocate strategy as a “reality in flux” (Golsorkhi et al., 2007, 7). These notions support and advance the description of coopetition as a constantly evolving balance between cooperation and competition (Bengtsson et al., 2010a; Luo, 2007; Mariani, 2007; Tidström & Hagberg-Andersson, 2012; Yami et al., 2010).

2.4.4 Structural conditions

The fourth and last assumption acknowledges the perspectives’ shared attention on understanding links between interactions between competitors and structural conditions an intra- and/or inter-organizational level. In analysing coopetition in business networks Bengtsson and Kock (2000, 416) highlight, on the one hand, that a company’s position
in a network functions as a source of resources and constraints and, ultimately, a structural condition influencing how the competitors interact. On the other hand, the authors also note that formal and/or informal norms functioning on a relational level will influence how two competitors act in a dyad (Bengtsson & Kock, 1999, 181).

Correspondingly, the strategy-as-practice approach, with its theoretical roots in social theory, departs from the assumption that there are structural conditions, referred to as strategy practices, upon which individuals draw when acting (Jarzabkowski, 2004, 530; Whittington, 2006, 614). Hence, how individuals act is determined by their ideas of legitimate ways of acting (Golsorkhi et al., 2010, 3; Vaara & Whittington, 2012, 287). These practices may be of institutional origin, in terms of the influence of the social system on strategic activities, or stem from the focal organization’s own use of, for example, different strategic planning procedures (for a full review, see Vaara and Whittington, 2012). Based on this concept, Regnér (2008, 570) continues to argue that the practice approach assumes that managerial rationality is, to some extent, bounded by past and current practices (Jarzabkowski, 2004). Similar assumptions underlie the articulated influence of experience in the learning literature. Here, actions are viewed as rule-based implying that they are determined through matching, that is, finding what is appropriate to do related to prevailing rules, rather than from rationally calculating the consequences and value of different behavioural patterns (see March, 1999, 21).

2.5 Summarizing the theoretical context

To conclude the first part of the theoretical framework this section summarizes the theoretical context for studying and explaining coopetition between firms. The key conceptual elements presented above are put into a coopetition context and related to the extant coopetition research.

Prior coopetition research identifies three key factors on different levels to understand the context of coopetition between firms, namely industrial, relational and firm-specific (Raza-Ullah et al., 2014, 191). These factors are argued to broadly underlie the engagement of firms in simultaneous cooperation and competition, as well as, the manifestation of the coopetition paradox between the firms (Raza-Ullah et al., 2014, 192). In line with this generic reasoning, this section summarizes and distinguishes the conceptual elements outlined above at an intra- and inter-organizational level and in the external environment (see Figure 3).
2.5.1 Concepts and processes of interest on the intra-organizational and inter-organizational level

To explain how coopetition is maintained and how interactions change over time, the thesis focuses on learning processes at the intra-organizational and inter-organizational level. By acknowledging the interplay between learning at these levels, two closely related implications are developed. First, within the context of coopetition, inter-organizational learning acknowledges mutual value creation between the competitors. In contrast, intra-organizational learning activities are conceptualized to underlie changes in the actors’ competitive actions towards each other, which stem from the focal firm’s individual learning from relationship-specific experiences and mutually created benefits (Gnyawali & Park, 2011, 652; Ritala & Tidström, 2014, 502). Along this line of reasoning, recent coopetition research underlines the important role of internal knowledge sharing mechanisms that can encourage individuals to interact and share knowledge inside an organization to gain performance benefits (Estrada, Faems & de Faria, 2016). This notion supports and brings us to the second implication, namely, that the co-existence of individuals’ experiences created through the cooperative and competitive interactions
between competitors sets the scene for intra-organizational learning. Opportunities for learning emerge as the contrasting goals and experiences gained from interacting with a competitor are exchanged between organizational members (Holmqvist, 2004, 77; see also Kolb, 1984, 29; Feldman, 2000, 613). This latter notion also touches upon the discussion on the duality of separation and integration characterizing coopetition (Gnyawali et al., 2016, 10). Given that the cooperative and competitive interactions are separated according to different organizational members and activities, the sharing of contrasting experiences and goals by individuals and the subsequent bargaining that occurs (Holmqvist, 2004, 77; see also Kolb, 1984, 29; Feldman, 2000, 613) creates links between the different forms of interaction.

From a strategic viewpoint, strategy practices and praxis are outlined as two key concepts at the intra- and inter-organizational level. Within the context of coopetition, strategy practices are defined as relationship-specific norms, or agreed ways of acting between the competitors, when making and executing strategy. The practices are furthermore described as residing in a formal and contractual nature or as being based on informal trust-based understandings (Bengtsson & Kock, 1999, 181; Easton, 1990, 73). Praxis embraces everyday activities to formulate, reformulate and implement the cooperative and competitive elements of a relationship. In the context of coopetition, strategic activities in terms of mutual value creation are emphasized at the inter-organizational level, while the competitors’ individual leveraging of mutual benefits is raised at the intra-organizational level. To explain the maintenance of coopetition as a strategy, the underlying strategy practices and praxis are further delineated from a deliberate and emergent perspective. The deliberate and emergent nature of the practices and praxis is ultimately defined through an organization’s ability to predict and control the inter-competitor relationship and the course of action taken within the organization when formulating and implementing the coopetition strategy (Mintzberg & Waters, 1985; Whittington, 2001).

The conceptual elements of learning and strategy practices and praxis at the intra- and inter-organizational level are linked through the interaction process (see Figure 3). In addition to the generic notion of formal and informal means of cooperation at the inter-organizational level, the interaction process is studied in three distinct ways. First, to explain intra- and inter-organizational learning as a change mechanism, the interaction process is described through the accumulation of relationship-specific experience, which forms when individuals in two coopeting organizations interact (Håkansson & Johanson, 2001; Johanson & Vahlne, 2003, 93; Zollo et al., 2002, 706). The interaction process is also conceptualized to depend on experientially learnt agreements for cooperating and competing or the inter-organizational rules, which explicitly or tacitly prevail between the competitors.

Second, in taking a strategy-as-practice perspective, interactions are outlined as dependent on a web of social practices and to underlie coopetition strategy formulation and implementation at the intra- and inter-organizational level (Jarzabkowski et al., 2007, 8). Here, the focus is on individual actors (practitioners) maintaining interaction. At the intra and inter-organizational level, practitioners refer to organizational members engaged in the formulation of cooperative and competitive activities. Practitioners also extend to members implementing and performing these activities either within the firm or through participation in the inter-competitor interactions. The third point concerns the outlined research question on how the balancing of cooperation and competition influences the dynamics of coopetition and the nature of the opportunities gained through the inter-firm relation. To reach this question, the influence of intra- and inter-organizational learning activities on change in coopetitive interactions is discussed in
relation to the strength and balance of the cooperative and competitive interactions. Similarly, in explaining the outcomes of coopetition in terms of international opportunities, the interaction process is delineated through three different forms of coopetition, depending on the balance and strength of the cooperative and competitive interactions.

### 2.5.2 The external environment

Alongside the intra- and inter-organizational level, the thesis acknowledges the influence of the external environment. This influence resides in three key notions outlined in the extant coopetition research.

First, the maintenance of cooperative interactions between competitors is explained through the widespread notion of proactive and reactive adaptations to changes in an organization’s external environment (see e.g. the review by Bengtsson et al., 2010b, 29). Examples include changes in the network positions of competitors in an industry (Bengtsson & Kock, 1999), increased competition (Bonel & Rocco, 2007; Luo, 2007) and engagement in international activities (Luo, 2004; Chetty & Wilson, 2003).

Second, cooperative interactions between competitors may reside in various forms of support, and even requirements, by institutional actors and associations (Bengtsson & Kock, 2000; Czakon & Czernek, 2016; Kylänen & Rusko, 2011; Mariani, 2007; Tidström, 2014). From a strategic viewpoint, and to explain coopetition strategy as an activity, these actors are specifically referred to as external coopetitive practitioners.

Third, to explain the nature of competitive interactions, the influence of informal and widespread “rules of play” that exist in the market is addressed (Bengtsson & Kock, 1999, 181; Easton, 1990, 61). As outlined in Figure 3, the externally enforced rules are, according to research by Baldwin and Bengtsson (2004, 86), intertwined with relationship-specific rules for interaction that are found at the intra- and inter-organizational level.

Having summarized the theoretical context for studying coopetition in inter-firm relationships, the second part of the theoretical framework approaches coopetition from a process perspective. This part introduces four different theoretical explanations of how and why coopetitive interactions change as a relationship unfolds over time. Following the outlined research question in the introduction, change is particularly discussed based on three of the conceptual elements above: experience, intra- and inter-organizational learning processes and the development of the external environment.

### 2.6 Conceptualizing coopetition as a process

A theory of process is defined by Van de Ven (1992, 174) to consist of “statements that explain how and why a process unfolds over time”. As stated in Chapter 1, this thesis defines a process as a “sequence of events or activities” (Van de Ven, 1992, 170). Correspondingly, to theoretically explain coopetition as a process, the thesis focuses on the progression of change events in which competitors “engage in actions related to the development of their relationship” (Ring & Van de Ven, 1994, 112) and the generative change mechanisms that underlie this progression (Van de Ven & Poole, 1995, 514).
2.6.1 A theoretical framework for conceptualizing coopetition as a process

Within the definition of process as an event sequence, Van de Ven and Poole (1995) set out four ideal theories to explain process. These underlying theories are: life cycle, teleology, evolution and dialectics. Each perspective proposes different sequences of change events and generative mechanisms or logics on how and why an organizational entity changes and develops over time. Hence, as shown in Table 2, four different theoretical explanations on coopetition as a process are presented. By analysing coopetition through the four perspectives a more comprehensive explanation is reached on how coopetitive interactions change.
Table 2  Four different theoretical explanations on change in coopetitive interactions

<table>
<thead>
<tr>
<th>Cycle of change events</th>
<th>Life Cycle</th>
<th>Evolution</th>
<th>Teleology</th>
<th>Dialectic</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Linear and irreversible sequence of prescribed, and thus predictable, stages</td>
<td>Recurrent, cumulative and probabilistic sequence of events</td>
<td>Recurrent and discontinuous sequence of goal setting, implementation and adaptation of means to reach the intended goal</td>
<td>Recurrent and discontinuous sequence of confrontation, conflict, and synthesis</td>
</tr>
<tr>
<td>Generative mechanism and underlying logic</td>
<td>Prefigured programme</td>
<td>Environmental selection, competition</td>
<td>Goal enactment, consensus, purposeful social construction. Modification of goals based on what was learned</td>
<td>Conflict and confrontation between opposing forces within or outside the organization</td>
</tr>
<tr>
<td>Mode of change</td>
<td>Prescribed 5</td>
<td>Prescribed</td>
<td>Constructive 6</td>
<td>Constructive</td>
</tr>
<tr>
<td>Implications for change in cooperative and competitive interactions</td>
<td>Change is prefigured by the competitors and occurs e.g. in accordance with the development of the market, the industry, project or product life-cycle</td>
<td>1) Interactions change due to adaptions to change in the external environment and the competition. 2) Change is recurrent and incremental and depends on, e.g. the gradual accumulation of trust or the progression of a firm’s growth stages.</td>
<td>Change is discontinuous and occurs as the competitors, mutually or individually, reformulate the goals for interaction in relation to outcomes of actions when implementing existing goals</td>
<td>Change is discontinuous and stems, for example, from an imbalance in the cooperative and competitive elements that emerge in a relationship</td>
</tr>
</tbody>
</table>

(Adapted from Van de Ven & Poole, 1995, 514, 520)

Given the distinct features of the ideal process theories above, contrasting conceptualizations may be unified under a common theoretical framework. In analysing

5 A prescribed nature implies that the entity develops and changes in a pre-specified direction and stable manner, e.g. based on incremental adaptations.

6 A constructive nature implies that the entity develops and changes in a discontinuous and potentially unpredictable manner as the change process unfolds over time (Van de Ven & Poole, 1995, 522).
extant research on change in coopetitive interactions, two complementary explanations emerge.

On the one hand, in line with the life-cycle approach, change in coopetitive interaction is described as planned. Accordingly, the end of cooperation and the path taken to reach this end are, to some extent, prefigured at the outset of the cooperation (Van de Ven & Poole, 1995, 514). Here, management’s rational planning and the execution of the development process are emphasized (de Rond & Bouchikhi, 2004, 57; see also Van de Ven & Poole, 1995, 522). This line of reasoning receives support in studies explaining the coopetition process through the temporal disposition of cooperative and competitive interactions (see e.g. Fjeldstad et al., 2004; Herzog, 2010; Oliver, 2004; Ritala et al., 2009). This prefigured disposition is based on the competitors’ mutually set purpose for cooperating in relation to the development of the market/product/service.

On the other hand, cooperative and competitive interactions are also described as changing in a discontinuous and recurrent manner as the relationship unfolds over time. Within this conceptualization, one stream depicts change as recurrent, discontinuous and unintended. Here, change is, in line with the dialectical approach, outlined with reference to conflicting forces. Conflicts stem from the cooperative and competitive elements of the relationship (Czakon, 2010, 61; de Rond & Bouchikhi, 2004, 67), or changes emerging in the external environment (Bengtsson & Kock, 1999; Luo, 2007). Discontinuous and unintended changes are also presented in studies that, in line with the teleological approach, outline change as stemming from the reformulation of goals in relation to “what was learned or intended” (Van de Ven & Poole, 1995, 516), that is, direct experience from mutual cooperation and/or competition (Gnyawali & Park, 2011; Khanna et al., 1998; Tidström & Hagberg-Andersson, 2012). The other stream explains change in coopetitive interactions as recurrent, discontinuous and incremental. As outlined in Table 2, the evolutionary perspective proposes that the external environment and the competition it contains ultimately set the scene for how the competitors interact (Van de Ven & Poole, 1995, 518). However, in explaining how change occurs, the evolutionary perspective promotes the idea that change is recurrent and occurs by accumulating through a certain development path over time, though without being predefined per se as in the life-cycle approach (Van de Ven & Poole, 1995, 514). This reasoning receives support in studies that depict cooperative interactions between competitors as changing gradually through different phases that are based on, for example, the accumulation of trust (Castaldo & Dagnino, 2009, 93), learning processes (Mariani, 2007, 120) or the firm’s growth (Lechner & Dowling, 2003, 18).

Based on prior coopetition research, the thesis conceptualizes change in coopetition as based on both a prescribed and constructive logic. Consequently, two important implications arise for conceptualizing coopetition as a process.

The first theoretical implication pertains to the nature of the change process, and to the thesis’ conceptualization of predefined or discontinuous changes in relation to learning activities and the development of the external environment (see also Figure 4). From the perspective of a prescribed logic, the influence of learning or the development of the environment and its effect on changes in the interactions becomes predefined. Hence, whereas experience and trust might accumulate as organizational members perform cooperative activities – and also change how they mutually interact, the predefined structure of cooperation remains unlikely to change. On the contrary, assumptions of a constructive logic (Van de Ven & Poole, 1995, 522) highlight that changes in interaction are discontinuous and even unintended as the relationship unfolds over time.
Accordingly, competitors recurrently evaluate and reformulate goals in relation to changes in the external environment and the mutual and individual learning processes.

The second theoretical implication pertains to the influence of the competitors’ mutual learning and existing rules for cooperating and competing. The planned nature underscores the function of rules as supporting stability and predictability in the change process (Farjoun, 2010, 206). Hence, experientially learnt rules make “future interactions and learning more predictable and stable” as they create a shared perspective on how to cooperate and compete (Holmqvist, 2003a, 456-457; see also Farjoun, 2010). In contrast, a recurrent and discontinuous nature underscores the function of rules as supporting change and variety (Farjoun, 2010, 206). Hence, existing rules for interaction can also support change and the formation of new rules, even in an unpredictable manner because the competitors acquire new experiences and ideas from their mutual interaction (Feldman, 2000, 613; see also Farjoun, 2010). Building upon this theoretical reasoning, Article 1 further discusses and delineates the nature of the change process in relation to the balance and strength of the cooperative and competitive interactions.

Figure 4 articulates more in detail the thesis’ conceptualization of how rules for interaction change based on changes in the external environment and the development of relationship-specific experience between the competitors. The theoretical basis for the conceptualization resides in the research areas of coopetition, organizational learning (e.g. Feldman, 2000; Holmqvist, 2003a, 2004) and process theory (Van de Ven & Poole, 1995). The framework in Figure 4 suggests four key change events with accompanying generative mechanisms to explain how rules for interaction change. The framework departs from the assumption that interactions change as competitors mutually or individually evaluate and reformulate the underlying goal or purpose of the existing rules for interaction. The conceptualization that an explicit or implicit goal or purpose underlies the nature of competitors’ present rules for interaction complies with the frequent description of coopetition as somewhat deliberately planned due to the risks involved in cooperating with a competitor (Tidström, 2008, 214). In support of these arguments, Mintzberg and Waters (1985, 258) point out the rarity of organizational actions that occur without any intentionality. Accordingly, reformulation of goals represents one key change event in the framework, which furthermore links to three additional events.

On the intra- and inter-organizational level, the implementation of existing goals and rules through individuals’ actions are highlighted as two key events. Based on the idea that new experience arises as individuals implement existing goals, intra- and inter-organizational learning activities are presented as two related mechanisms underlying change. That is, actions lead to outcomes, which are evaluated and interpreted in relation to existing goals and expectations (Feldman, 2000, 625; Van de Ven & Poole, 1995, 520), leading to the production or reproduction of, or change in formal and/or informal rules for acting between the competitors. Consistent with research on organizational learning, individuals are argued to create an understanding of the outcomes (Feldman, 2000, 625) and “a reality that is understandable in terms of earlier experiences” (Holmqvist, 2003b, 97), through interactions with each other. Hence, in line with teleological theory on change (Van de Ven & Poole 1995, 520), social construction arises as a key generative mechanism explaining why change occurs in relation to intra- and inter-organizational learning processes.

Furthermore, intra-organizational learning pertains to the focal organization’s individual reformulation of goals and rules for interactions based on experience
accumulated while cooperating with a competitor. In explaining intra-organizational learning activities, the framework acknowledges the paradoxical nature inherent in coopetition resulting from the development of contrasting experiences and views among individuals on how to understand and evaluate outcomes of actions, for example, new possibilities produced by the outcomes. This standpoint resides in notions of a potential separation of the cooperative and competitive interactions in different activities (Bengtsson & Kock, 2000). With regard to this separation, opportunities for learning and reformulation of rules emerge as contrasting experiences from interacting with a competitor are exchanged between organizational members (Holmqvist, 2004, 77; Kolb, 1984, 29; Feldman, 2000, 613). Hence, in addition to social construction, complying with teleological reasoning on change, confrontation and synthesis of conflicts between opposing forces, found within a dialectic approach, act as a generative mechanism causing change.

Through inter-organizational learning, the framework acknowledges that competitors learn together (Holmqvist, 2003a, 458) and mutually reformulate goals and rules for interactions based on experience accumulated from cooperating with each other. This conceptualization acknowledges, for example, prior arguments that the nature of coopetition forms in a cumulative manner as competitors move from developing calculus-based trust and knowledge-based trust to value-based trust (Castaldo & Dagnino, 2009, 80). In view of notions on the competitors’ ability to learn together from experience, the framework conceptualizes inter-organizational learning activities to be manifested in cooperation and consensus on evaluation of outcomes and lessons to be drawn from experience. Hence, social construction combined with consensus are, in line with teleological reasoning, proposed as a key generative mechanism pertaining to inter-organizational learning activities (Van de Ven & Poole, 1995, 520).

Alongside learning, Figure 4 illustrates the development of the external environment to set the scene for how competitors interact. Hence, the fourth change event consists of the selection of new rules for interaction aligning with changes in the external environment, such as, structural conditions in an industry. Here, the generative mechanism causing changes in interactions between the competitors pertains to influences in the external environment (Van de Ven & Poole, 1995, 518).

Finally, the conceptualization of social construction, consensus and conflict as generative mechanisms emphasizes that interactions develop and change in a discontinuous manner (Ven de Ven & Poole, 1995, 522). Hence, given that the change process consists of a temporal and predefined disposition for cooperative and competitive interactions, Figure 4 also puts forth that a prefigured disposition of the interactions may function as a key generative mechanism. This mechanism relates to life-cycle theory (Van de Ven & Poole, 1995, 520) and evidence in prior research that rules for interaction develop in a prescribed manner based on a mutually formulated purpose for cooperating by the competitors in accordance with the development of the market, the industry, project or product life-cycle.
Figure 4  Change in coopetitive rules (Adapted from Article 1, Dahl, 2014)

Chapter 2 has presented the conceptual elements applied to explain coopetition between firms and the theoretical basis for explaining coopetition as a process. Chapter 3 continues this discussion by analysing the research design of the thesis.
3 RESEARCH DESIGN

Thus far, the scope of the thesis has been presented in the light of research gaps in the extant coopetition literature. However, when seen more fundamentally, the researcher’s worldview underlies how the research phenomenon is perceived, the kind of research problems that are detected and how the research questions are formulated (Wallén, 1996, 21). The researcher’s worldview, or applied research paradigm, can generally be explained as “a way of breaking down the complexity of the real world” (Patton, 1990, 37). In particular, the worldview builds upon ontological, epistemological, and methodological beliefs (Denzin & Lincoln, 1998, 26; Guba & Lincoln, 1998, 201), plus assumptions related to human nature (Burrell & Morgan, 1979, 2).

Since the researcher’s underlying beliefs ultimately form the choice of research methods (Guba & Lincoln, 1998, 195; Morgan & Smircich, 1980, 491, Patton, 1990, 37), it is important to reflect on the nature of these beliefs and how they influence the output of the research (Easton, 1995, 411). In other words, describing one’s philosophical positioning increases the reflexivity of the research process and enhances the transparency of the knowledge claims made (Eriksson & Kovalainen, 2008, 12). With these thoughts in mind, this chapter sets out to present the philosophical orientation guiding the thesis and the choices made within the research process.

The philosophical discussion begins by defining the concepts of ontology, epistemology, methodology and human nature. To exemplify these concepts and to illuminate their differences depending on the applied research paradigm, each concept is delineated from two opposing worldviews: a subjectivist and objectivist approach (Burrell & Morgan, 1979). Hereafter, the discussion proceeds by discussing its philosophical foundation from a critical realism approach.

Ontology pertains to beliefs about the form and nature of reality (Denzin & Lincoln, 1998, 185; Guba & Lincoln, 1998, 201). It poses the question of “what is there in the world” for example in terms of relationships between people and the social world in which these relationships and people exist (Eriksson & Kovalainen, 2008, 13). At the objective end of the ontological continuum, the social world is viewed as “a given out there” which exists independently of the individual’s interpretations, actions and possibly even awareness (Burrell & Morgan, 1979, 1). From this perspective, the social world is viewed as hard and concrete in its structure (Morgan & Smircich, 1980, 495). Also, as outlined in the positivist tradition, one real reality is assumed to exist (Guba & Lincoln, 1998, 204).

In contrast, from a subjectivist standpoint, reality is understood as a product of the individual’s mind and consciousness (Burrell & Morgan, 1979, 4). This assumption relates first and foremost to a constructivist tradition which proposes that the nature of reality is ultimately constructed by individual persons or groups (Guba & Lincoln, 1998, 206). This implies that reality and the phenomenon under study are viewed as “an output of social and cognitive processes” which changes, not only from person to person, but also over time and context (Eriksson & Kovalainen, 2008, 13-14).

Epistemology refers to the nature of knowledge (Denzin & Lincoln, 1998, 185) and deals with the relationship between the knower and what can be known (Guba & Lincoln, 1998, 201). Epistemological assumptions form both how we approach the world, and how the knowledge created can be communicated to others (Burrell & Morgan, 1979, 1; Eriksson & Kovalainen, 2008, 14). An objectivist approach emphasizes finding
regularities and causal relationships between elements that allow the studied phenomenon to not only be explained, but also predicted (Burrell & Morgan, 1979, 5). In addition, as underscored in the positivist tradition, objective knowledge in the form of value-, time- and context-free generalizations is stressed (Guba & Lincoln, 1998, 204).

From a subjectivist approach, scholars advocate that the social world can only be grasped by understanding the context of the individual and their unique interpretations of the research phenomenon (Burrell & Morgan, 1979, 5). In addition, the subjective nature of the knowledge produced is underscored. Hence, instead of picturing the researcher as a distant and objective observer, the question becomes one of understanding not only how reality is constructed by the respondent, but also how the researcher constructs it (Burrell & Morgan, 1979, 5; Easton, 1995, 450; Peters, Pressey, Vanharanta & Johnston, 2013, 344). Following these notions, scholars in the subjectivist tradition acknowledge that there may be many possible, and equally meaningful, interpretations of the same data (Eriksson & Kovalainen, 2008, 20).

**Human nature** refers to assumptions on the relationship between individuals and their environment (Burrell & Morgan, 1979, 2). At the far end of this continuum, the objectivist approach argues that individuals are controlled and determined by the external environment in which they exist (Burrell & Morgan, 1979, 2). Individuals are therefore viewed to behave and respond to external events in a predictable and rule-like manner (Morgan & Smircich, 1980, 495). In contrast, when moving towards a subjectivist approach individuals are viewed as creating their environment out of free will (Burrell & Morgan, 1979, 2). From the subjective perspective, Morgan and Smircich (1980, 495) argue that “human beings shape the world within the realm of their own immediate experiences”.

**Methodology** deals with the question on “how we gain knowledge of the world” (Denzin & Lincoln, 1998, 185). It embraces “strategic-level options” like case research, qualitative methods and so on when conducting research (Easton, 1995, 420). On the methodological continuum, the objective side stands for standardized data collection tools through which a phenomenon can be objectively captured, and universal laws for explanation and prediction created (Burrell & Morgan, 1979, 3, 6-7). Here, the focus is on selecting the right concepts, measuring the concepts, identifying the relationships (Burrell & Morgan, 1979, 3) and finally accepting or rejecting the outlined hypotheses (Guba & Lincoln, 1998, 204).

A subjectivist approach instead emphasizes understanding the subjective experiences of individuals and how they create and interpret the world (Burrell & Morgan, 1979, 3). Furthermore, such an understanding is believed to become clear by closely analysing the phenomenon under study and exploring its background and history (Burrell & Morgan, 1979, 6; Guba & Lincoln, 1998, 205). From this standpoint, scholars may, for example, be particularly interested in behaviour which deviates from established social norms (Peters et al., 2013, 344). Finally, given the emphasis laid on grasping the whole complexity of the phenomenon being studied, scholars in the subjectivist tradition reject the idea of having predefined dependent and independent variables (Eriksson & Kovalainen, 2008, 20).

### 3.1 Introducing critical realism as a research paradigm

A critical realism orientation has lately been debated to particularly suit the study of inter-firm relationships (Easton, 2010; Healy & Perry, 2000; Peters et al., 2013) and
their development of over time (Ryan, Tähtinen, Vanharanta & Mainela, 2012). Based on this debate, critical realism is briefly introduced below and evaluated in terms of its applicability for studying coopetition in inter-firm relationships.

On the one hand, critical realism argues, in line with positivism, that there is real reality which can be observed and understood, existing independently of the individual's interpretation or knowledge of it. On the other hand, in line with the values of constructivism and a subjectivist tradition, knowledge of this reality is viewed as socially constructed by both the researcher and the respondent. Thus, critical realism admits that our knowledge of reality contains subjective elements. (Easton, 2010, 120; Eriksson & Kovalainen, 2008, 19; Wallén, 1996, 12) By combining these two ontological assumptions, critical realism meets some of the criticism made of the positivist and constructivist views. Below are five points that are of relevance to the scope of the thesis.

First, positivism is generally criticized for overseeing contextual and situational aspects, as well as, subjective elements such as feelings and experiences, which cannot be objectively measured (Wallén, 1996, 27-28). A closely related point of criticism presented by Healy and Perry (2000, 119) is that positivism tends to disregard individuals' ability to actively reflect on and react to, for example, problem situations related to the phenomenon being studied. Second, owing to the emphasis on causal relationships between objectively measurable elements, Easton (1995, 449) raises the difficulty of applying a positivist approach to grasp the complexity underlying inter-firm relationships. A third criticism is that positivism falls short of answering the question of why certain causal relationships occur within the phenomenon (Easton, 2010, 118). Fourth, as the positivist view focuses on law-like regularities in explaining inter-firm relationships, it is, according to Ryan et al. (2012, 300), unable to grasp how relationships change over time. The fifth and final criticism relates to constructivism and its sole focus on social factors. Regarding this point, Easton (1995, 450) concludes: “While no one would deny the role of social factors in network processes, it would be a mistake to suppose that they are primarily social communities and so the epistemologies that make this presupposition need to be treated with caution” (see also Healy & Perry, 2000, 120 for similar criticism).

As the ontological assumptions underlying critical realism can meet the criticism above, it is viewed as a potential and also realistic philosophical orientation for this thesis’ study of coopetition between firms. This notion is also supported by Easton (2010), Peters et al. (2013), and Ryan et al. (2012) in their research on critical realism as an applicable approach to the study of inter-firm relationships. The next section describes critical realism as a philosophical orientation and discusses its implications for how coopetition is conceptually and empirically studied in the thesis.

3.2 The nature of the world and the phenomenon being studied – the ontological orientation of the thesis

Alongside the idea that there exist multiple understandings of the world, critical realism views the world as consisting of “real” structures and mechanisms, which occur independently of our knowledge of them (Eriksson & Kovalainen, 2008, 263). Hence, a key notion with which to grasp reality and the phenomenon being studied is the explanation of causal relationships, i.e. the structures and mechanisms that cause certain events to happen (Easton, 2010, 121). Regarding this ontological background, an important implication when adopting a critical realism approach to the study of inter-firm relationships is that the relationships have causal powers (Ryan et al., 2012, 303).
This leads, according to Peters et al. (2013, 343) to the assumption that “business relationships are able to both enable and constrain what companies and individual managers can (and cannot) do within a network of relationships”. Simultaneously, inter-firm relationships are viewed as dependent on the activities of the actors (Peters et al., 2013, 343; Ryan et al., 2012, 303). This reasoning complies with the conceptualized influence of coopetitive rules in Article 1 and inter-organizational practices in Article 2. In addition, it complies with ontological assumptions in organizational learning literature emphasizing that it is the individuals’ actions and the “social production and reproduction of organizational rules” which make the relation real (Holmqvist, 2004, 74).

Given the focus on causal explanations explained above, critical realism advocates that researchers generally follow a framework, which depicts certain entities, defines their causal powers and specific conditions and ultimately explains certain events or outcomes that occur due to the actors’ actions (Easton, 2010, 122). When explaining causal laws, Ryan et al. (2012, 305) emphasize, however, that unlike positivism, the focus is moved beyond merely counting the regular occurrence of events. Also, when defining the entities being studied, such as relationships, the focus may be moved beyond measurable aspects in favour of understanding their fundamental nature and capabilities (Easton, 2010, 120). Accordingly, critical realism can be viewed as a valuable orientation for explaining the complex and paradoxical nature of coopetition. Hence, in line with the critical realism and its ontological reasoning on causal explanation, the outlined theoretical models and the empirical discussion of this thesis approach coopetition by seeking to explain how and why different events or outcomes occur. The events or outcomes in the different articles can be explained as: changes in cooperative and competitive interactions, deliberate and emergent strategic activities at the intra- and inter-organizational level and international opportunities.

3.3 The nature of knowledge – the epistemological orientation of the thesis

Despite its aim of obtaining a view of reality, critical realism acknowledges that our knowledge of reality will never be complete. Or, as stated by Ryan et al. (2012, 303) “there is a difference between business relationships ‘out there’ and our beliefs about them”. Also, critical realism maintains that entirely objective research is not possible, and should therefore not be a criterion for valid knowledge either. Instead, the researcher’s task becomes about searching for and understanding the intrinsic details of the phenomenon and building explanatory knowledge (Ryan et al., 2012, 304).

A key epistemological assumption, which underlies the viewpoints above, is that our knowledge of the phenomenon is always influenced by theories, pre-existing understanding, past experiences and the research methods applied (Ryan, et al., 2012, 304; Easton, 2010, 123; Wallén, 1996, 12). Hence, through interpretation, the researcher becomes part of the knowledge production process (Eriksson & Kovalainen, 2008, 15). Consequently, critical realism underscores that it is important to critically evaluate the findings, to debate alternative explanations within the research community (Easton, 2010, 123) and to develop a “family of answers” on the phenomenon (Healy & Perry, 2000, 123). Finally, closely related to this notion is the assumption that individuals interpret reality differently depending on the time and the context (Eriksson & Kovalainen, 2008, 15). This assumption is manifested in the theoretical conceptualizations of coopetition contained in the thesis as change in coopetitive interactions and the emergent nature of coopetition strategy are explained in the light of
individuals’ subjective and potentially conflicting perceptions of the inter-organizational interactions.

To summarize, the critical realist view raises three important implications regarding the nature of the knowledge on coopetition between firms as created by this thesis. First, within the two conceptual articles the aim is to outline a theoretical model to explain and capture coopetition as a process and as a strategy. However, the proposed theoretical models and discussions will not constitute any definite or whole truth. The same notion pertains to the empirical findings presented. Second, to build explanation, the theoretical models and empirical study developed in the thesis seek to shed light on some of the intrinsic details of coopetition, rather than focusing on a few measurable aspects (Easton, 2010, 120; Ryan et al., 2012, 304). Third, in the empirical study, I acknowledge and accept that my pre-existing understanding shapes what I can and cannot see when analysing the data material (Ryan et al., 2012, 304). Similarly, I recognize that knowledge of the phenomenon, in terms of coopetition as a source of international opportunities, is influenced by the respondents’ perceptions. These latter two aspects are dealt with in the section on the trustworthiness of the study.

3.4 Assumptions about human nature

Regarding human nature, the thesis places itself somewhere in the middle of a continuum between a subjectivist and objectivist approach. That is, instead of being controlled by the environment, individuals are viewed to exist in an interactive relationship. This means that individuals are assumed to have the possibility to influence the external environment and the context in which they exist, while simultaneously being influenced by their social and physical environment (Morgan & Smircich, 1980, 495). Ultimately, individuals interact with their environment to thrive and survive (Morgan & Smircich, 1980, 495). Those assumptions about human nature fit with the notion of inter-firm coopetition arising from changes to structural conditions in the market (Bengtsson et al., 2010b, 29). However, the assumptions also provide room for analysing constructive processes underlying coopetition as individuals are viewed as creating the environment out of personal will and through individual experience (Morgan & Smircich, 1980, 495). For that reason, this perspective also corresponds to the thesis’ epistemological assumptions about the subjective elements of our knowledge of reality.

3.5 Methodology

Assumptions about ontology, epistemology, and human nature ultimately answer the methodological question of how a researcher obtains knowledge about a phenomenon (Guba & Lincoln, 1998, 201). Simultaneously, regardless of the philosophical orientation, it is important to explicitly describe the research context, design and procedures followed in collecting, analysing and reporting the data to achieve methodological rigour (Gnyawali & Song, 2016, 13). This section discusses the choices made and the procedures followed in developing the conceptual and empirical articles constituting the thesis. As a starting point for the methodological discussion, Table 3 summarizes the research methods and data applied in each of the three articles.
### Table 3  Overview of the applied research design

<table>
<thead>
<tr>
<th>Article</th>
<th>Scope of the article</th>
<th>Applied method</th>
<th>Main source of data</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Conceptualizing coopetition as a process: An outline of change in cooperative and competitive interactions</td>
<td>To develop a theoretical framework that explains how and why coopetitive interactions change as the relationship unfolds over time.</td>
<td>Literature review and conceptual development</td>
<td>Existing theoretical and empirical coopetition research on the development of cooperative and competitive interactions.</td>
</tr>
<tr>
<td>2. Conceptualizing coopetition strategy as practice: A multilevel interpretative framework</td>
<td>To develop a theoretical framework that explains coopetition strategy as a deliberate and emergent activity from a strategy-as-practice perspective.</td>
<td>Literature review and conceptual development</td>
<td>Existing theoretical and empirical coopetition research that has insights into strategic activities.</td>
</tr>
<tr>
<td>3. Co-opetition: A source of international opportunities in Finnish SMEs</td>
<td>To empirically explore international opportunities gained through coopetition and how the balancing of cooperation and competition influence the nature of the opportunities gained.</td>
<td>Qualitative research method Case study strategy</td>
<td>Interview data gathered through semi-structured interviews with the CEOs of four companies engaged in simultaneous cooperation and competition with each other.</td>
</tr>
</tbody>
</table>

#### 3.5.1 The logic of the research process

When deciding on how to obtain knowledge about a phenomenon, a researcher faces three different logics: deduction, induction and abduction. These three logics hold different assumptions about the relationship between theory and empirical research (Wallén, 1993, 47). A deductive approach builds upon a linear logic where the researcher first completes a theoretical frame of reference, then formulates hypotheses and finally puts the outlined hypotheses to an empirical test (Eriksson & Kovalainen, 2008, 22; Wallén, 1993, 48). Induction also builds on a linear logic. However, rather than first studying theory, induction implies that research starts with empirical observation from which theoretical propositions and conclusions are developed (Eriksson & Kovalainen, 2008, 22; Wallén, 1993, 47). However, the distinction between induction and deduction is usually far from clear-cut (Eriksson & Kovalainen, 2008, 21), which brings us to the third approach: abduction.

Abduction refers to a more continuous movement between the empirical world and the theoretical framework in order to match theory and reality (Dubois & Gadde, 2002, 552, 555). It builds on the logic of moving backwards from the empirical world and asking “what must be true in order to make this event possible?” (Easton, 2010, 123). In other words, abduction implies that the researcher goes back from the respondents’ descriptions to the theoretical framework and develops theoretical concepts and models which may explain the described or observed phenomenon (Eriksson & Kovalainen, 2008, 23). A key strength of this approach is an increased understanding of both theory and the phenomenon throughout the research process (Dubois & Gadde, 2002, 555).
This thesis follows abductive logic. Abduction, or retroduction, is advocated within critical realism (Easton, 2010; Ryan et al., 2012; Peters et al., 2013). A key point for using abduction within critical realism is the idea that the researcher should be open-minded about both the applied theory and the empirical explanation. Hence, Ryan et al. (2014, 304) note, that abduction increases theoretical sensitivity – an awareness of the influence of the researcher and the applied theories on the empirical findings. Furthermore, Dubois and Gadde (2002, 559) show that an abductive logic is better suited to the development of theory than theory generation. Hence, as the thesis seeks to advance existing theory on coopetition through both theoretical development and empirical investigation, abduction is viewed as appropriate. The following section discusses, in more practical terms, how an abductive logic has guided the development of the three articles in the thesis and the research process.

The research process

The research processes started with the development of Article 3 (see Table 3). The empirical data for this article were collected as a part of a larger research project on the internationalization process of SMEs. The interview data were collected by a colleague. However, in analysing the data I had access to the full transcripts of the interviews. At the outset of the research process, I reviewed the coopetition literature and business network research on the internationalization process of firms. Hence, a pre-understanding was created through existing theoretical frameworks. The evident value of such a procedure is that the replication of previous studies is avoided. In addition, the data analysis is somewhat more focused (Andersen & Kragh, 2010, 49). Nevertheless, following an abductive logic, I strove to be open-minded when starting to analyse the data (Dubois & Gadde, 2002). While reviewing the extant research, I examined the data. First, I analysed the international opportunities gained through the relationships. I further sought to categorize the opportunities – depending on their different characteristics. To explain the observed differences between the opportunities I went back to the coopetition literature and focused on the categorization of the different forms of coopetitive relationships. Thereafter, the final shape of the article took form. In line with abductive logic, the theoretical framework took form at the same time as the data were analysed.

The development of Article 1 (see Table 3) also has features of an abductive logic. After completing Article 3, I collected new interview data from a group of four companies engaged in simultaneous cooperation and competition. At the time of the study, the competitors had, to varying extents, cooperated over the previous six years. In continuing the scope of Article 3, I was interested in examining how the companies cooperated in an international context. The study also examined the development of coopetition between the companies. This empirical study is not included in the thesis. However, the empirical observations gave rise to the interpretation and ideas underlying the theoretical framework in Article 1. In looking at the interactions between the companies, the results revealed the central influence of changes in the external environment and the subsequent need for the companies to have periods consisting of more cooperation, although changes in the coopetitive interactions did not emerge in a discontinuous and random manner as such. Instead, the respondents’ descriptions revealed a more incremental logic, where elements of stability were seen to underlie the change process. The competitors’ perceptions of how to adapt the interactions to the external challenges were seen to be formed through past experience of interacting with each other. Thus, I reviewed the coopetition process literature and decided to extend my reading towards research on relationship-specific experience and intra- and inter-organizational
learning. By combining these streams of literature and theoretical perspectives, the conceptual development in Article 1 started to take form.

Finally, Article 2 (see Table 3) resulted from the observation that while coopetition is frequently referred to as a strategy, discussions on the theoretical elements underpinning coopetition as a deliberate and emergent strategy remain absent. In addition, the need for coopetition research on how and why strategy formulation and implementation occurs within the organization was noted. To this end, a strategy-as-practice approach and its conceptualization of strategy as an activity was deemed to be a valuable point of departure in theoretically modelling coopetition strategy.

On the one hand, the development of the conceptual articles follows a deductive logic as existing theory represents the first source of knowledge. On the other hand, abductive features exist as well. Within conceptual work, an abductive logic implies that the initial theoretical framework may also gradually develop due to new theoretical insights (Dubois & Gadde, 2002, 559). This notion corresponds to the research process in Article 1 and Article 2. In developing the articles’ conceptual frameworks, I have moved between reading theory; gaining new interpretations and ideas for development based on, e.g. feedback; returning to theory and ultimately gaining new theoretical insights and rewriting the arguments. Finally, when looking at the whole research process, the scope of the thesis and the posed research questions have been reformulated owing to both the empirical and theoretical insights gained along the way.

3.5.2 The methodological choices of the empirical study

This section discusses the methodological choices made in the empirical study, in other words, the application of a qualitative research method and a case study strategy. In addition, the methods for collecting and analysing the data are discussed.

3.5.2.1 A qualitative research method

As summarized in Table 3, the empirical study sets out to explore international opportunities gained through coopetition and how different forms of coopetition, depending on the strength and balancing of cooperation and competition, influences the characteristics of such opportunities. A qualitative research method is applied in the study. This choice pertains to three key aspects, which are generally linked to the application of a qualitative research method. First, the study seeks to develop an in-depth and comprehensive understanding of the outcomes of coopetition and the context in which these occur (Eisenhardt & Graebner, 2007, 25; Patton, 1990, 165). Rather than solely asking how many, the study seeks to find out how the international opportunities have been gained by understanding the respondents’ perceptions, experiences and feelings about maintaining coopetitive relationships. This objective suits a qualitative approach (Eisenhardt & Graebner, 2007, 27; Pratt, 2009, 856; Wallén, 1996, 73).

Second, the study focuses on coopetition, which is characterized by a complex and paradoxical nature owing to the simultaneous existence of cooperative and competitive interaction processes (Bengtsson & Kock, 2014, 181). Accordingly, it is acknowledged that it may be challenging for the respondents to identify, talk about and describe coopetition and the strength and balance of cooperation and competition in relation to each other. Compared to a quantitative approach and the use of standardized and abstracted data collection procedures, a qualitative method allows for more flexibility
Also, a qualitative approach is preferable when seeking to gain deep insights into complex social processes (Eisenhardt & Graebner, 2007, 26). Lastly, a qualitative method enables moving beyond the predefined theoretical framework, which is favourable considering the somewhat unexplored nature of the topic (Patton, 1990, 13).

Going back to the philosophical orientation of the thesis, critical realism supports the application of a qualitative research method based on two ideas, which closely relate to the three motives outlined above. First, Peters et al. (2013, 345) note that critical realism departs from the assumption that “social phenomena can be understood, but not often (meaningfully) measured.” This complies with the fact that critical realism rejects the idea of event regularities and universal laws as a criterion for establishing causal explanations (Ryan et al., 2012, 304). Instead, the focus is on understanding the inherent nature of the phenomenon and its generative mechanisms (Ryan et al., 2012, 304).

Second, in building a theoretical explanation, critical realism emphasizes the importance of taking the specific context into consideration (Piekkari Welch & Paavilainen, 2009, 571). Similarly, the researcher is encouraged to directly interact with and get close to the context in which the phenomenon occurs (Peters et al., 2013, 345). Hence, the assumptions of critical realism support not only the application of a qualitative method, but also a case study strategy (Ryan et al., 2012, 305 see also Easton, 2010, 119). In particular, and contrary to extensive and variable-oriented case study research (e.g. Eisenhardt, 1989), case studies of an intensive nature with contextualized descriptions (e.g. Dyer & Wilkins, 1991) are advocated (Piekkari et al., 2009, 571).

3.5.2.2 A case study strategy

In addition to a qualitative research method, the empirical study applies an interview-based case study strategy. Altogether four companies engaged in simultaneous cooperation and competition with each other were studied in the empirical article.

Piekkari et al. (2009, 569) broadly define case study as “a research strategy that examines, through the use of a variety of data sources, a phenomenon in its naturalistic context, with the purpose of ‘confronting’ theory with the empirical world.” Here, the confrontation of theory may imply the elaboration and testing of theoretical constructs or, the search for a holistic and contextualized explanation of causes and processes (Piekkari et al., 2009, 569). As Piekkari et al. (2009) explain, a case study allows for the understanding of the interaction between the phenomenon being studied and the context in which it occurs (Dubois & Gadde, 2002, 554). Accordingly, it is viewed as a valuable research strategy when seeking to explain complex social phenomena and issues (Eisenhardt & Graebner, 2007, 26; Ryan et al., 2012, 305; Yin, 2009, 19). As noted in the previous section, these characteristics comply with the nature of this empirical study and also underlie the choice of a case study strategy.

There are several ways to conduct a case study, Eriksson and Kovalainen (2008, 118) distinguish between intensive and extensive case study research. Extensive case study research is based on comparing cases by either collecting similar data in several cases or by gradually increasing the number of cases to find event regularities (Eriksson & Kovalainen, 2008, 122). In contrast, intensive case study research focuses more on understanding and explaining how a unique case works (Eriksson & Kovalainen, 2008, 119). This case study follows an intensive logic. Stake (1995) further distinguishes between intrinsic and instrumental case studies by arguing that in intrinsic case studies the case itself is the main focus of interpretation and understanding, instead of a specific
phenomenon (pre)defined by the researcher (Stake, 1995, 3). In instrumental case studies, the case with its specific context and respondents' perceptions is viewed as a means for understanding and discerning a certain phenomenon (Stake, 1995, 3). In addition to being of an intensive nature, this thesis’ case study can be categorized as instrumental.

Finally, defining what the case is constitutes an important question for a researcher (Yin 2009, 29). Miles and Huberman (1994, 25) generally define a case as, “a phenomenon of some sort occurring in a bounded context”. Accordingly, even though case study research emphasizes the production of holistic knowledge, identifying the boundaries of the case is an important task of the researcher (Eriksson & Kovalainen, 2008, 117). In research on business networks, Halinen and Törnroos (2005, 1289) present four perspectives: intranet, focal dyad, focal actor and small focal net, which all give different views on the actors and relationships to be included in a case study. Accordingly, this empirical study delimits the context being studied by focusing on a small focal net between a set number of actors, that is, a group of four competitors who cooperate with each other by meeting regularly. Within this context, the case, that is, the unit of analysis (Yin 2009, 30) is, the relationships between the four firms containing cooperative and competitive interactions simultaneously. Accordingly, statements about key findings and conclusions of the case study are made at the relational level (Patton 2002, 228). These statements pertain to the influence of the degree of strength and balance of the cooperation and competition and the firms’ individual outcomes of the relationships between the actors in the group.

3.5.2.3 The collection and analysis of the empirical material

In establishing methodological and empirical rigour in case study research, it is of high importance to justify the selected cases in relation to the posed research question (Gnyawali & Song, 2016, 18). Therefore, the competitors cooperating with each other were purposefully selected. Following the recommendations by Patton (1990, 169), their selection was made based on their “information-richness” in relation to the aim of the study. Purposeful sampling is, however, an umbrella concept (Patton, 1990). Hence, in addition to purposeful sampling, a theory-based sampling logic can be argued to characterize the case study. Theory-based sampling implies that researchers select cases, which are likely to provide insights into the important theoretical constructs of interest and hence extend the emergent theory (Patton, 1990, 177; Eisenhardt, 1989, 537).

At the outset of the study, the question of interest was how coopetitive relationships influence the identification of international opportunities. Accordingly, the selected companies were required to simultaneously cooperate and compete with each other. To gain richer insights into the outcomes of coopetition, the competitors were, as in previous research (Tidström, 2009, 509), required to cooperate above an informal level, such as randomly exchanging information. Lastly, the cooperation between the competitors had to be international in context. Regarding the practical identification of the competitors included in the study it was known, based on previous research, that cooperation had existed between them. Moreover, in going through one of the case companies' websites, links were found to the other three case companies. The CEO of one of the companies was contacted to confirm that there was cooperation between the competitors and if the cooperation had any international focus. Then, the CEOs of the other three companies were contacted to agree upon their participation in the study.

In the empirical study, data are collected through qualitative interviews with the CEOs of the four companies. Initially, four individual interviews were conducted, one with each
CEO. However, when starting to work with this interview data for Article 3 I did one additional telephone interview with the CEO of company C. The need for data completion emerged as I realized when analysing the interview transcripts that information was missing on how the CEO of company C perceived the cooperation and competition with company D. In addition, data was missing on international opportunities gained from this relationship (from the point of view of company C). By including this interview, altogether five interviews were conducted. The CEOs’ descriptions and perceptions of the cooperative and competitive interactions act as a basis for the data analysis. The CEOs were selected as informants since they are involved in the events of interest: the formal meetings between the competitors where the forms of cooperation, both nationally and internationally, are discussed. Thus, the CEOs were regarded as knowledgeable informants for answering the research questions. Interviewing the CEOs is also, from a more general viewpoint, motivated by the idea that ownership of decisions is often concentrated in a few people in small companies and the CEO tends to have a key decision-making role. In addition to interviews, general information about the companies was collected through the companies’ web pages to support and supplement the interview data.

Qualitative interviews are generally considered favourable for attaining data characterized by both breadth and depth (Eisenhardt & Graebner, 2007, 28). According to Eriksson and Kovalainen (2008, 81), another frequent motive behind the use of qualitative interviews is the aim to study the research phenomenon from the particular viewpoints and experiences of the respondents (see also Wallén, 1996, 76). In collecting the data, an interview protocol with questions was developed before the interviews took place. Hence, in line with a realism approach, the interview questions were developed based on the need to gather information about “a predetermined outside reality” (Healy & Perry, 2000, 120). The interviews were of a guided and semi-structured nature and had an open-ended character, suiting the study of both “what” and “how” questions (Eriksson & Kovalainen, 2008, 82). In addition, the open-ended character allows for flexibility and openness in the interview situation, which may be advantageous considering the somewhat unexplored nature of the topic.

First, the questions mapped the most important actors in the companies’ networks – customers, suppliers, competitors, and cooperative partners. The questions furthermore focused on uncovering the nature of the cooperation between the competitors in terms of activities, purpose, frequency of contact, long-term orientation, perceived dependence and formality, knowledge-sharing and perceived risks of cooperating. In addition, how the respondents perceived the strength of the cooperative and competitive interactions was explored. Additionally, the internationalization process of the companies, especially the respondents’ perceptions of how coopetition influenced the exploration and exploitation of international opportunities, was examined. The additional telephone interview conducted at a later point also followed a semi-structured interview protocol consisting of six questions covering the missing information in the initial interview.

All interviews were recorded and transcribed verbatim which is important for enhancing the rigorousness of the study. The respondents were also given the possibility to read and to comment on the transcripts. Thus, the study strove to ensure that an accurate picture of the respondents’ perceptions was attained. The interview transcripts also hold information on how the questions and follow-up questions were posed, therefore enabling the repetition of the study.

As already discussed above, the personal interviews were conducted within a larger research project and by a colleague. A qualitative research tradition is characterized by
its emphasis on understanding the case “from the inside” (Eriksson & Kovalainen, 2008, 119; Miles & Hubermann, 1994, 6. Therefore, an evident point for criticism is that I have not been able to make observations when collecting the data material. Nevertheless, what respondents think about coopetition and what motivates such interactions cannot be captured through observations but by asking questions of the respondents (Eriksson & Kovalainen, 2008, 87). For that reason, the transcribed interviews in combination with publicly available information on the case companies are viewed as sufficient data sources for answering the posed research questions.

When starting to analyse and manage qualitative data the researcher can choose between reviewing the transcribed interviews manually and using a computer-assisted qualitative data analysis program (CAQDAS). One of the key questions to consider at this point is the amount of data collected (Eriksson & Kovalainen, 2008, 108). When comparing the two approaches, Dolan and Ayland (2001, 387) note that CAQDAS particularly adds value above a manual approach when the study involves a large volume of data. This value resides in the ability of the researcher applying a computer-assisted program to more easily identify and use quotes and revisit the data for additional analyses (Dolan & Ayland 2001, 384, 387). In this argument, the idea of small and large volume of data is mainly dependent on interview length and to a lesser extent on the number of interviews conducted. The four transcribed interviews in the thesis’ empirical study vary in length from four to eight A4 pages. The complementary interview consisted of only one page. Within the scope of this study, I considered that I was able to manage, organize and analyse the data using a manual approach.

Overall, the data analysis followed the key phases outlined by Miles and Huberman (1994, 11). Accordingly, to analyse and group the content of the text, I manually searched the transcripts for different themes, sub-categories of the themes and the patterns related to coopetition and internationalization. Some of the themes were developed prior to the study while others emerged during the process of data reduction as described above in relation to the research process. After that, the analysis proceeded by developing visual displays based on the allocated text segments. Along with direct quotes from the respondents, these visual displays were also used to show the findings. In particular, the respondents’ perceptions of the strength of the relationships were grouped as three different types of coopetitive relationships: a strong cooperation-dominated relationship, an equal relationship, and a weak cooperation-dominated relationship. The different forms of coopetition were mapped and illustrated in relation to each other in the focal net between the four companies. In addition, a table was developed that distinguishes the different international opportunities according to the specific relationship they benefitted from and the company providing the opportunity as well as the form of coopetition. The data analysis ended by drawing conclusions related to coopetition as a source of international opportunities for SMEs.

To conclude the discussion on methodology, the following section reflects on the quality of the empirical research in relation to the methodological choices and proceedings presented above and the development of the two conceptual articles is scrutinized.

3.5.3 Reflections on the trustworthiness of the empirical study

Rigorous research on coopetition is essential for scholars if they are to have a solid base on which to build future research, which is crucial for the development of the whole field (Gnyawali & Song, 2016, 12). When discussing the rigorousness of the research it is, however, important to note that different philosophical orientations lead not only to the
formulation of different research problems and knowledge claims, but also to different criteria for judging the quality of the research (Guba & Lincoln, 1998, 294). To evaluate qualitative research within the positivist or postpositivist tradition, four different tests are commonly used: construct validity, internal validity, external validity and reliability (Gibbert, Ruigrok & Wicki, 2008, 213; Yin, 2009, 40). In contrast, the concept of trustworthiness – consisting of credibility, dependability, transferability and confirmability criteria – has been deemed more suitable for research that follows a constructivist approach (Guba & Lincoln, 1998). In this debate, the growing emergence of critical realism research, which complies with some of the beliefs underlying both positivism and constructivism, has initiated a discussion on the need for an additional framework for assessing the rigorousness of the qualitative research. To this end, Healy and Perry (2000, 121) recommend six distinct criteria for judging the quality of research based on a critical realist foundation. Next, each of these six criteria are defined and discussed in the light of the empirical study and its trustworthiness.

**Ontological appropriateness** starts by examining the nature of the research problem and whether it applies to the assumptions of critical realism. When evaluating ontological appropriateness, a fundamental question is to ask if the research deals with “complex social phenomena outside people’s mind involving reflective people” (Healy & Perry, 2000, 125). Another key question is whether the research deals with a how-oriented, and/or why-oriented research problem (Healy & Perry, 2000, 122).

The research question guiding the empirical study is a how question that examines the way in which coopetitive relationships influence the identification of international opportunities by SMEs. Moreover, the research focuses on simultaneous cooperation and competition between firms, which, given its paradoxical nature (Bengtsson & Kock, 2014, 181), qualifies as a complex social phenomenon. Lastly, the study treats coopetition as a predetermined outside reality to examine, thus it does not take a grounded theory approach. In the empirical study this can be seen from the fact that an interview protocol with semi-structured questions on coopetition was developed based on earlier literature and prior to the interviews (see also Healy & Perry, 2000, 120). Thus, the study fits the ontology of realism and meets the outlined quality criteria.

**Contingent validity** parallels the concept of internal validity applied within the positivist tradition to evaluate case study research (e.g. Yin, 2009, 41). Internal validity is concerned with the existence of plausible and logical reasoning underlying the proposed causal relationship between the variables and results (Gibbert et al., 2008, 1466). An important difference is that the concept of contingent validity builds on the assumption that there are no fixed cause and effect relationships. Instead, causal impacts are viewed as contingent on the environment and context in which they occur (Healy & Perry, 2000, 123). As a result, Healy and Perry (2000, 123) define contingent validity as “validity about generative mechanisms and the contexts that make them contingent”. Healy and Perry (2000, 122) further argue that contingent validity can be achieved through four key techniques: *theoretical and literal replication, in-depth questions, an emphasis on why issues, and a description of the context of the cases* (Healy & Perry, 2000, 122).

To begin with, the idea of *theoretical replication* is similar to recommendations on how to achieve rigour through internal validity. By summarizing research on case studies lying within the positivist tradition (e.g. Yin, 2009, Eisenhardt, 1989), Gibbert et al. (2008, 1467) emphasize three ways through which internal validity can be enhanced. First, it is important to develop a research framework which clearly describes relationships between variables and outcomes and which is solidly grounded in
literature. Second, identified patterns in the data material should be compared to patterns found in previous studies and in other contexts. The third notion relates to theory triangulation, and advocates the use of different theoretical lenses in developing the theoretical framework and/or in interpreting the findings. In line with these recommendations and the idea of theoretical replication, Article 3 develops a theoretical framework, which rests upon existing theory and adopts multiple theoretical perspectives to interpret the findings and observed patterns. The theoretical framework formulated in Article 3 rests on, and integrates, two theoretical lenses, coopetition and business networks. Findings on outcomes of different forms of coopetition in terms of international opportunities are also related to existing theory. However, due to the lack of research on coopetition and international expansion the article discusses identified patterns in light of extant research on both coopetition and internationalization of SMEs within the business network stream.

An “emphasis on why issues” as a quality criterion relates to the fact that realism research believes in the identification of “broad generative mechanisms” rather than law-like cause and effect relations (Healy & Perry, 2000, 123). The study goes beyond describing coopetition and its outcomes in terms of international opportunities. By looking at the strength of and balance between the cooperation and competition it seeks to deal with why certain opportunities arise from the relationships. Finally, careful descriptions of the context in which coopetition is studied and to which the results pertain is a quality criterion which coopetition scholars also specifically address (Park et al., 2014, 219; see also Gnyawali & Song, 2016, 16; Le Roy & Czakon, 2016, 4). In line with this argument, the study explains the case firms in terms of firm-size, age, the nature of the products manufactured, the similarities between the coopetitors’ products, and current international activities. Additionally, the study explicates the respondents’ positions in the firms. In the background of this discussion, the contingent validity of the study is regarded as good.

Multiple perceptions of participants and of peer researchers is the third quality criterion, emphasizing the responsibility of the researcher to be value-aware. From this viewpoint, Healy and Perry (2000, 122) propose the following techniques for enhancing and evaluating the quality of the research: multiple interviews, supporting evidence, broad questions before probes, triangulation, self-description and an awareness of one’s own values, plus published reports for peer-review. Several of these techniques fall in line with the recommendations by Gibbert et al. (2008, 1467) on how to achieve construct validity, albeit, with one important difference. A critical realism stance relates the techniques to enhancing the value-awareness of the researcher. On the contrary, from a positivist approach, Gibbert et al. (2008, 1466) relate the techniques to enhancing construct validity referring to the “quality of the conceptualization or operationalization of the relevant concept”. This section focuses on triangulation of qualitative data sources based on conducting multiple interviews and comparing the respondents’ perceptions. In addition, analyst triangulation is addressed. Other aspects of triangulation of data sources are presented in the section on construct validity as a quality criterion.

Following the recommendations by Healy and Perry (2000), the thesis’ empirical study contains multiple interviews on the topic studied. In addition, the interview protocol was semi-structured, allowing room for the posing of broad interview questions to the respondents. The interviews were conducted with the CEOs of the four companies. Hence, a potential limitation regarding the criterion of multiple perceptions is that interviews were not conducted with additional members of the case firms. On the other hand, interviewing the CEOs was considered sufficient to answer the research questions outlined in the study. From the viewpoint of triangulating different data sources, the
respondents’ descriptions concerning the nature of the relationships were compared with each other to check for consistency of the information between the interviews (Patton, 2002, 559). For example, the respondents’ descriptions and perceived balance and strength of the cooperative and competitive interactions were compared to categorize the relationships between the firms into different forms of coopetition.

Furthermore, the aspect of multiple perceptions of peer researchers relates to analyst triangulation. Analyst triangulation as a quality enhancing technique implies having multiple investigators of the data material (Guba & Lincoln, 1998, 301, 302; Patton, 2002, 556). Following this line of reasoning, Gibbert et al. (2008, 1467) suggest the review of transcripts and drafts by peers not co-authoring the paper and by key informants as two ways of strengthening construct validity. All respondents were given the possibility to read and to comment on the transcripts. However, a draft of the article was not sent to respondents to comment on, which may be a valuable means for enhancing the trustworthiness (Patton, 2002, 560). Moreover, the empirical data were actively discussed by myself and one of the other authors of the paper. First, we dealt with the data separately then jointly discussed and compared our interpretations, developing the main conclusions of the article. Next, the third author reviewed the paper suggesting additional important inputs. At the point of reviewing the paper, the third author had not been involved in developing the paper and could therefore be argued to contribute a more external perspective on the data material and the analysis made. In addition, later on in the review process, two reviewers examined the draft of the paper, which qualifies as an expert audit review (Patton, 2002, 562).

Finally, a comment on self-description and value-awareness. Following an abductive logic in the thesis’ empirical study allowed us to be open to the data beyond predefined values and assumptions. Having multiple investigators, as described above, can also be argued to help with the fact that I, at the point when writing Article 3, had not explicitly reflected on my own values and philosophical assumptions because this was early in the research process. Given the procedures outlined above, the quality criterion of multiple perceptions is viewed as sufficient.

**Methodological trustworthiness** is the fourth criterion and refers to the idea that the research can be audited or checked by others. This quality criterion parallels partly with notions on reliability by Gibbert et al. (2008, 1467), and in particular, their outlined importance of transparency and replication, in enhancing methodological rigour. In line with Healy and Perry’s (2000, 123) recommendations, I strove to enhance the methodological trustworthiness of the study in three ways. First, by using quotes from the respondents in the article, I aimed to show the reader the link between the interpretations and the raw data (see also Pratt, 2009). However, in hindsight, a more extensive use of quotes would have been beneficial. For example, to further increase the transparency of the study it would have been beneficial to provide a table summarizing how all respondents perceived and described the strength of the cooperative and competitive interactions. Second, the article summarizes key data in a table, distinguishing the different international opportunities, the specific relationships, i.e. the company or companies from which the opportunities were gained and the type of competitive relationship. The aim here is to guide the reader in how the outlined conclusions on coopetition as a source of international opportunities developed from the empirical material (see also the recommendations by Pratt, 2009). Third, secondary documents used and interview transcripts have been saved, providing the opportunity to revisit the data (see also Gibbert et al., 2008). In addition, the thesis describes how the case study was conducted from the underlying philosophical foundation and the abductive nature of the research process to the rationale for selecting the cases and the
key procedures for collecting and analysing the data (see Gibbert et al., 2008). Through this discussion, I seek to show to the reader that the research process has been “logical, traceable and documented” and has established methodological trustworthiness (Eriksson & Kovalainen, 2008, 294).

**Analytical generalization** as a quality criterion generally addresses the idea of comparing the empirical findings with previously developed theory, thus showing a broader application of the findings (Gibbert et al., 2008, 1468). This concept contrasts with statistical generalization, which links to quantitative research and the aim of producing conclusions that would hold for a certain population (Gibbert et al., 2008, 124). However, a critical realist view on analytical generalization also contrasts with the positivist approach to qualitative research. The positivist stream argues that multiple case studies with more than four cases and a cross-case analysis can generally provide a good basis for analytical generalization, and ultimately, external validity (Gibbert et al., 2008, 1468). Instead, the critical realist view parallels more the concept of transferability for judging the quality of research within the constructivist tradition (Healy & Perry, 2000). From this viewpoint, there are three techniques through which analytical generalization can be enhanced and evaluated.

To begin with, the concept of transferability emphasizes that it is important to give thick descriptions of the context in which the results were found so that other researchers will be able to determine if it is possible to transfer the results to another environment and context (Lincoln & Guba, 1985, 316). As described, the empirical study has actively sought to make the research context clear for the reader. Furthermore, to be able to generalize from the empirical findings to theory two additional notions are necessary: the researcher must 1) identify research issues before data collection and 2) formulate an interview protocol that will provide data for comparing the findings with previously developed theory (Healy & Perry, 2000, 122). Related to these notions Gibbert et al. (2008, 1467) also emphasize the importance of providing an explanation for why the case study was appropriate in relation to the research question. As the data underlying the study were collected within a broader research project on SME internationalization, a generic research question on the influence of coopetition on the identification of international opportunities was identified in relation to earlier theory on coopetition before data collection. Also, one of the stated research problems at that stage was whether a strong relationship was important and whether it is possible to cooperate if the relationship is weak. The aforementioned descriptions on the procedures for theory-based sampling give insights into why the case study and studied firms were appropriate in relation to the research question. Moreover, given the predefined focus of the research project, the interview protocol included questions on the respondent’s perceptions of the strength and balance of the cooperative and competitive interactions between the firms. In analysing the interview data for Article 3, I further specified the research questions of my study. Based on the collected data, I was able to discuss similarities between the findings and previous research on coopetition, thus achieving analytical generalization.

**Construct validity** deals with “how well information about the constructs in the theory being built are “measured” in the research” (Healy & Perry, 2000, 125; see also Gibbert et al., 2008, 1467). Following Healy and Perry (2000, 122) two techniques have been applied to achieve construct validity. The first technique relates to the use of prior theory. I sought to clearly define important concepts used in the thesis and in the article by reviewing the prior literature on coopetition and business networks, such as, cooperation, competition coopetition, and internationalization. This fits with Gnyawali and Song’s (2016, 12) recommendations noting the importance of providing a clear
definition of coopetition based on the different views and research streams that exist on the concept.

The second technique relates to data triangulation and review of transcripts and draft by peers and key informants (Gibbert et al., 2008, 1467). The previous section on multiple perceptions as a quality criterion, explains the empirical study's take on analyst triangulation and data triangulation from the perspective of multiple interviews. However, data triangulation also refers to the use of different data sources and collection techniques, such as archival data, interview data, and different forms of observation derived data, to get different angles on the studied phenomenon (Gibbert et al., 2008, 1467-1468; Patton, 2002, 559). In the empirical study, secondary information about the companies was collected through the companies’ web pages. However, this information was used to complement the interviews and to build a more complete story of the study's context, not to verify the respondents' perceptions as such. Hence, to improve the quality of the study it would also have been valuable to use different sources of supporting evidence for the interviews, for example, in the form of documents from the meetings between the companies. In a similar vein, data derived from direct observation could have been of great value to gain a deeper understanding of how the cooperation between the competitors actually takes place in the joint meetings (e.g. Eriksson & Kovalainen, 2008, 87), and to eventually contrast these observations with the interview answers. Finally, grounded on the work by Yin (2009), Gibbert et al. (2008, 1467) also note the importance of explicitly showing the reader “a clear chain of evidence” resulting in an explanation on how the final conclusions emerged. The section on methodological trustworthiness above addresses the study’s use of tables and quotes to show to the reader how the conclusions developed.

3.5.4 Reflections on the development of the two conceptual articles

As shown in Table 3, Article 1 and Article 2 are conceptual and build upon literature reviews. This section explains how the literature reviews were conducted and then discusses the theory development process in the two articles.

The section begins by introducing and evaluating three different review logics that can be applied to understanding and interpreting existing literature: empirical literature review, meta-analysis and narrative literature review. When carrying out an empirical literature review, the researcher examines prior research by first creating numeric data on, for example, methods and themes applied, and then using statistical methods to analyse and present the findings. Empirical literature reviews are commonly carried out to discover trends in the field. (Rumrill, Fitzgerald & Merchant, 2010, 400) Alternatively, in meta-analysis, also known as quantitative systematic literature reviews, the researcher collects and puts together quantified data available in a set of empirical studies to find and describe overall patterns in the results alongside the influence of different conditions in the studies (Rumrill et al., 2010, 400). Finally, in narrative literature reviews, the researcher synthesizes and reshapes existing research with the aim of developing new theoretical insights on a chosen research problem (Rumrill et al., 2010, 400). In contrast to the two aforementioned methods, narrative literature reviews are based on words rather than numeric data. Both conceptual articles apply a narrative literature review to interpret extant research on coopetition. In contrast to empirical literature reviews, the value of a narrative approach lies in the ability to gain a more in-depth understanding of the selected studies and richer information from the review to develop one’s theoretical framework (Rumrill & Fitzgerald, 2001, 168). Given the scarcity of quantitative studies
examine coopetition as a strategy and process, a meta-analysis as review method was not considered.

In line with the recommendations by Rumrill and Fitzgerald (2001, 168) the narrative literature reviews followed five key steps. First, the areas of interest and in need of a review and theoretical development were identified (section 3.5.1 contains a further discussion on the emergence of the research topics). The second and third steps consisted of setting inclusion criteria for the studies and selecting the studies meeting the criteria. Following these steps, the search for relevant literature started broadly by including published research articles and book chapters on coopetition. Furthermore, when selecting the studies to include, Article 1 required the coopetition studies included to focus on the development of cooperative and competitive interactions as the relationship unfolded over time. In Article 2, the literature review comprises coopetition studies that give theoretical and/or empirical insights into activities underlying coopetition as a strategy. Here, the reviewed studies were applied to explain and illustrate four different scenarios on the deliberate and emergent nature of coopetition strategy as an activity. However, it was beyond the scope of this categorization and synthesis to provide a review of the coopetition strategy literature as a whole.

The fourth step consisted of forming a framework with the help of which evidence from the selected studies was extracted and analysed. To identify the themes and concepts according to which the review could be organized, Article 1 includes research on four ideal types of process theories. By applying the different process theories, it was possible to interpret the nature of the change process in each study, in terms of change events, prescribed or constructive mode of change, and generative mechanism. Through this framework, similarities and differences between the studies were examined and explained. Article 2 applies a strategy-as-practice approach as a key frame of reference to synthesize the literature. Information was drawn from the studies and categorized in relation to strategy practices, praxis and practitioners at the intra- and inter-organizational level. In addition, each study’s take on the deliberate and/or emergent nature of strategy at the intra- and/or inter-organizational level was examined. The value of structuring the reviews of coopetition research in line with the themes and concepts adopted from process theory and strategy-as-practice research lies in increasing the systematics and consistency of the review work (Rumrill & Fitzgerald, 2001, 168). To increase the transparency of the research Article 1 and Article 2 also show to the reader how the selected studies have been interpreted and grouped as a basis for the theoretical frameworks and subsequently the arguments developed.

Next, the theory development process in the two conceptual articles is discussed and follows Whetten’s (1989) widely held ideas on the key aspects to consider when developing and evaluating a theoretical contribution. Whetten (1989, 494) suggests seven important factors, which are presented below to evaluate the conceptual work.

First, the article needs to make a significant and value-added contribution. Here, Whetten (1989) notes, however, that the point for evaluation is not necessarily the newness of the outlined theory, but rather its ability to change extant views of the phenomenon being studied. Based on the outlined scopes, Article 1 and Article 2 contain a comprehensive review of the extant coopetition literature. By framing the aims of the articles based on the literature reviews and the discovered gaps and calls in the extant research, the articles seek to make a significant and value-added contribution. Furthermore, through the reviews the articles seek to create a link to current coopetition research, which is important when developing theory (Rindova, 2008, 300). As
discussed in more detail below, the articles also strive to advance research on the maintenance of coopetition by combining theoretical perspectives in a new manner.

Second, to be able to change extant research practice, the article also needs to contain evident linkages to research. The articles developed in the thesis deal with this point in two ways. First, the theoretical argumentation in both articles explicitly links to the theoretical concepts and ideas outlined in existing theories, on coopetition, strategy-as-practice, and on organizational learning. Moreover, in line with the recommendations by Gnyawali and Song (2016, 16) on how to achieve conceptual rigour in coopetition research, both articles provide a clear and delimited definition of coopetition as a concept. The definition emphasizes that coopetition occurs between two or more direct competitors and consists of cooperative and competitive interactions occurring at the same time. Thus, a clear linkage is established to the different research streams existing on coopetition. In a similar vein, the articles seek to clearly define other key concepts used. Second, regarding future research practice, both articles explicitly outline the theoretical argumentation in a conceptual framework; one for studying change in coopetitive interactions and one for approaching coopetition strategy as an activity. It is important to note that the ways in which linkages can be created for future empirical research depend on the applied research paradigm. Hence, the implications for and links to future research are by no means restricted to testable propositions founded in a logical positivist framework (Kilduff, 2006, 254). Therefore, Article 1 outlines three scenarios that illuminate different explanations about how and why change occurs depending on the balance and strength of the cooperative and competitive interactions in the coopetitive relationship. Article 2 distinguishes four scenarios that argue for different explanations of how and why coopetition strategy as an activity is manifested in the organizations.

The third factor emphasizes the importance of explicitly, and in a convincing manner, explaining the logic and assumptions underlying the outlined model. This factor illuminates the importance of asking why certain causal relationships occur. According to Whetten, (1989, 493) dealing with why as a theoretical element often involves borrowing a perspective from another research field. Along this line of reasoning, Article 1 includes research on organizational learning to advance extant theoretical explanations of how and why relationship-specific experience and learning may act as a basis for present and future interactions between the competitors. Similarly, Article 2 integrates a strategy-as-practice perspective to provide a framework that explains how and why coopetition strategy, as a deliberate and emergent activity, is formulated and implemented. By combining theoretical perspectives in a new manner, the articles also seek to make a value-added contribution in relation to the first factor above. Lastly, the application of a strategy-as-practice and organizational learning lens in conjunction with coopetition theory can be argued to help the articles build a more coherent “story” when discussing the outlined theoretical models, which is also important when establishing conceptual rigour (Gnyawali & Song, 2016, 17). Here one point of criticism may be that both theoretical models look at the external environment not just the intra- and inter- organizational level. The models seek to provide clear linkages between certain aspects on the external level and the intra- and inter-organizational level of the theoretical arguments. By limiting the model in Article 1 to an intra- and inter-organizational level, more focused theoretical insights could have been developed, something which has been called for in recent discussions on conceptual rigour in coopetition research (Gnyawali & Song, 2016, 15). Other scholars note, then again, that the coopetition field needs theoretical models spanning multiple levels of analysis (Bengtsson & Raza-Ullah, 2016).
Fourth, the article should present a broad and current understanding of the field and cover multiple theoretical elements, i.e. What, How, Why, When, Where, Who. The articles’ literature reviews provide the reader with a broad and current understanding of the phenomena being studied. In addition, as already discussed above, the articles strive to cover multiple theoretical elements, such as, what, how and why in their discussions. Another crucial point which relates to this discussion is the clarification of the boundary conditions of the theoretical framework in developing a more precise theory on coopetition (Gnyawali & Song, 2016, 17). Through the focused definition of coopetition outlined above, the articles articulate important boundary conditions. Furthermore, Article 1 discusses the relevance of the constructs and the causal arguments in the outlined model in relation to the balance and strength of the cooperative and competitive interactions. In turn, Article 2 delineates the strategic activities outlined in the model that are dependent on the deliberate and/or emergent nature of the strategy.

The fifth aspect raises the question of whether the article is well written, flows logically, and is pleasant to read. Both conceptual articles have been developed over a long time period, covering seminar presentations, conference presentations, journal submissions and multiple review rounds. As noted by Rindova (2008, 301), this process is highly important for understanding how the audience views the potential contribution. Furthermore, while the central ideas of the papers have remained, the process of rewriting has been important for improving the argumentation and making the ideas more accessible. This process has helped deal with Whetten’s (1989) fifth dimension.

The last two points demonstrate that an article needs to be of interest to scholars in the field and advance current discussions. As both conceptual articles were published recently (2014 and 2016), it is difficult to say anything about the impact of the articles in the field. However, both articles are of timely importance by answering recently published calls for papers.
4 SUMMARY OF THE ARTICLES

This chapter provides a summary of the three articles constituting the thesis. The summary presents the purpose of each article, the key findings and a general outline of the article’s discussion. Finally, some of the main contributions made by the articles are summarized. A further discussion on the contribution of the articles to the posed research questions of the thesis is presented in Chapter 5.

4.1 Article 1

Conceptualizing coopetition as a process: An outline of change in cooperative and competitive interactions

Author: Johanna Dahl

Published in: Industrial Marketing Management 2014, 43(2), 272-279.

Purpose

Article 1 approaches coopetition from a process perspective. The purpose of this conceptual article is to develop a framework that explains change in coopetitive interactions over time. In particular, the outlined framework seeks to answer the following research question: how and why do cooperative interactions between competitors change as the competitors acquire new experiences from mutual cooperation, and their external environment changes?

Findings

By integrating research on organizational learning, the article advances the theoretical discussion on how mutually created experience between competitors act as a basis for their present and future interactions. Through this theoretical argumentation, the article conceptualizes coopetition as depending on experientially learnt agreements or rules for cooperating and competing that explicitly or tacitly exist between competitors.

Article 1 offers a review of prior coopetition research on the development of cooperative and competitive interactions. Following four underlying theories of explanation: lifecycle, evolution, teleology and dialectics (Van de Ven & Poole, 1995), this review analyses the nature of the change process in prior studies. The review positions the studies and unravels similarities and differences in the extant explanations.

Finally, in conceptualizing coopetition as a process, the article presents a framework that outlines three mechanisms underlying the change. The mechanisms are: inter-organizational learning manifested in cooperation between competitors, intra-organizational learning based on confrontations resulting from conflicting experiences among organizational members and the development of the external environment. Based on the outlined framework the article develops three scenarios that delineate how and why cooperative interactions between competitors change in: 1) cooperation-dominated relationships, 2) competition-dominated relationships, and 3) relationships characterized by equal and moderately strong levels of cooperation and competition.
Outline of the article

The first part of the article presents the theoretical reasoning underpinning the notion of experience and learning as key concepts for understanding the nature of the competitors’ interactions. The article shows that coopetition research has acknowledged the competitors’ ability to mutually learn from experience created while simultaneously cooperating and competing. Nevertheless, the literature review finds that theoretical discussions on how mutually created experience act as a basis for coopetitive interactions are scarce. There is also a lack of research conceptualizing the influence of direct experience beyond a source of stability and predictability in the relationship. This contradicts the frequent description of coopetition as unstable, evolving and unpredictable (see Yami et al., 2010, 7). Due to these deficiencies and by integrating research on organizational learning, the articles lay the theoretical foundation for defining and discussing inter-organizational rules in coopetitive relationships.

The second part of the article approaches the dynamics of the competitors’ rules for interaction. Here, prior studies focusing on the development of cooperative and competitive interactions are analysed. Based on the article’s theoretical discussion and literature review, a theoretical framework outlining change in coopetitive rules over time is developed. As outlined in the findings section above, the framework distinguishes three mechanisms underlying change. The framework further conceptualizes change as occurring in a predefined or discontinuous manner.

In the third and final part of the paper, three scenarios are presented to illuminate different explanations of how and why change occurs. Here, theoretical arguments are put forth to support the view that different types of coopetitive relationships influence the nature of the change process.

The contribution of the article

The theoretical framework developed in Article 1 responds to recent calls for research explaining the dynamics of coopetitive interactions (e.g. Bengtsson & Kock, 2014; Tidström & Hagberg-Andersson, 2012; Yami et al., 2010). The article contributes to this stream of research by including the outlined changes in the competitors’ external environment (see the review by Bengtsson et al., 2010b) in the theoretical discussion on coopetition as a process. In line with previous research on business networks (Ford & Håkansson, 2006a; Johanson & Vahlne, 2003), strategic alliances (Zollo et al., 2002) and organizational learning (Holmqvist, 2009), the article also acknowledges and develops the role of experience and learning in conceptualizing coopetition as a process. In particular, by introducing research on organizational learning into the context of coopetitive relationships, the article adds to the growing research stream which emphasizes the importance of acknowledging prior experience between the competitors to understand how coopetition is managed (e.g. Fernandez & Chiambaretto, 2016; Gnyawali & Park, 2011; Gnyawali et al., 2016; Mariani, 2007; Schiavone & Simoni, 2011; Yami & Nemeh, 2014).

Another contribution lies within the definition of process as a developmental event sequence. Within this definition, the article applies four ideal types of process theory outlined by Van de Ven & Poole (1995) to explain process and to review extant coopetition research. Based on this review, the article unifies contrasting conceptualizations of the change process as prescribed and as discontinuous in the extant coopetition research. In addition, the article advances the discussion on the value of applying multiple theoretical explanations in explaining the development of inter-
organizational relationships (see e.g. Jack, Drakopoulou Dodd, & Anderson, 2008; de Rond & Bouchikhi, 2004; Slotte-Kock & Coviello, 2010) into a new theoretical context. Lastly, by describing the nature of the change process in relation to the balance and strength of cooperative and competitive interactions, the study responds to calls for research on different types of coopetitive relationships (e.g. Bengtsson et al., 2010a, 210).

4.2 Article 2

**Conceptualizing Coopetition Strategy as Practice: A Multilevel Interpretative Framework**

Authors: Johanna Dahl, Sören Kock, and Eva-Lena Lundgren-Henriksson


**Purpose**

Article 2 is also conceptual in its character. The article seeks to define coopetition strategy as an activity by applying a strategy-as-practice perspective. To reach this purpose, the article develops a theoretical framework that explains how and why coopetition strategy as a deliberate and emergent activity is formulated and implemented by individuals at the intra- and inter-organizational level.

**Findings**

By applying a strategy-as-practice approach, the article proposes a new definition of coopetition strategy which illuminates its underlying social nature. The article presents a multilevel framework which outlines three interrelated strategic elements underlying strategy: practices, praxis and practitioners. This framework explains coopetition strategy as a deliberate and emergent activity. In addition, the framework depicts the link between the actual actions of the actors and coopetition as a strategy.

Furthermore, the similarities and differences in the existing conceptualizations of coopetition strategy are analysed. Thus, the study unifies prior coopetition strategy research within a common conceptual model.

Lastly, the article presents four scenarios of coopetition as a value creating strategy. The scenarios depict coopetition as a planned, adapting, reacting and contextually derived practice. Based on the scenarios, suggestions about how coopetition strategy occurs in an organization are offered, thus the discussion broadens the scope of what constitutes strategic activities by looking beyond the planned and controlled activities of top management, providing insight into the dynamic nature of coopetition strategy.

**The outline of the article**

Based on the pre-existing coopetition strategy research (Dagnino & Rocco, 2009, 292; Kylänen & Rusko, 2011; Mariani, 2007; Tidström, 2008; Yami et al., 2010, 7), the article covers two key research gaps. First, it refines coopetition strategy as a concept, raising the need to analyse the theoretical elements underpinning coopetition strategy and its deliberate and emergent elements. Second, the study acknowledges the need to conceptualize coopetition strategy as an activity and thereby depicts how strategy is
formulated and implemented on multiple levels of analysis. To this end, Article 2 sets out to integrate two research streams: a strategy-as-practice perspective and coopetition.

The paper first focuses on defining coopetition strategy by applying a practice approach. The definition includes cooperative and competitive activities, which, whether planned or unintended, arise from interactions between individuals involved in strategy formulation and/or implementation (Jarzabkowski et al., 2007, 8; Whittington, 2006, 619). In the definition, the interplay and simultaneous existence of cooperative and competitive activities are made central. To explain this interplay and the influence of coopetition on strategy a conceptual model is presented that outlines three interrelated concepts underlying coopetition strategy as an activity: the actors influencing strategy (practitioners), agreed ways of acting and interacting (practices) and the actual strategy formulation and implementation activities (praxis) (Whittington, 2006).

In the second part, the article continues to define coopetitive strategy practices, praxis, and practitioners on an intra- and inter-organizational level of analysis. In conjunction with prior coopetition strategy research, a framework is developed to distinguish how deliberate and emergent features manifest in coopetitive practices, praxis and practitioners. This framework scrutinizes the origin and nature of the three strategic elements when shaped in a deliberate or emergent manner.

From the conceptual framework, the third part of the article depicts, through four scenarios, coopetition strategy as a planned practice, an adapting practice, a reacting practice, and as a contextually derived practice. In the planned practice the activities underpinning strategy are said to be characterized by prediction, rationality and formality through top-management control. The adapting practice emphasizes that strategic activities form gradually or ad-hoc through social influence, flexibility and learning on multiple organizational actor levels. The other scenarios depict the simultaneous existence of deliberateness and emergence. As a reacting practice, strategic activities are said to form through continuous reformulations of the articulated intentions agreed on by the competitors. Lastly, within the contextually derived practice, strategic activities are outlined as emerging on the inter-organizational level due to externally imposed changes or regulations and after the role of top-management's internal control is acknowledged.

The contribution of the article

Article 2 responds to calls for research on how coopetition strategy is formulated and implemented by individuals (Bengtsson & Kock, 2014; Tidström, 2009; Yami et al., 2010) on different levels of analysis (Bengtsson et al., 2016b; Tidström & Rajala 2016). The article contributes in three key ways by advancing the discussion on coopetition as a deliberate and emergent strategy (see e.g. Dagnino & Rocco, 2009, 292; Kylänen & Rusko, 2011, 201; Mariani, 2007, 120; Ritala et al., 2014; Tidström, 2008, 215).

First, the framework developed in the article delineates the activities and the individuals underlying the deliberate and emergent nature of the strategy. In addition, the framework outlines coopetition strategy on multiple levels – individual, organizational, inter-organizational and external – and discusses the interrelations between these levels of analysis in understanding coopetition as a deliberate and emergent strategy.

Second, the framework positions and bridges four different streams of research, explaining coopetition as a deliberate and/or emergent strategy on an intra- and inter-organizational level of analysis.
Third, the contribution of the article lies in its refinement of coopetition strategy as a concept. For example, by applying a strategy-as-practice approach, other actors in addition to top management are incorporated in the proposed definition of strategy. Consequently, the definition and the outlined theoretical framework are of timely importance as they fit with the recent focus on the individual level perspective for understanding the outcomes of coopetition (Bengtsson et al., 2016b, 6). Moreover, the study focuses on the social nature of coopetition strategy occurring through individual interactions in internal and external networks as well as social practices and structures (Jarzabkowski & Spee, 2009, 82; Regnér, 2008, 570, 573; Whittington, 2006). Through this theoretical discussion, the article brings the definition of coopetition strategy closer to the conceptualization of coopetition per se – in terms of simultaneous cooperative and competitive interaction processes (Bengtsson & Kock, 2000, Bengtsson et al., 2010a) on multiple levels of analysis (Bengtsson et al., 2010b; Tidström & Rajala, 2016).

4.3 Article 3

Co-opetition: A source of international opportunities in Finnish SMEs

Sören Kock, Johanna Nisuls (Dahl), and Anette Söderqvist.


Purpose

Article 3 has an empirical character and its purpose is twofold. First, the article sets out to explore international opportunities gained through coopetitive relationships in SMEs. Second, it analyses how the balancing of cooperation and competition influences the characteristics of the international opportunities gained through coopetition.

Findings

In-depth case studies were conducted in four competing SMEs that cooperate with each other in an international context. The empirical material is based on semi-structured interviews with the CEOs of the four case companies. The empirical findings show that the companies have, through coopetition, explored international opportunities and thereby enhanced their individual internationalization processes. Four key opportunities gained from the coopetitive relationships are: 1) access to international distribution networks, 2) the development of international contacts, 3) the establishment of an international reputation and brand name, and 4) an increase in international knowledge. The results also reveal that the strategic and practical impact of the opportunities depend on different forms of coopetition. The levels of cooperation and competition influence the characteristics of the opportunities in terms of continuity and scope.

The outline of the article

The first part of the article integrates two research streams, the internationalization process of the firm and coopetition. To explain the internationalization process, the study departs from a business network approach. Accordingly, internationalization is viewed as a process which forms as the company gradually increases its commitment to new and existing members in a business network (Johanson & Vahlne, 2003; 2009). By integrating coopetition research, the article illuminates the occurrence of a paradigm shift whereby competition is no longer seen as a barrier to mutual cooperation between
actors embedded in the same business network. Regarding its theoretical background, the article continues to discuss inter-organizational relationships and particularly coopetition as a central means for SMEs to create opportunities and to offset resource deficiencies, risks and challenges when internationalizing.

The literature review on coopetition shows that research has, on a general and mostly theoretical level, underlined a positive relationship between coopetition and the exploration and exploitation of international opportunities (Bengtsson & Kock, 2000; Chetty & Wilson, 2003; Luo, 2004). Nevertheless, studies exemplifying how this kind of paradigm shift in competition has occurred in an international context are scarce. Hence, the article has two objectives. First, it seeks to analyse the type of international opportunities to be found and developed through coopetitive relationships. Second, it acknowledges that coopetitive relationships may be characterized by a dominance of cooperation or competition, or by equally strong levels of cooperation and competition (Bengtsson & Kock, 2000). In theory, the strength of the cooperative and competitive interactions has been argued to affect the search for and development of opportunities in the network (Bengtsson et al., 2005). Consequently, the study seeks to analyse how the strength of and balance between cooperation and competition influence the opportunities gained through coopetition.

The second part of the article focuses on the empirical findings. The study gives the reader insight into how and why the coopetitive relationships between the competitors have developed from competition-dominated to cooperation-dominated and equal interactions. Regarding managing coopetition, the CEO respondents highlight increases in the cooperative dimension due to the engagement in coopetition. Simultaneously, they are reluctant to speak of each other as competitors anymore, indicating that at an individual level they still find it a paradox to both cooperate and compete. Subsequently, the managers emphasize cooperation and defuse competition. Hence, regarding managing coopetition in an international context these results give a glimpse into the challenges of approaching coopetition as a concept at the individual level.

In further analysing the nature of the coopetition between the companies, differences are found in the levels of the cooperative and competitive interactions. Based on the respondents’ descriptions of the mutual and individual activities three different kinds of coopetitive relationships were identified in the group. Two relationships are categorized as strong cooperation-dominated, three are categorized as weak-cooperation dominated, and one is characterized by fairly equal levels of cooperation and competition.

Similar numbers of international opportunities are identified in both strong and weak coopetitive relationships. However, the results show that the strength of and balance between cooperation and competition influence the characteristics of the international opportunities in terms of continuity and scope. Strong cooperation-dominated coopetition and relationships characterized by equal levels of cooperation and competition generally act as a source of long-term and extensive international opportunities. Moreover, the exchanges between the actors in the networks are shown to be both mutual and continuous. In contrast, opportunities of a more short-term and occasional character are mostly found in weak cooperation-dominated relationships function. Such opportunities reveal, overall, a limited impact on a company’s internationalization process, whereas weak relationships are characterized by unequal and sporadic exchanges in the actors’ interactions.
The contribution of the article

Article 3 advances empirical research on the outcomes of coopetitive interactions in an international context (Bengtsson & Kock, 2000; Chetty & Wilson, 2003; Holmlund et al., 2007; Luo, 2004). The literature review reveals that scholars have discussed coopetition as a valuable strategy when internationalizing, especially the similarities in the competitors’ interests and goals regarding international markets (Bengtsson & Kock, 2000; Chetty & Wilson, 2003; Luo, 2004). Nevertheless, research explaining internationalization through a coopetition lens has remained on a very general level. To offset this weakness, the article examines different forms of coopetition and the outcomes arising from that in an international context. It approaches the interplay between the cooperative and competitive interactions by analysing both the balance and the strength of the interactions. According to Bengtsson and Kock (2000), coopetitive relationships vary between being cooperation-dominated, competition-dominated or equal in their nature. Article 3 develops Bengtsson’s and Kock’s (2000) three types of coopetition, acknowledging, not only the dominance of the cooperative and competitive nature, but also the strength of the relationships between the competitors. Three different forms of coopetition are thus identified and analysed: strong cooperation-dominated, weak cooperation-dominated and equal co-opetition. This categorization is also supported by the differences found in the opportunities gained through strong and weak cooperation-dominated relationships.

Furthermore, the study contributes to a developing stream of research on coopetition in SMEs. For example, prior theoretical research has suggested that coopetition may be less challenging to maintain in SMEs owing to less defined structures and role ambiguity among organizational members (Morris et al., 2007, 38-39). Here, managers’ perceptions and understandings of coopetition are suggested as important factors for increasing our knowledge of how coopetition is handled in firms (Fernandez et al., 2014, 234). This study provides descriptions of the management of coopetition in international contexts. These descriptions are based on the views of CEOs directly engaged in cooperation and competition. The empirical study gave a glimpse of the respondents’ challenges in understanding coopetition on the individual level and in acknowledging coopetition as a strategy within the internationalization process. The results also reveal substantial differences in how opportunities are shared in a network.

Lastly, regarding industry conditions, attention is directed at SMEs with low-technology-oriented products, who act in a relatively mature and stable market. This context complements extant research focusing on the engagement in and value of coopetition in SMEs acting in high-tech (Gnyawali & Park, 2009), knowledge-intensive (Bouncken & Kraus, 2013) and fast-paced industries (Bengtsson & Johansson, 2014). In addition, the study responds to recent notions on the lack of empirical research that studies coopetition in traditional manufacturing industries (Czakon & Rogalski, 2014, 29; Tidström & Rajala, 2016, 43).
5  CONCLUDING DISCUSSION

To close the discussion, this chapter begins by examining whether the outlined purpose of the thesis has been fulfilled. Hence, the theoretical and empirical contribution of the three articles are discussed in relation to the research questions. The discussion under each research question moves from describing the thesis’ specific contributions to discussing more general implications for extant coopetition research. Lastly, managerial implications are noted and future research avenues are suggested.

5.1  The theoretical and empirical contribution of the thesis

The overall purpose of the thesis was to develop a theoretical understanding of how coopetition is maintained as a process and a strategy alongside an empirical understanding of the interplay between cooperation and competition. To fulfil this purpose, the thesis sought to answer three interrelated research questions within three research streams: the dynamics of coopetition, coopetition strategy and the balance of cooperation and competition.

5.1.1  The theoretical contributions to research on the dynamics of coopetitive interaction

The first research question (see Figure 5) is discussed in Article 1. The thesis generally underlines that we lack theoretical discussions on how and why coopetitive interactions change as an inter-firm relationship unfolds over time (e.g. Bengtsson & Kock, 2014; Bengtsson & Raza-Ullah, 2016; Tidström & Hagberg-Andersson, 2012). The research question is particularly motivated by calls for research on how coopetition dynamics are maintained by organizational members (e.g. Bengtsson et al., 2016b; Mariani, 2007; Yami et al., 2010). Also, the observed scarcity of research supports the formulation of the research question and the intended contribution to the issue of relationship-specific experiences acting as a basis for the development of coopetitive interactions over time.

**Figure 5  Summary of the contribution of the thesis to the first research question**
The contribution consists of a theoretical framework, which describes and links change events, mechanisms, and the nature of the change process underlying coopetition. The theoretical basis for the framework resides in the research areas of: coopetition, organizational learning (e.g. Holmqvist, 2004) and process theory (Van de Ven & Poole, 1995). The framework outlined in the thesis suggests four key change events with accompanying generative mechanisms to explain how rules for interaction change. These events and mechanisms are explained below.

The framework departs from the assumption that interactions change as competitors mutually or individually evaluate and reformulate the underlying goal or purpose of the current rules for interaction. Thus, reformulation of goals represents one key change event in the framework, which furthermore links to three additional events. At the intra- and inter-organizational level, the implementation of existing goals and rules through individuals’ actions are highlighted as two key events. Based on the idea that new experience arises as individuals implement existing goals, intra- and inter-organizational learning activities are presented as two related mechanisms underlying change. In particular, consistent with research on organizational learning (Feldman, 2000, 625) and teleological theory on change (Van de Ven & Poole, 1995, 520), social construction is put forth as a key generative mechanism explaining why change occurs in relation to intra- and inter-organizational learning. Within this discussion, intra-organizational learning pertains to the focal organization’s individual reformulation of goals and rules for interactions based on experience accumulated while cooperating with a competitor. More specifically, intra-organizational learning is conceptualized to stem from the individuals’ exchanges of conflicting experiences from interacting with a competitor related to the cooperative and competitive elements of the relation. Hence, in addition to social construction, complying with teleological reasoning on change, confrontation and synthesis of conflicts between opposing forces, found within a dialectic approach, act as a generative mechanism explaining change. Moreover, inter-organizational learning emphasizes that competitors learn together from experience (Holmqvist, 2003a, 458) and that learning is manifested in cooperation and consensus between competitors. Hence, social construction combined with consensus are, in line with teleological reasoning, proposed as key generative mechanisms pertaining to inter-organizational learning (Van de Ven & Poole, 1995, 520). Alongside learning, the framework illustrates that the development of the external environment may cause changes in how competitors interact. Hence, the fourth change event consists of the selection of new rules for interaction aligning with changes in the external environment.

Finally, the conceptualization of social construction, consensus and conflict as generative mechanisms emphasizes that rules for interactions develop and change in a discontinuous manner (Ven de Ven & Poole, 1995, 522). Hence, given that the change process consists of a temporal and predefined disposition for cooperative and competitive interactions, the framework also puts forth that a prefigured disposition of the interactions may function as a generative mechanism explaining why changes occur. This mechanism relates to life-cycle theory (Van de Ven & Poole, 1995, 520) and the notion that rules for interaction develop in a prescribed manner based on a mutually formulated purpose for cooperating by the competitors in accordance with the development of the market, the industry, project or product life-cycle.

The thesis develops three general implications regarding the first research question. First, the theoretical framework integrates research on organizational learning and coopetition. The theoretical implication is that formal and/or informal rules for interaction (Holmqvist, 2004; Levitt & March, 1988), developed by competitors based on relationship-specific experience, are outlined as a key concept for explaining present
and future coopetitive interactions. This conceptualization acknowledges the influence of learning (Czakon, 2010; Mariani, 2007), complying with the concept that cooperative interactions between competitors are contingent on formal agreements and/or trust (e.g. Bengtsson & Kock, 1999; Baldwin & Bengtsson, 2004; Castaldo & Dagnino, 2009; Easton, 1990; Fernandez & Chiambaretto 2016; Mariani, 2016; Ritala et al., 2009).

Besides taking a process perspective and highlighting the dynamic nature of rules for interaction, the thesis contributes by discussing the concept itself in a coopetition context. The suggested definition implies that rules for interaction pertain not only to the cooperative dimension of a relationship but also link to competitive interactions, e.g. in terms of the existence of formally agreed or tacitly shared perceptions on “proper behaviour” (March, 1999, 24) for direct competitive actions against each other. Hence, the definition incorporates the link, rather than the separation, between cooperation and competition (see recent discussions by Fernandez et al., 2014, 233; Gnyawali et al., 2016, 9) when conceptualizing how coopetition is maintained as a process over time. Moreover, recent research on coopetition calls for insight into the micro-foundations of coopetition as a strategy (Bengtsson et al., 2016b, 6). The concept of experientially learnt rules for interaction spans both an individual and group level of analysis. This is made clear in empirical research on experiential learning, which empirically interprets learning to have occurred “when a set of individuals started to behave according to certain tacit or explicit rules” that are produced based on experience (Holmqvist, 2004, 74). Thus, the outlined concept of coopetitive rules for interaction may be relevant to future studies on how coopetition is handled when analysing a firm’s ability to manage the tensions arising from a coopetitive relationship (Gnyawali et al., 2016, 14).

Another theoretical implication is the thesis’ emphasis on the interplay between inter- and intra-organizational learning processes to explain how experience acts as a mechanism underlying change (Holmqvist, 2004). Following research on organizational learning, intra-organizational learning is said to occur as individuals interact, share and negotiate over idiosyncratic inter-organizational experiences within their organization. This line of reasoning also fits research on the relationship between coopetition and a firm’s innovation performance. Recent research particularly shows the importance of internal knowledge sharing mechanisms encouraging individuals to interact and share knowledge inside their organization (Estrada et al., 2016). Hence, the empirical results by Estrada et al. (2016) support the conceptualization of intra-organizational learning, particularly conflicts between organizational members as a key generative mechanism for understanding how coopetitive interactions change as a relationship unfolds over time.

The third theoretical implication stems from the thesis’ conceptual integration of research on coopetition and the four ideal types of process theories – life-cycle, evolution, teleology, and dialectics. The process theories enable a deeper analysis of the extant coopetition studies on underlying change mechanisms, change events and the predefined or recurrent nature of the change process. Given the complexity of approaching coopetition as a process, the thesis indicates a need to apply multiple process theories to explain the underlying change events, mechanisms and nature of a coopetitive process.

Finally, looking beyond RQ1 as such, the thesis’ theoretical framework for analyzing coopetition is contextual and ranges, for example, from experience created at an individual level, to interaction and learning processes at an intra- and inter-organizational alongside factors in the external environment. This conceptualization expands early conceptualization explaining the firm’s engagement in coopetition as ultimately dependent on a coopetitive mindset viewed as a particular ability held or
adopted by the individual (Nalebuff & Brandenbruger, 1996). The thesis brings forth a social construction perspective emphasizing that individual’s mindset, perception and interpretation of coopetition are also created in relation to, and interaction with, others. For example, in explaining change in coopetitive interactions Article 1 draws attention to the notion that individuals through interactions with others jointly create an understanding of how outcomes of the actions relate to goals and expectations and, thus, draw conclusions from relationship-specific experience to be stored in future rules for interaction with the competitor (Feldman, 2000, 625, Holmqvist, 2009, 278). This perspective fundamentally implies that the formation of and change in rules for interaction goes beyond the idea of merely “accepting or of rejecting arguments and interpretations on how to experience the same situation” (Holmqvist, 2003b, 97). To this background, the outlined framework integrating research on coopetition and organizational learning can be argued to contribute to an understanding of the social dimension of coopetition. In addition, the framework falls in line with recent arguments on sensegiving as an important part a coopetitive mindset (Lundgren-Henriksson & Kock, 2016a, 106).

5.1.2 Theoretical contributions to research on the deliberate and emergent nature of coopetition

The second research question (see Figure 6 below) is discussed in Article 1 and in Article 2. The formulation of the research question is motivated by two aspects. First, studies on the development of coopetitive interactions show evidence of planned (Fjeldstad et al., 2004), unintended (de Rond & Bouchikhi, 2004) and gradual developments (Padula & Dagnino, 2009). However, theoretical explanations of the implications of deliberate and emergent features on the change process regarding change events and generative mechanisms (Van de Ven & Poole, 1995) remain absent. Hence, a discussion on these issues may advance the theoretical underpinnings of coopetition as a process and its deliberate and emergent nature. Second, despite coopetition frequently being referred to as a deliberate and/or emergent strategy, scholars repeatedly highlight the need for more research on the actual formulation and implementation of coopetition strategy (Ritala & Tidström, 2014, 513; Yami et al., 2010, 7).

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<td><strong>Contribution:</strong></td>
</tr>
<tr>
<td>• Theoretical framework which outlines predefined and discontinuous changes as two complementary explanations of how coopetition is maintained as a process</td>
</tr>
<tr>
<td>• Multilevel framework which defines practitioners, practices and praxis as three interrelated concepts explaining coopetition strategy as a deliberate and/or emergent activity</td>
</tr>
<tr>
<td><strong>Theoretical implications:</strong></td>
</tr>
<tr>
<td>• Formal and informal rules for interaction may function as a source of stability and predictability or change and variety as the inter-firm relationship unfolds over time</td>
</tr>
<tr>
<td>• Conceptualization of coopetition strategy as an activity which occurs across multiple levels in an organization and on an institutional and inter-organizational level, extending the notion of, e.g. actors with an influence on strategy and activities that may be significant for the strategy</td>
</tr>
</tbody>
</table>

Figure 6 Summary of the contribution of the thesis to the second research question
By integrating research on coopetition and process theory (Van de Ven & Poole, 1995), the thesis provides a theoretical basis for conceptualizing the implications of the planned and recurrent nature of the change events and mechanisms that underlie coopetition. A planned nature implies a temporal and predefined disposition for cooperative and competitive interactions as a relationship unfolds over time. This prefigured disposition is based on a mutually formulated purpose for cooperating and occurs e.g. in accordance with the development of the market, the industry, project or product life-cycle. A recurrent nature is delineated in two streams: discontinuous and unintended changes or discontinuous and incremental changes. Conceptualizing the coopetition process as recurrent allows for the acknowledgement of aspects such as the accumulation of trust, a firm’s growth, conflicts between opposing forces, and mutual and individual learning from relationship-specific experience in explaining its development over time.

The theoretical contribution of the thesis develops two ideas. First, in support of research on organizational learning (Farjoun, 2010; Feldman, 2000), the thesis highlights the fact that competitors’ formal and informal rules for interaction – formulated on past relationship-specific experience – have a two-sided function in inter-firm relationships. In conjunction with the planned and deliberate nature of a change process, the rules for interaction set by the competitors at the outset of their cooperation are argued to provide stability and predictability for the change process as they create a shared perspective on how to cooperate and compete with each other as the relationship develops (Farjoun, 2010; Holmqvist, 2003a). In contrast, the recurrent nature of the change process underscores the idea that existing rules for interaction may also support change and the formation of new rules, even in an unintended manner because the competitors acquire new experiences from their mutual interaction (Farjoun, 2010; Feldman, 2000, 613). Second, the thesis proposes that coopetitive interactions change in a predefined or discontinuous manner depending on the balance and strength of the cooperative and competitive interactions. This theoretical discussion illuminates the complementary characteristics of the contrasting conceptualizations of deliberate and emergent changes in the extant coopetition literature (for a further discussion see section 5.1.3 below).

In Article 2, the theoretical contribution to the second research question consists of a multilevel framework, which conceptualizes the deliberate and/or emergent nature of coopetition by acknowledging different levels of analysis – individual, organizational, inter-organizational and external – and their interrelatedness. By integrating research on strategy-as-practice and coopetition, the framework presents four scenarios with theoretical propositions on how coopetition strategy is formulated and implemented. Two scenarios depict coopetition as a deliberate and emergent activity. The other scenarios highlight simultaneous deliberateness and emergence (see section 4.2).

Two theoretical implications arise from this framework. First, following a strategy-as-practice approach the thesis defines actors that have an influence on strategy (practitioners), agreed ways of acting and interacting when formulating and implementing strategy (practices) and the actual everyday strategy formulation and implementation activities (praxis). Practitioners, practices and praxis are presented as three interrelated concepts that simultaneously exist on different levels, understanding coopetition as a deliberate and emergent strategy (Whittington, 2006, 615, 619). However, by integrating research on strategy-as-practice and coopetition, the thesis opens a theoretical discussion on the emergent features linked with coopetition. This discussion results, for example, in the implication that other actors in addition to top management, such as middle managers, operational actors and external actors, are incorporated in the definition of who constitutes a coopetitive practitioner. In addition, by acknowledging individuals involved in the actual interactions, the influence of
informal and unplanned cooperative interactions is raised, meaning activities that are not articulated as strategic at the outset may still be significant for coopetition strategy (Vaara & Whittington, 2012, 310).

Finally, the framework in Article 2 enriches the generic debate on deliberate and emergent features of coopetition strategy by adding a deeper level of detail to how these features manifests themselves in strategy formulation and implementation activities. That is, the outlined framework distinguishes deliberate and emergent features of strategy at both an intra- and inter-organizational level of analysis. To this background, the framework in Article 2 puts forth two notions implying that that the issue on deliberate-emergent feature of strategy is more complex than a continuum ranging from deliberate to emergent. First, the interplay of the intra- and inter-organizational level brings about four types of coopetition strategies, which all have received theoretical and/or empirical support in extant coopetition research. Second, the conceptualization implies that the interplay of deliberate and emergent may be generative. That is, the framework goes beyond the notion of approaching emergence as a deviation from an initially planned strategy. This concept is particularly demonstrated in the scenario describing coopetition as a reacting practice based on deliberate activities at the inter-organizational level and emergent activities at the intra-organizational level. To this background, the scenario proposes that strategic activities form in the organization through continuous reformulations of the articulated intentions agreed upon between the competitors. This proposition depicts a more productive vision of developing an emergent strategy given the existence of a deliberate strategy.

5.1.3 The theoretical and empirical contributions to research on the strength of and balance between cooperation and competition

Through the third research question (see Figure 7) the thesis seeks to enhance the theoretical and empirical understanding of the interplay between cooperation and competition. The thesis approaches the research question from a theoretical standpoint in Article 1 and from an empirical standpoint in Article 3.

<table>
<thead>
<tr>
<th>RQ 3: How does the balancing of cooperation and competition influence a) the dynamics of coopetition and b) the nature of international opportunities gained through coopetition?</th>
<th>Contribution:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Theoretical development of three scenarios on how and why change occurs in competition- and cooperation-dominated relationships, and in relationships characterized by equal and moderately strong levels of cooperation and competition.</td>
</tr>
<tr>
<td></td>
<td>Empirical findings on how the continuity and the scope of the opportunities differ in strong and weak cooperation-dominated relationships, and in relationships characterized by equal levels of cooperation and competition.</td>
</tr>
<tr>
<td>Theoretical Implications:</td>
<td>Change occurs in a predefined or discontinuous manner depending on the strength and balance of the cooperative and competitive interactions.</td>
</tr>
</tbody>
</table>

Figure 7 Summary of the contribution of the thesis to the third research question

Scholars note that the coopetition field lacks studies examining the effects of the interplay between simultaneous cooperation and competition and different levels of strength, despite this being a defining feature of coopetition as a research phenomen
In looking at explanations of coopetition from a process perspective, the extant research has acknowledged the influence of competitive elements, like moves, countermoves (Bengtsson et al., 2010; Park et al., 2014) and direct opportunistic actions (Tidström & Hagberg-Andersson, 2012; Yami et al., 2010) as well as cooperative elements, like the accumulation of trust (Castaldo & Dagnino, 2009) and mutual learning (Mariani, 2007). Despite these insights, the strength of and balance between the cooperative and competitive interactions remain an unexplored contextual feature in explaining coopetition from a process perspective. In Article 1, the thesis contributes to this discussion by debating how and why change occurs in competition- and cooperation-dominated relationships and relationships characterized by equal and moderately strong levels of cooperation and competition.

The first scenario emphasizes the development of external environments and/or intra-organizational learning as key change mechanisms. Based on prior coopetition research this scenario is linked to relationships characterized by strong competitive tensions resulting from the similarities between the competitors and a high level of perceived hostility (Bengtsson et al., 2010a, 206). In short, owing to competitive tensions, competitors are more inclined to focus on intra-organizational learning activities and thus want to individually change the rules for interaction. Similarly, any mutual reformulation of the rules will arise because the competitors are pushed by external forces. However, this scenario also proposes that competitors will be inclined to predict and structure change in their cooperative and competitive activities to manage the perceived risks of opportunistic actions in relationships. Given a predefined life-cycle of the relationship's coopetitive nature, from beginning to end, reformulations of the rules in relation to intra- and inter-organizational learning processes are, ultimately, delimited. In addition, the change process attains a more sequential than recurrent nature.

The second scenario illuminates inter-organizational learning as a key change mechanism. Here, change is argued to occur in a recurrent and discontinuous manner as an inter-firm relationship develops. The second scenario is theoretically linked to cooperation-dominated relationships, i.e. given trust and complementarities, competitors will be more inclined to mutually evaluate and reformulate their prevailing goals for interaction in relation to the accumulation of inter-organizational experiences or the discontinuous changes emerging in the external environment as the relationship unfolds over time.

The third scenario emphasizes that rules for interaction primarily change as competitors, mutually and individually, learn from experiences gained when organizational members interact within a relationship and with the external environment. Hence, this scenario suggests both intra- and inter-organizational learning as key change mechanisms alongside recurrent and discontinuous changes. This type of change process is theoretically linked with relationships characterized by equal and moderate levels of cooperation and competition. These kinds of relationship have been deemed the most beneficial for an organization to reap the benefits of the two interaction processes, and to ultimately enhance its long-term competitiveness and innovation (Bengtsson et al., 2010a, 208). To this end, more equal emphasis is set at intra- and inter-organizational learning activities. In addition, rules for interaction existing between competitors are argued to have a more integrated nature regarding the cooperative and competitive dimensions of the relationships. This argument relies on Bengtsson et al.’s (2010a, 208) notion that, in this scenario, one type of interaction might need to give way to the other for a short period of time as the relation unfolds. For this reason, the reformulation of
goals and rules for interaction might also, to a greater extent, cause conflicts in the organization, which emerge as different experiences and lenses are held by the organizational members when evaluating outcomes of actions and ultimately selecting a cooperative response in place of a competitive action, or vice versa. Simultaneously, the existence of different perceptions among the individuals highlights the need to create a shared understanding by exchanging cooperative and competitive inter-organizational experiences before reformulating the goals and rules for interaction (Gnyawali & Stewart, 2003, 72). Hence, this scenario proposes that it is more likely that intra-organizational learning processes act as an important change mechanism. The reasoning in the third scenario fits with recent discussions on the importance of integrating the cooperative and competitive logics of interaction inside an organization to keep an appropriate balance and level of strength between the interactions and to ultimately gain advantages from a coopetitive relationship (Bengtsson et al., 2016; Gnyawali et al., 2016).

Article 3 focuses on how different forms of coopetition influence the nature of the opportunities gained through an inter-firm relationship. To answer the question, a literature review and qualitative study were conducted. The qualitative study contributes by providing insights into how the studied SMEs have mutually explored international opportunities through different forms of coopetition. To begin with, the thesis presents examples of key opportunities which have enhanced the companies’ individual international expansions. Moreover, the empirical study of the thesis focuses on international opportunities and examines coopetition in a traditional manufacturing industry among a group of general purpose ventures. Against this background, the contribution of the study particularly lies in offering a contextualized explanation of the influence of the strength of and balance between cooperation and competition on the outcomes of the relationship. This endeavour is in line with recent calls for research empirically exploring the balancing of cooperation and competition in different contexts (Park et al., 2014, 219; see also Bengtsson & Kock, 2014; Bengtsson et al., 2016a; Wu, 2014).

For example, extant empirical research – on the interplay between cooperative and competitive interactions in relation to innovation benefits for a firm – advocates a balance between cooperative and competitive intensity (Park et al., 2014, 218). In addition, innovation benefits gained from weak coopetition are shown to be the lowest (Park et al., 2014, 218). In the empirical study, the analysis of the different forms of coopetition showed that international opportunities are not merely based on strong cooperation-dominated relationships or equal relationships but also on weak cooperation-dominated relationships. In fact, similar numbers of international opportunities are identified for both strong and weak coopetitive relationships. However, the results show that strength of and balance between cooperation and competition influence the characteristics of the international opportunities regarding continuity and scope. Similarly, the strategic and practical impact of the opportunities hinges on the type of coopetitive relationship. Strong cooperation-dominated coopetition and relationships characterized by equal levels of cooperation and competition act as a source of long-term and extensive opportunities in the internationalization process. Moreover, exchanges between actors in such relationships are shown to be both mutual and continuous. In contrast, in weak cooperation-dominated relationships, unequal and sporadic exchanges characterize the interaction and the opportunities are more short term. Such opportunities have a limited impact on a company’s internationalization process. However, despite the sporadic opportunities, the results show that weak coopetition may sometimes provide important and long-term international opportunities.
Finally, the categorization of relationships in Article 3 based on the strength of and balance between the cooperation and competition draws attention to research on dynamic equilibrium. In a coopetition context, the concept of equilibrium puts forth the idea that there is an ideal state of the balancing of the cooperative and competitive interactions as two opposing forces (Czakon, Mucha-Kus & Rogalski, 2014, 130). Moreover, a dynamic equilibrium approach on coopetition sets focus on forces which may impact the balancing of the cooperative and competitive interactions and how these forces need to be managed continuously to preserve the ideal balance (Czakon et al., 2014). Following these notions, the empirical study in Article 3 gives evidence of a dynamic equilibrium where interactions between the actors is formed by their individual objectives on the outcomes of the relationship alongside their attempt to accommodate in a paradoxical relationship. By successively interacting in this manner, the competitors have come to mutually adapt around a stability point where working with a competitor can be maintained. This pattern of interacting implies that dynamic equilibrium goes beyond preserving an ideal balance between the interactions at a particular point in time and instead becomes about a process of maintaining.

5.2 Limitations of the thesis and suggestions for future research

This section discusses some of the limitations of the thesis alongside suggestions for future research. This section also looks ahead by illuminating some overarching theoretical insights on coopetition that can be collectively drawn from the thesis and possibly act as guidance for future research. This latter discussion extends beyond the outlined research questions of the thesis as such. Instead, based on current debates on the management of coopetition, collective insights are addressed in relation to extant discussion on routines in coopetition.

5.2.1 Three key limitations of the thesis and suggestions for future research

Studying the articles developed, three key limitations of the thesis come to the fore. The first limitation stems from the thesis’ conceptual approach to two of the three outlined research questions. That is, two distinct theoretical frameworks are developed to conceptualize how coopetition is maintained as a process and as a strategy. To cope with this limitation, the thesis strove to put both theoretical frameworks into practice by discussing different scenarios of coopetition as a process and as strategy. However, it would be of value to further empirically investigate the outlined research questions in view of the theoretical frameworks offered. Both frameworks generally advocate that future research focuses on individual level activities and action in advancing current understanding of coopetition as a strategy and as a process. These suggestions are, supported by a lack of studies that demonstrate the effect of individuals on coopetition (Bengtsson et al., 2016b, 6). For example, based on the theoretical framework in Article 1, one avenue for future research resides in examining the link and interplay between intra- and inter-organizational learning processes in the context of coopetition. With reference to research on absorptive capacity by Cohen and Levinthal (1990, 128), extant studies on inter-competitor cooperation are shown to generally underscore the ability of competitors to internalize and exploit learning at the inter-organizational level owing to the similarities of the competitors past experiences (Bouncken & Fredrich, 2016, 1754; Dussauge, Garrette & Mitchell, 2000, 103; Ritala & Hurmelinna-Laukkanen, 2013, 158). However, based on the theoretical assumption followed in the thesis that inter-organizational interactions constitute a separate learning entity, research on
organizational learning also reflects the complexity of internalizing and exploiting relationship-specific experiences. Thus, scholars state that for inter-organizational experiences to bring about any behavioural changes on the intra-organizational level, relationship-specific experiences need to be internalized and translated (Holmqvist, 2004, 79). Hence, coopetition research that empirically analyses intra-organizational learning processes, in terms of how the knowledge created in the competitors’ mutual activities is integrated and translated among the organizational members in the focal firm, is encouraged. This reasoning supports recent research by Estrada et al. (2016). Their findings on the positive impact of employees’ sharing knowledge inside an organization and a firm’s product innovation performance in coopetition calls for case study research that can provide a deeper understanding of the processes underlying the identified effects (Estrada et al., 2016, 63).

Related to the empirical study in the thesis two key limitations arise with subsequent suggestion for future research. On the one hand, the empirical study fails to examine how opportunities gained through coopetition can increase competitiveness against coopetitive partner(s). Hence, by also examining the influence of the opportunities gained through coopetition, in terms of cooperative and competitive interactions towards each other and how this influence appears in different types of coopetitive relationships, more comprehensive insights into the outcomes of coopetition as well as relationship dynamics could be achieved. On the other hand, the empirical study shortly reflects briefly on the CEOs’ challenges in integrating a cooperative and competitive dimension on the individual level and in acknowledging coopetition as a strategy within an internationalization process. In addition, recent research acknowledges that to advance knowledge on how coopetition is maintained, a critical point for future research would be to examine how managers perceive and understand coopetition (Fernandez et al., 2014, 234). Hence, the thesis calls for research that empirically investigates separation and integration principles in the context of small firms. Such empirical research could advance current knowledge on the theoretical notion that smaller companies may hold an advantage when pursuing a coopetition strategy and dealing with its complexity (see discussions by e.g. Morris et al., 2007).

5.2.2 Some overarching theoretical insights and implications for coopetition research

All of the theoretical perspectives applied in the three articles set focus on social processes in order to explain coopetition. Accordingly, an overarching theoretical insight put forth in the thesis pertains to applying a process view on coopetition and its constituent elements. This notion relates, in turn, to a broader debate acknowledging that scholarly work on organizations and organizational change can generally be separated by its view on whether an organization is a social entity consisting of things or, a process of organizing occurring through activities and actions and which continuously change (Van de Ven & Poole, 2005, 1378). In short, the process view puts forth that organizations ought to be studied as social processes consisting of activities and change, rather than through overarching concepts such as organizational identity, structure and performance (Van de Ven & Poole, 2005, 1378). Continuing on this notion, this section explores how a process view on coopetition, in general, and an organizational learning approach, in particular, could bring theoretical and empirical insights into the management of coopetition.

Looking at recent debates on the management of coopetition, scholars have opened a discussion on capabilities needed to manage coopetition and the resultant tensions. This
research directs attention to the development, implementation and utilization of routines to handle coopetition relationships (Bengtsson et al. 2016, 22; Gnyawali et al., 2016, 13-14). Based on prior research on inter-organizational alliances, the development and implementation of firm-specific routines in coopetition are illustrated as processes of identifying and evaluating partners, as well as, creating and sharing knowledge (Gnyawali et al., 2016, 14). Combining this debate with a process view on coopetition, it can be argued that to explain the management of coopetition there is a need to exemplify and examine how these routines are enacted in practice at the intra- and inter-organizational level. This question acknowledges the need to unpack the concept of routines in coopetition with the starting point in individuals who are doing the routines and their actions, reflections and interactions (e.g. Rerup & Feldman, 2011, 580). Such an approach goes beyond viewing a routine constituting coopetition as a thing and a “coherent entity with clear boundaries” (Rerup & Feldman, 2011, 579) and instead conceptualizes a routine as patterns of action existing through “a process of (re)production” (Feldman et al., 2016, 505). From this viewpoint, two key implications arise in relation to future research on the development and implementation of routines in coopetition.

The first implication pertains to the definition of routines as a concept and to the internal structures of organizational routines. A generic definition of routines is “repetitive, recognizable patterns of interdependent actions, carried out by multiple actors” (Feldman & Pentland, 2003, 95). Whereas we by applying this definition can explain the different actions that make up a certain routine pertaining to, for example, creating and sharing knowledge in coopetition, it provides little insight into how these actions are carried out by individuals. Hence, following Pentland and Feldman (2005, 793) it is argued that we need to look at the internal structures of routines in coopetition to be able to say something about how to influence, design or manage routines in coopetition. Accordingly, routines ought to be studied as generative systems consisting of ostensive and performative aspects, which interact and influence with each other (Pentland & Feldman, 2005, 795; Rerup & Feldman, 2011, 579). The performative aspect refers to “specific actions taken by specific people at specific times” to enact a routine (Pentland & Feldman, 2005, 796). Actions, which over time are justified as appropriate within a routine, indicate an ostensive pattern (Rerup & Feldman, 2011, 601). Accordingly, the ostensive aspect is about the general idea of the routine and refers to “abstract patterns that participants use to guide, account for and refer to specific performances of a routine” (Pentland & Feldman, 2005, 795). The function of the ostensive part may range from serving as a script of actions done within a routine (Pentland & Feldman, 2005, 796, 802) to a goal or ideal of these actions (Feldman 2000, 623). Finally, a routine may consist of multiple and even opposing ostensive aspects. This notion builds on the assumption that the meaning of the ostensive aspect depends on interpretation and may, thus, vary across individuals, time and context (Pentland & Feldman, 2005, 804; Rerup & Feldman, 2011, 580).

The conceptualization above looks at a routine beyond a single and unified entity. This conceptualization falls in line with the outlined view in the thesis that interactions at the intra- and inter-organizational level constitute two separate learning entities (Holmqvist 2004) potentially leading to conflicting experience between organizational members in coopetition. Hence, talking about, for example, a knowledge sharing routine in coopetition, such a routine may form differently and vary at the intra- and inter-organizational level. This assumption opens up for coopetition research examining and linking the formation and development of routines at the intra- and inter-level in explaining the firm’s capability to manage coopetition. Moreover, given the complex nature of coopetition resulting from cooperation and competition as two contradictory
logics of interaction, research conceptualizing and examining routines beyond a single entity may give valuable insights into the implementation of routines in coopetition. Given this complexity, it could be hypothesized that some routines in coopetition might consist of contested ostensive aspects where people differ in their cognitive understandings and ultimately about what make sense to do when performing a particular task (Lundgren-Henriksson & Kock, 2016b). Such differences might lead to variation in individuals’ action when performing a routine (Feldman & Pentland, 2005, 805). On the same topic, research on coopetition gives evidence of how competition persists over time through individuals’ established frameworks (Lundgren-Henriksson & Kock, 2016b). This finding calls attention to challenges in deliberately designing work practices through the mere production of artifacts such as a written procedure or software program aiming to support a certain pattern of action but without acknowledging ostensive aspects constituting the routine (see e.g. Pentland & Feldman, 2008, 247). Hence, approaching coopetition through the enactment of routines could act as a means for advancing extant understanding of the formulation of routines in coopetition in terms of deliberate aspects of coopetition. However, this approach is also of high relevance for future research on emergent aspects of coopetition engagements. In fact, studying the enactment of routines has led to the conceptualization of and view on routines as “emergent accomplishments in large part” (Feldman et al., 2016, 508). This idea brings us to second implication put forth with regard to future research on the development and implementation of routines in coopetition.

The second implication is also of a definitional character but it pertains to the internal dynamics of organizational routines. This implication raises that routines are dynamic and that actions taken to enact a routine may act as a source of change in behaviour (Feldman & Pentland, 2003, 94; Rerup & Feldman, 2011, 580). A key assumption underlying the idea of routine dynamics is that actors are knowledgeable and often reflective (Feldman et al., 2016, 506). That is, similarly to the thesis’ conceptualization of change in rules this research notes that routines change as individuals act and these actions produce outcomes, which individuals through social interaction with others reflect on and create an understanding of, and ultimately, react to (Feldman, 2000). This model on learning in routines draws attention to the notion that the interplay between plans, actions, outcomes, and expectations or ideals alongside interactions between individuals (Feldman 2000) could be valuable in developing a theoretical and empirical understanding of how routines emerge and are implemented in coopetition. Examining learning in routines through this model could also give insights into the mechanisms, in terms of knowledge conversion processes through which the firm develop paradox management capabilities. This notion receives support by Feller, Parhankangas, Smeds and Jaatinen (2013) who, based on Nonaka’s and Takeuchi’s (1995) model of organizational knowledge creation, examine the development of alliance management capability. This research shows that the relationship between individual-level understanding on how to manage an inter-firm relationship and improved capability at the inter-organizational level depends on social interaction where individuals collectively reflect on and interpret actions and outcomes through processes of socialization and externalization (Feller et al., 2013, 333). Whereas socialization implies the development of a shared understanding in terms of implicit codes for behaving, externalization is about articulating what is tacitly known into more explicit modes (Feller et al., 2013, 319). In addition, by viewing routines as dynamic and looking into relationships between individuals and processes in the organization (Felin, Foss, Heimeriks & Madsen, 2012) future research on routines in coopetition could explore aspects organizational learning related to change in routines. For example, by looking into how routines form through trial-and-error learning processes research could delve into the question on how actions
taken to enact a routine may cumulate into firm specific capabilities to manage the cooperation-competition paradox (e.g. Rerup & Feldman 2011, 580).

5.3 Managerial implications

This final section addresses some of the managerial implications gained from the theoretical frameworks and the empirical results. Following the outlined research questions, the managerial implications are discussed in relation to the dynamics of coopetitive interactions, the deliberate and emergent nature of coopetition and the balancing of cooperation and competition. Additional managerial implications are addressed in the specific articles.

From the conceptual development of coopetition as a process, the thesis highlights that when individuals interact within a coopetitive relationship, they accumulate relationship-specific experience. Such experience may pertain to direct insights on the partner’s and competitor’s reactions to certain actions, resources, strategies, and needs (Johanson & Vahlne, 2003, 93) and to an overall understanding of each other’s behaviour (Zollo et al., 2002, 703). However, given that cooperative and competitive interactions may be divided between different activities and individuals (Bengtsson & Kock, 2000), managers should be aware that separate and contradictory rules for interaction and the underlying goals in an inter-firm relationship may exist. Thus, the thesis emphasizes that the concept of coopetitive rules pertains not only to the cooperative dimension of the relationship, but also includes shared perceptions on direct competitive actions towards each other. Accordingly, to maintain coopetition over time it is important to create a link between the cooperative and competitive dimension, particularly between different, and potentially contrasting relationship-specific experiences created on the individual level. Hence, from a practical standpoint it is important that a firm creates an arena for intra-organizational learning where individuals involved in direct interactions with a competitor and partner can, and are encouraged to, share, translate (see Holmqvist, 2004), and negotiate over idiosyncratic experiences. In addition, the thesis stresses that managers should by no means view the formation of experientially learnt rules for interaction only as a source of stability in a relationship which makes it possible to predict future interactions.

In Article 2, the outlined theoretical framework on coopetition as a strategy focuses on individual level activities and accordingly illuminates the idea that strategy is likely to attain both deliberate and emergent features. From a managerial standpoint, the article advocates that managers look beyond top- and middle-managers and thus take a broader view on who constitutes a strategy practitioner when shaping coopetition as a strategy. Besides emphasizing individuals when implementing a deliberately outlined coopetition strategy, the article notes that individuals maintaining informal cooperative interactions with a competitor may constitute important strategy practitioners in the context of coopetition. Based on the informal nature of the maintained interactions, these individuals may be important, not only for successfully executing coopetition as a strategy, but also for initiating and formulating a coopetition strategy.

Regarding the deliberate and emergent nature of coopetition, emergent features addressed at the intra- and inter-organizational level in the theoretical framework provide managers with insights into the potential complexity of coopetition as a strategy. The framework reveals potential challenges for coherently implementing a coopetition strategy across different organizational levels while also addressing the influence of unpredictable external forces on the inter-organizational level. A third dimension of
complexity is the simultaneous existence of formal and informal strategic activities that may conflict with each other and be maintained without top management’s knowledge. Lastly, if top management intends to pursue coopetition as a deliberate strategy, the three elements of complexity can be viewed as crucial to acknowledge and control.

Relating to the balancing of cooperation and competition, recent research highlights a firm’s ability to “maintain a moderate level of tension, irrespective of the strength of the paradox” as an important capability for successfully pursuing coopetition in inter-firm relationships (Bengtsson et al., 2016, 22). The thesis shows that one way for managers to reduce high levels of competition and to make a coopetitive relationship function over time is to prefigure the end of the cooperation and the life-cycle of changes in the cooperative and competitive interactions. Here, changes depend on the predefined structure of the interactions in relation to, e.g. the development stage of a market, product or project, rather than tensions arising over time. In contrast, in relationships characterized by strong cooperation, one way to increase the coopetitive tension is for managers to explicitly acknowledge that the present rules for interaction – created based on past experience – not only support predictability but that they may also act as a source of unpredictable and discontinuous change as individuals acquire new experiences from mutual interaction with their competitors. This implies, in practice, that firms should constantly evaluate and reformulate goals in relation to changes in the external environment and the mutual and individual learning processes.

Furthermore, the thesis provides empirical insights into the outcomes of coopetition for firms acting in a traditional manufacturing industry. On the topic of international expansion, the results show that a firm can have a rather passive role in a coopetitive relationship and still acquire extensive and long-term opportunities of strategic importance when internationalizing. While a weak relationship is less resource-demanding and may appeal for that reason, managers should keep in mind that the opportunities gained through coopetition vary greatly. Hence, there is also a risk that companies may fail to secure opportunities in such a relationship.
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ARTICLE 1

Conceptualizing coopetition as a process: An outline of change in cooperative and competitive interactions

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Conceptualizing coopetition as a process: An outline of change in cooperative and competitive interactions

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ABSTRACT

This study discusses how and why cooperative interactions between competitors change as their competitive relation develops over time. Such cooperative interactions are conceptualized to depend on the existence of agreements between competitors, or rules for cooperating and competing, which are formulated based on past experiences from mutual interaction. The purpose is to develop a framework which explains changes in cooperative interactions and particularly in inter-organizational rules for interaction. This framework distinguishes three mechanisms underlying change: inter-organizational learning manifested in cooperation between competitors, intra-organizational learning based on confrontations between conflicting experiences among organizational members, and the development of the external environment. Based on this generic framework, three scenarios are developed that delineate the nature of the change process in relations characterized respectively by strong competitive and cooperative dimensions, and in relations characterized by equal and moderately strong levels of cooperation and competition. These scenarios further suggest that rules for interaction change in a predefined or discontinuous manner depending on the balance and strength of the cooperative and competitive interactions.

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1. Introduction

Cooperation refers to the notion that two organizations simultaneously engage in some activities, such as research and development or purchasing, as they compete with each other in, for example, sales activities (Bengtsson & Kock, 2000). The need for competitors to engage in both cooperative and competitive interactions has, to date, been noted among large corporations (Gnyawali & Park, 2011) and also small and more resource constrained firms (Bengtsson & Johansson, in press). Inter-competitor cooperation has been explained to stem from economic (Gnyawali & Park, 2011; Luo, 2007) or social motives (Easton, 1990; Oliver, 2004). Previous research has also frequently explained cooperation as a consequence of changes to structural conditions in the market (Bengtsson, Eriksson, & Wincent, 2010b, p. 29). The centrality of external forces for understanding changes in cooperative interactions ultimately rests, according to Bengtsson and Kock (2000, p. 416), on the prevailing dependence between competitors operating in the same industry. However, due to their unstable and dynamic nature, competitive relations have also been deemed challenging for organizations to manage (Yami, Castaldo, Dagnino, Le Roy, & Czakon, 2010, p. 7). Nevertheless, there has been little research going beyond the motives behind inter-competitor cooperation and explaining cooperative interactions from a process perspective as the relationship unfolds over time (Bengtsson et al., 2010b; Tidström, 2008). To this end, the study poses the question: how and why do cooperative interactions between competitors change as the competitors acquire new experiences from mutual cooperation, and their external environment changes?

Within the business network approach, the nature of present and future inter-organizational interactions has been explained from the perspective of the actors learning from direct experiences accumulated from past interactions (Ford & Håkansson, 2006; Johanson & Vahlne, 2003). In line with this conceptualization, cooperative interactions between competitors have been described as depending on agreed norms for interaction in terms of formal agreements and/or trust (Bengtsson & Kock, 1999, p. 182; see also Baldwin & Bengtsson, 2004, p. 86; Easton, 1990, p. 73). Similarly, scholars have emphasized the influence of relationship-specific experiences in terms of trust (Castaldo & Dagnino, 2009, p. 93; Ritala, Hurmelinna-Laukkanen, & Blomqvist, 2009, p. 260), inter-organizational learning (Mariani, 2007, p. 117), and "relational-specific routines" (Gnyawali & Park, 2011, p. 652; Luo, 2007, p. 133) behind the development of cooperative relations over time. Subsequently, competitors mutually store and learn from experiences created while cooperating and competing with each other. Following this line of reasoning, competitive interactions are contingent upon experientially learnt agreements for cooperating and competing.
or inter-organizational rules, which explicitly or tacitly prevail between the competitors (Holmqvist, 2004, p. 71; Levitt & March, 1988, p. 320). Hence, to explain change in coopetitive interactions, it is necessary to understand how and why formal and informal rules, developed mutually by the competitors based on experience, change. However, although scholars have described the cooperative and competitive elements as continuously evolving in strength and balance (Bengtsson, Eriksson, & Wincent, 2010a; Luo, 2007; Tidström & Hagberg-Andersson, 2012; Yami et al., 2010), research on experientially learnt agreements for interaction from a dynamic perspective remains scarce.

The purpose of this article is to develop a framework that explains change in coopetitive interactions over time. In particular, this framework seeks to conceptualize how and why cooperative rules for interaction change given the competitors' development of direct experiences from previous interactions and changes in their external environment. Within this framework, the concept of process is defined as "a sequence of events or activities" (Van de Ven, 1992, p. 170). Consequently, to theoretically explain coopetitive interactions from a process perspective, the framework seeks both to outline the progression of change events in which competitors "engage in actions related to the development of their relationship" (Ring & Van de Ven, 1984, p. 112) and the change mechanisms that underlie this progression (Van de Ven & Poole, 1995, p. 514). The nature of this change process is furthermore delineated in relation to the balance and strength of the cooperative and competitive interactions.

The article contributes to coopetition research by approaching coopetitive interactions from a process perspective. The study particularly extends current discussions by describing how interactions change due to competitors' development of direct experiences from mutual cooperation alongside changes in their external environment. In addition, the theoretical bases behind previous notions on the influence of mutually created experiences between competitors are advanced. More specifically, by introducing research on organizational learning into the context of coopetitive relations, the interplay between inter- and intra-organizational learning processes is described to explain how these experiences act as a mechanism underlying change (Holmqvist, 2004). Lastly, the study responds to calls for research on different types of coopetitive relations (Bengtsson et al., 2010a, p. 210) by describing the nature of the change process in relation to the balance and strength of cooperative and competitive interactions.

The following discussion is divided into three main parts. In building upon earlier notions that inter-competitor cooperation depends on agreed norms of interaction and forms through past experiences, the discussion begins by conceptualizing the existence of cooperative interactions through cooperative rules for interaction. Hereafter, the dynamic nature of the rules is described by analyzing prior research on change in coopetitive interactions through the lenses of four ideal types of explanation on the nature of the change process: life-cycle, evolution, teleology, and dialectics (Van de Ven & Poole, 1995). Through this discussion, contrasting conceptualizations of change in the extant literature are unified, and a more comprehensive explanation is reached. Lastly, three scenarios are presented to explain change in competition- and cooperation-dominated relations, and in relations characterized by equal and moderately strong levels of cooperation and competition.

2. Experientially learnt rules for cooperating and competing

This study defines coopetition as "a process based upon simultaneous and mutual cooperative and competitive interactions" (Bengtsson et al., 2010a, p. 200) between two or more companies engaged in the same line of business (Bengtsson & Kock, 2000, p. 415). In line with the business network approach, the aims and experiences of individuals within the companies are perceived as central elements in explaining the inter-organizational interaction process (Håkansson & Snehota, 2006, p. 260; I.M.P. Project Group, 1982, p. 24; see also Bengtsson & Kock, 2000, p. 413).

2.1. Learning from direct experiences in coopetitive relations

Experiences form as "organizational members interact with the environment" (Håkansson & Johanson, 2001, pp. 4–5; see also Kolb, 1984). Moreover, in an inter-organizational context, experiences stem from the accumulation of direct interactions between two firms in a dyad (Johanson & Vahlne, 2003, p. 93; Zollo, Reuer, & Singh, 2002, p. 706). Here, experiences pertain to the partners' previous reactions to particular actions, and also direct insights on each other's resources, strategies, and needs (Johanson & Vahlne, 2003, p. 93 see also Håkansson & Snehota, 1997, p. 272), and an understanding on each other's behaviors (Zollo et al., 2002, p. 703).

Coopetition brings experiential learning into a context characterized by the simultaneous existence and constant balancing of mutual value creation and the organizations' individual use of mutually created benefits, and also the pressure and drive to outdo each other (Gnyawali & Park, 2011, p. 652; see also Ritala & Hurmelinna-Laukkanan, 2013). Existing coopetition research has acknowledged competitors' ability to jointly learn from experiences created while cooperating and competing. Such notions are found in arguments addressing the development of social relationships (Bengtsson, Hinttu, & Kock, 2003, p. 7) and shared norms (Ritala et al., 2009, p. 259; Ross & Robertson, 2007, p. 116) as a fundamental explanation behind the engagement in and maintenance of cooperative interactions between competitors. In addition, scholars have emphasized the accumulation of various forms of trust (Castaldo & Dagnino, 2009, p. 93; Luo, 2007, p. 133) and inter-organizational experiences (Mariani, 2007, p. 117) when explaining advancements in cooperative interactions.

Despite these lines of reasoning, to date, there have been few theoretical discussions on how mutually created experiences between competitors act as a basis for their interactions. Furthermore, the extent coopetition literature in organizational science that conceptualizes the storage and influence of direct experiences; for example, in terms of agreed norms for interaction beyond a source of stability and predictability in the relationship (cf. Feldman, 2000). The centrality of also acknowledging the dynamic nature of the experientially learnt agreements comes to light, in particular, with regard to current dialogs on the nature of coopetition as unstable, evolving, and unpredictable (Yami et al., 2010, p. 7).

2.2. Cooperative rules for interacting

The value of incorporating research on organizational learning into the context of coopetition becomes apparent when approaching the aforementioned gaps. Studies within this stream have outlined that "[a]n entity learns if, through its processing of information, the range of its potential behaviors is changed" (Huber, 1991, p. 89). In line with this generic definition, inter-organizational learning has been defined as the processes over which individuals belonging to different organizations "learn together from experience" by producing specific agreements for interaction, or joint behavioral rules that prevail at a point in time (Holmqvist, 2003, pp. 445, 458).

The existence of relationship-specific rules comes to light when departing from the assumption that competitors mutually learn from experiences created as they cooperate and compete with each other.
Holmqvist (2004, p. 74) defines rules as embracing “highly formalized and written rules and routines and more tacit and informal conventions, roles and codes based on experience”. By following this definition, coopetitive rules are defined within the context of coopetitive relations as experientially learnt agreements for cooperating and competing that prevail between two competitors. These rules can rest on explicit and written agreements and regulations. However, they might also take the form of a tacitly shared understanding on the “proper behavior” (March, 1999, p. 24) or “spirit” (Holmqvist, 2003, p. 457) of interaction in the relation.

This line of reasoning corresponds to previous research on coopetition which has recognized that cooperative interactions are based on norms for cooperation in terms of formal agreements and/or trust between competitors (Bengtsson & Kock, 1999, p. 182). However, whereas competitive interactions have been argued to depend on enforced rules for acting that exist on the market (Bengtsson & Kock, 1999, p. 181; Easton, 1990, p. 61), the abovementioned conceptualization also puts forward, in line with research by Baldwin and Bengtsson (2004, p. 86), the existence of relationship-specific rules for competition. In coopetitive relations, competitors continuously face a dilemma concerning “the existence of attractive opportunities and risks of misappropriation by the partner” (Gnyawali & Park, 2011, p. 652). Consequently, the existence of formally agreed or tacitly shared perceptions on “proper behavior” (March, 1999, p. 24) regarding direct competitive actions towards each other can be perceived as fundamental for the establishment of a coopetitive relation and its maintenance over time.

3. Different types of change in coopetitive rules

While experientially learnt rules developed by the competitors can make “future interaction and learning more predictable and stable” as these create a shared perspective on how to cooperate and compete with each other (Holmqvist, 2003, pp. 456–457; see also Darjoun, 2010), existing rules for interaction can also support change and the formation of new rules, even in an unpredictable manner, as the competitors acquire new experiences from their mutual interaction (Feldman, 2000, p. 613; see also Farjoun, 2010). In turn, this emphasizes the need to focus on addressing change in the rules for interaction as a relationship unfolds over time.

In explaining how and why entities change, Van de Ven and Poole (1995) outline four basic types of theory: life-cycle, evolution, teleology, and dialectics. Given the distinct features of these perspectives and the complexity that often characterizes a focal research phenomenon, the need for applying more than one process theory has been emphasized (Van de Ven & Poole, 1995, pp. 511, 526). Such notions have also been confirmed in process-oriented research on inter-organizational relations (de Rond & Bouckhiki, 2004; Jack, Drakopoulou Dodd, & Anderson, 2008; Slotte-Kock & Coviello, 2010). Similar findings come to light when analyzing current conceptualizations on change in coopetitive interactions (see Table 1).

The conceptual and empirical studies included in Table 1 were required to focus on coopetition in inter-organizational relations. Moreover, the selected studies had to approach the development of coopetitive and competitive interactions as the respective inter-organizational relations unfolded over time. Consequently, studies discussing motives and forces behind the mere formation of inter-competition cooperation were excluded. A narrative approach was applied to interpret the findings from the selected studies. This choice of method pertains to the aim of gaining in-depth information from each study, and ultimately developing a framework on change processes underlying coopetitive interactions based on existing explanations (Rumill & Fitzgerald, 2001). After the selection, the studies were analyzed regarding their theoretical explanations and/or empirical descriptions of change in cooperative and competitive interactions. Within this analysis, the aforementioned process theories were applied to interpret the nature of the change process in each study, and to explain similarities and differences between the studies.

Two complementary conceptualizations on the nature of the change process are distinguished in Table 1. In line with the life cycle approach and the prescribed and predictable nature of the change process advocated herein (Van de Ven & Poole, 1995, p. 522), change in coopetitive interactions is described as being planned. Within this stream of studies, the change process is further characterized by a temporal disposition of cooperative and competitive interactions (see Fjeldstad, Becerra, & Narayanan, 2004; Herzog, 2010; Oliver, 2004; Ritala et al., 2009). This predefined disposition is based on competitors’ mutually set purpose for cooperating in relation to the development of the market/product/service.

Conversely, in line with the teleological and dialectical approach (Van de Ven & Poole, 1995, p. 514), change in coopetitive interactions is also described as occurring in a recurrent, discontinuous, and even unintended manner as the relation unfolds over time. The dialectical approach emphasizes the emergence and synthesis of conflicts between opposing forces within or outside the organization as a key change mechanism (Van de Ven & Poole, 1995, p. 517). In the same way, discontinuous change in coopetitive interactions has been explained in the light of conflicts between cooperative and competitive elements of the relation (Czakon, 2010, p. 61; De Rond & Bouckhiki, 2004, p. 67), and also changes and forces emerging in the external environment (Bengtsson & Kock, 1999; Luo, 2007). Consistent with the teleological approach, studies have highlighted that change stems from reformulations of underlying goals in relation to “what was learned or intended” (Van de Ven & Poole, 1995, p. 516), that is, direct experiences from mutual cooperation and/or competition (Gnyawali & Park, 2011; Khanna, Gulati, & Nohria, 1998; Tidström & Hagberg-Andersson, 2012). Closely related to this literature stream are studies which, in line with the evolutionary perspective, highlight that change is recurrent and cumulative and, thus, occurs by accumulation through a development path over time, although without being predefined per se (Van de Ven & Poole, 1995, p. 514). This type of change is found in research depicting that interactions gradually change through different phases based on a learning process (Mariani, 2007, p. 120), the accumulation of trust (Castaldo & Dagnino, 2009, p. 93), or the firm’s growth (Lechner & Dowling, 2003, p. 18).

4. Explaining change in coopetitive interactions

Adopting an experiential perspective on organizational learning, scholars have described change in actions to arise as a consequence of adaptation to experience because outcomes of current actions are evaluated in relation to goals (Lewitt & March, 1988, p. 320; see also Huber, 1991). To this end, experience has been described as a driver of change during a state of dissatisfaction and as a basis of stability when the outcomes of actions meet targets (Holmqvist, 2004, p. 78). However, following Feldman (2000, p. 620), it is also acknowledged that successful outcomes of competitors’ interactions and new resources and opportunities discovered while interacting can act as a basis for change. Moreover, the influence of these experiences might be direct, or arise at a later point in time (Tidström & Hagberg-Andersson, 2012, p. 342).

The abovementioned conceptualization that an explicit or implicit goal or purpose underlies the nature of competitors’ present rules for interaction complies with the frequent description of coopetition as somewhat deliberately planned due to the risks involved in cooperating with a competitor (Tidström, 2008, p. 214). In support of these arguments, Mintzberg and Waters (1985, p. 258) point out the rarity of organizational actions that occur without any intentionality. Following this

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3 It is, however, beyond the scope of the categorization in Table 1 to provide a comprehensive analysis of the potential existence of several cycles and mechanisms of change in each study.
Table 1
Overview of selected studies on change in coopetitive interactions.

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Theoretical/empirical context</th>
<th>Change in cooperative and competitive interactions between competitors</th>
<th>Nature of the change process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fjeldstad et al. (2004)</td>
<td>Empirical context: 1) Network-based organizations in the mobile phone industry. 2) Development of inter-competitor cooperation.</td>
<td>Competition → Cooperation based on mutual exploratory activities in the early stages of the product and market lifecycle to reach compatibility and create the market → Competition when the market has formed and the potential for mutual exploration decreases.</td>
<td>Change is prefigured and occurs in accordance with the development of the market and the industry lifecycle.</td>
</tr>
<tr>
<td>Herzog (2010)</td>
<td>Empirical context: 1) Firms providing complex products and services. 2) Development of inter-competitor cooperation.</td>
<td>Competition for the deal → Cooperation to handle the deal → Competition when establishing the boundaries of cooperative activities within the project → Full cooperation in the product development stage → Competition in sales and after-sales activities.</td>
<td>Change is prefigured and occurs in accordance with the project lifecycle.</td>
</tr>
<tr>
<td>Oliver (2004)</td>
<td>Empirical context: 1) Firms in the biotechnology industry. 2) Development of inter-competitor cooperation.</td>
<td>Competition → Cooperation in the exploration stage at the beginning of the R&amp;D life-cycle → Competition and individual value appropriation increase and dominate as the product cycle reaches the exploitation stage and the companies start to approach the market.</td>
<td>Change is prefigured and occurs in accordance with the product lifecycle.</td>
</tr>
<tr>
<td>Bouchikhi (2012)</td>
<td>Empirical context: 1) Cooperative alliance between a large pharmaceutical company and a biotechnology start-up company. 2) Development of inter-competitor cooperation.</td>
<td>Competition → Cooperation to create mobile TV services and the market for these services → Competition when reaching the establishment of the market and commercialization of the services.</td>
<td>Change is prefigured and occurs in accordance with the development of the market and industry lifecycle.</td>
</tr>
<tr>
<td>Bengtsson and Kock (1999)</td>
<td>Empirical context: 1) Development of competition, cooperation, coexistence, and cooperation between competitors manufacturing construction lifts and climbing platforms.</td>
<td>The nature of the inter-competitor relation changes as a result of changes in the actors’ other relationships in the environment, and the resultant altered benefits and disadvantages regarding the organizations’ new positions in the business network.</td>
<td>Change is discontinuous and occurs as a consequence of adaptations to changes in the external environment and the competition therein.</td>
</tr>
<tr>
<td>Czakon (2010)</td>
<td>Empirical context: 1) Franchising contracts in the banking sector. 2) Emergence of competition in cooperative relations.</td>
<td>Increases in cooperative commitment, dissolution of cooperation, existence of both cooperation and competition emerge from cyclical sequences of negotiations, commitment, and execution (Ring &amp; Van de Ven, 1994); Experiences from interacting → Evaluations of current goals → Dissatisfaction → Adjustments and adaptations of the goals.</td>
<td>Change is discontinuous and stems from conflicting forces, such as an imbalance in the cooperative and competitive elements that emerges in the relationship.</td>
</tr>
<tr>
<td>Khaana et al. (1998)</td>
<td>Theoretical context: 1) Learning alliances. 2) Cooperation and competition as drivers of change in commitment to the alliance.</td>
<td>Evaluations on the efficiency of the alliance in terms of the value of individual learning, and opportunities and benefits thereof, versus potential mutual learning benefits → Increased or decreased cooperative commitment.</td>
<td>Change is discontinuous and stems from organizations’ individual reformulations of cooperative commitment as the relation unfolds over time.</td>
</tr>
<tr>
<td>Luo (2007)</td>
<td>Theoretical context: 1) Global competitors. 2) Development of inter-competitor cooperation.</td>
<td>Cooperative interactions between competitors increase in consequence of, e.g., 1) Increased competition in the industry, 2) Increased consumer demands, 3) Pressure to integrate value chain activities to acquire economies of scale, and 4) Institutional forces.</td>
<td>Change is discontinuous and generated by changes in the external environment.</td>
</tr>
<tr>
<td>de Rond and Bouchikhi (2004)</td>
<td>Empirical context: 1) Cooperative alliance between a large pharmaceutical company and a biotechnology start-up company. 2) Focuses on the influence of dialectic tensions in strategic alliances.</td>
<td>Cooperative and competitive elements of the relationship/interactions change in an unintended manner.</td>
<td>Change is discontinuous and stems from confrontations between conflicting forces that co-exist in the relationship.</td>
</tr>
<tr>
<td>Castaldo and Dagnino (2009)</td>
<td>Theoretical context: 1) Development of inter-competitor cooperation.</td>
<td>Cumulative development path: Competition-dominated cooperation based on economic benefits and calculus-based trust → Socio-economic cooperation based on capabilities and knowledge-based trust combined with some personal values and norms → Social cooperation with a relatively dominant structure based on commitment and value-based trust.</td>
<td>Change is gradual and depends on the accumulation of trust between the competitors.</td>
</tr>
<tr>
<td>Gnyawali and Park (2011)</td>
<td>Empirical context: 1) Cooperation (i.e., joint venture) between two large competitors. 2) Cooperation as a means for technological innovation.</td>
<td>Gradual increases in cooperative activities due to the competitors’ successful implementation of mutual goals and direct experiences of the potential to balance cooperative and competitive interactions within the relationship.</td>
<td>Change is gradual and depends on the development of successful experiences from cooperating.</td>
</tr>
<tr>
<td>Lechner and Dowling (2003)</td>
<td>Empirical context: 1) High-growth firms in different development stages. 2) Development of inter-competitor cooperation.</td>
<td>Limited coopetitive relations at the firm’s establishment stage → Increase in the number and importance of coopetitive relations in subsequent development stages.</td>
<td>Change is cumulative and occurs in accordance with the firm’s growth and development stages.</td>
</tr>
<tr>
<td>Tidström and Hagberg (2012)</td>
<td>Empirical context: 1) Development of cooperation and competition in cooperative business relationships.</td>
<td></td>
<td>Change is gradual and stems from the accumulation of experiences of opportunistic and competitive actions.</td>
</tr>
</tbody>
</table>
line of reasoning, the ensuing discussion departs from the assumption that rules for cooperation and competition change as competitors mutually or individually evaluate the goals of current agreements and decide to reformulate the goals (Van de Ven & Poole, 1995, p. 516). Moreover, in line with previous research on network development (Slotte-Kock & Coviello, 2010, p. 50) and coopetition (Czakon, 2010; Khanna et al., 1998; Mariani, 2007), experiences developed by organizational members as they act in accordance with prevailing rules and implement existing goals are described as a key mechanism that explains the occurrence of change.

4.1. Reformulations of the goals for interaction through learning and external forces

In approaching the reformulation of goals in light of direct experiences created between competitors, three different mechanisms that explain why change occurs are illuminated. Fig. 1 outlines, first, that coopetitive rules for interaction can change based on an interorganizational learning process. Here, the reformulation occurs as the competitors mutually seek, set, and implement new goals and rules for interaction in relation to experiences developed while cooperating with each other. Thus, the change process is ultimately manifested in cooperation and characterized by a consensus on reformulations of goals underlying the rules between competitors (Van de Ven & Poole, 1995, p. 520; see also Feldman, 2000, p. 613). Such reformulation can, for example, evolve in a cumulative manner as competitors develop goodwill experiences and trust by getting to know each other’s needs, and how to work well together to achieve mutual goals (Hite, 2005, p. 124; see also Castaldo & Dagnino, 2005, p. 80).

Second, experiences developed through mutual interaction can cause change as they give rise to an intra-organizational learning process. Intra-organizational learning occurs within an organization as its members produce agreed ways of behaving and acting by interacting and, in particular, by sharing and bargaining over idiosyncratic experiences (Holmqvist, 2003, p. 448; 2004, p. 72). Subsequently, within coopetitive relations, intra-organizational learning activities underlie changes in an organization’s competitive actions arising from its individual use of experiences, and also the competitors’ mutually created knowledge and benefits (see e.g., Gnyawali & Park, 2011). More specifically, the simultaneously existing cooperative and competitive interaction processes are likely to be divided between different activities and, thus, individuals (Bengtsson & Kock, 2000). With regard to this division, the existence and development of somewhat conflicting experiences, goals, and rules for interaction arises between the organizational members. Consequently, in this scenario, opportunities for learning and new rules for interaction emerge as contrasting goals and experiences from interacting with a competitor are exchanged between organizational members (Holmqvist, 2004, p. 77; see also Koll, 1984, p. 29; Feldman, 2000, p. 613). Thus, the reformulation of the rules for interaction is based on confrontation and a synthesis of somewhat conflicting experiences and goals within the organization.

Third, alongside learning, Fig. 1 shows the development of the external environment to set the scene for how competitors interact. Hence, rules for interaction can also change by adapting to external forces; for example, changes in competitors’ network positions in the industry (Bengtsson & Kock, 1999), increased competition (Bonel & Rocco, 2007; Luo, 2007), the need for compatibility between competitors’ products to create a new market (Fjeldstad et al., 2004; Ritala et al., 2008), and requirements by institutional actors (Mariani, 2007). Here, the reformulation ultimately resides in the emergence of new rules that are imposed by the external environment and its development over time. However, it is also emphasized that, when adapting the rules, organizational members engage in a search process based on an evaluation of past experiences of interaction with the competitor (Levitt & March, 1988, p. 321). This argument relies on the assumption in the learning literature that “most situations are enacted by organizations experiencing them through their learnt organizational lenses” (Holmqvist, 2004, p. 71).

4.2. Predefined or discontinuous change

In line with earlier research (see Table 1), Fig. 1 furthermore conceptualizes the reformulation of goals for interaction to occur in a predefined or discontinuous manner. In line with studies advocating a planned nature of the change process (see Table 1), Fig. 1 acknowledges that the influence of learning or the development of the environment on change in the interactions can be predefined. Thus, the nature of the change process is characterized by a prefigured life-cycle of cooperative and competitive interactions.

Fig. 1. Change in coopetitive rules.
As such, competitors might, for example, agree on how to cooperate to create compatibility between their products and to create the market, after which competition occurs (e.g., Fjeldstad et al., 2004). It is furthermore assumed that the end of cooperation and the path taken to reach this end are, to some extent, prefigured at the outset of the cooperation (Van de Ven & Poole, 1995, p. 514). Consequently, change in interactions results from a natural process rather than from resultant tensions (Bengtsson et al., 2010a, p. 210). Moreover, whereas, for example, experiences and trust might accumulate as organizational members perform cooperative activities, and also change how they mutually interact, the predefined structure of the cooperation remains unlikely to change.

Cooperative and competitive interactions can, however, also change in an unintended and discontinuous manner as the relation unfolds over time (see Table 1). This implies that competitors recurrently evaluate and reformulate goals in relation to changes in the external environment and the mutual and individual learning processes.

4.3. Three scenarios on change in cooperative and competitive interactions

Based on the generic conceptualization in Fig. 1, the discussion proceeds by distinguishing three scenarios illuminating different explanations on how and why change occurs. The outlined nature of the change process in each scenario is further discussed in relation to the balance and strength of the cooperative and competitive interactions in the coopetitive relationship.

4.3.1. External forces and intra-organizational learning as key change mechanisms

In the first scenario, change in the rules for interaction stems primarily from the development of the external environment and/or intra-organizational learning activities. Moreover, the manner in which interactions change as the relation unfolds over time is prefigured by the competitors at the outset of their coopetitive relationship. Furthermore, it is proposed that this type of change process is more likely to occur in relations characterized by strong competitive tensions caused by similarities between the competitors and a high level of perceived hostility (Bengtsson et al., 2010a, p. 206). As such, competitive pressures rather than mutual activities, goals, and resource exchanges underlie the organization’s exploration of opportunities (Bengtsson, Eriksson, & Kock, 2005, p. 60). Moreover, competitive tension and, in particular, the resultant low levels of trust, limits the likelihood of any advancements of cooperative activities as the relationship unfolds over time (Bengtsson et al., 2010a, p. 206). Hence, in comparison to mutual learning from experiences created while interacting, competitors are more inclined to focus on intra-organizational learning activities, and to individually change the rules for interaction. Similarly, any mutual reformulations of the rules are likely to arise as the competitors are pushed by external forces.

In relations characterized by strong competitive tensions, conflicts can further arise as one of the competitors acts outside the prevailing rules; for example, in terms of the manner in which direct experiences created while cooperating are employed for direct competitive actions. To control such uncertain future elements, the value of continuous usage of contingencies and re-evaluation of goals has been emphasized in the decision-making process (Mosakowski, 1997, p. 425; Sarasvathy, 2001, p. 247). However, in light of the recurrent and discontinuous nature of the change process, the occurrence of both mutual and individual reformulations, potentially of an opportunistic character, increases. Based on such reasoning, Mitchell, Dussauge, and Garrette (2002, p. 209) address the risk of forming alliances in which competitors create new resources by employing their current resources in a complementary manner. Conversely, studies emphasizing a more predefined and sequential division of cooperative and competitive interactions in relation to, for example, the life-cycle of a product, argue that cooperation characterizes the exploration phase (Oliver, 2004, pp. 160–161). Consequently, to manage perceived risks for opportunistic actions in relations characterized by strong competitive tensions, competitors are argued to be more inclined to predict and structure change in their cooperative and competitive activities. The life-cycle of the relationship’s coopetitive nature, from beginning to end, is predefined in relation to the life-span of a project, or the market or product life-cycles. Hence, the aforementioned influence of mutual and, in particular, individual reformulations of the rules in relation to experiences created from mutual interaction as underlying change mechanisms is, ultimately, delimited. In addition, the change process attains a more sequential than recurrent nature.

4.3.2. Inter-organizational learning as a key change mechanism

The second scenario emphasizes that present rules for interaction primarily change as competitors mutually learn from experiences gained as organizational members interact within the relationship and with the external environment. Moreover, change occurs in a recurrent and discontinuous manner as the relationship unfolds over time. Furthermore, it is proposed that such a nature of the change process is more likely to prevail in relations characterized by strong cooperation, which has been argued to reside in a high complementary character of the competitors’ individual resources shared within their cooperation (Bengtsson et al., 2010a, pp. 202–203). Additionally, mutual resource and information exchanges, trust, commitment, and knowledge on each other come into focus when explaining change in the competitors’ cooperative activities in these relations (Bengtsson et al., 2005: 59).

Given trust and complementarities, competitors might be more inclined to mutually evaluate and reformulate their prevailing goals for interaction in relation to the accumulation of inter-organizational experiences or discontinuous changes emerging in the external environment as the relation unfolds over time. A coopetitive relation characterized by strong levels of cooperation can, however, run the risk of losing its edge when developing and exploring new opportunities to enhance the companies’ competitiveness (Bengtsson et al., 2005, pp. 59–60; see also Bengtsson et al., 2010a). Subsequently, strong cooperation can also limit reformulations of the rules for interaction in relation to experiences gained through mutual interaction. However, if the coopetitive relationship is not completely dominated by the cooperative dimension, but is also characterized by some competition, a particular level of pressure and, thus, incentives to improve existing cooperative activities and to explore new complementarities can be assured (Bengtsson et al., 2010a, p. 207; Bengtsson et al., 2005, p. 63; Yami et al., 2010, p. 2). Here, in contrast to relations characterized by strong competitive tensions, experiences are further proposed to generate mutual reformulations of the goals and rules for interaction as the relation unfolds in a more discontinuous and direct manner over time. Thus, in line with research conducted by Ring and Van de Ven (1994, p. 97) on cooperative relations, the change process is argued to attain a more recurrent than sequential nature.

4.3.3. Intra- and inter-organizational learning as key change mechanisms

The third scenario emphasizes that present rules for interaction primarily change as competitors, mutually and individually, learn from experiences gained when organizational members interact within the relationship and with the external environment. Moreover, change occurs in a recurrent and discontinuous manner as the relationship unfolds over time. It is proposed that this type of change process is more likely to arise in relations characterized by equal and moderate levels of cooperation and competition. Such relations are based on some complementary benefits of cooperation and some trust established through past mutual interactions (Bengtsson et al., 2010a, p. 208); however, simultaneously, competitive tensions exist. There is a particular level of uncertainty and fear of opportunistic behavior, and also pressure and drive to engage in individual activities and to outperform each other (Bengtsson et al., 2010a, p. 208). These kinds of relationship have been deemed the most beneficial for an organization to reap the benefits of the two interaction processes, and to ultimately enhance
its long-term competitiveness and innovation (Bengtsson et al., 2010a, p. 208).

To this end, more equal emphasis is set at intra- and inter-organizational learning activities. Simultaneously, cooperative and competitive rules for interaction are more integrated in comparison to cooperation- or competition-dominated relations. This argument relies on Bengtsson et al.’s (2010a, p. 208) notion that, in this scenario, one type of interaction might need to give way to the other for a short period of time as the relation unfolds. For this reason, the reformulation of goals and rules for interaction might also, to a greater extent, cause conflicts in the organization, which emerge as different experiences and lenses are held by the organizational members when evaluating and selecting a cooperative response in place of a competitive action, or vice versa. Due to the existence of different perceptions, the importance becomes apparent of creating a shared understanding by exchanging cooperative and competitive inter-organizational experiences before selecting and implementing new rules for interaction (Gnyawali & Stewart, 2003, p. 72). As a result, the likelihood increases that intra-organizational learning processes act as a change mechanism.

5. Conclusions

In response to recent calls for research approaching coopetition from a process perspective (Bengtsson et al., 2010b; Tidström, 2008; Yami et al., 2010), this study sets out to conceptualize how and why cooperative interactions change as competitors acquire new experiences from mutual cooperation and their external environment changes. To attain this goal, a framework was developed that outlines the progression of change events, and also the mechanisms that underlie these events. In explaining change in cooperative interactions, the study combines and advances previous acknowledgements on the influence of learning (Czakon, 2010; Mariani, 2007) and trust (Castaldo & Dagnino, 2009; Luo, 2007) alongside explicitly and tacitly agreed norms for interaction (Baldwin & Bengtsson, 2004; Bengtsson & Kock, 1999; Ritaletal., 2009). More specifically, in the background of research on organizational learning (Holmqvist, 2004), rules for interaction that are developed by competitors based on relationship-specific experiences are presented as a key notion to explain the existence of and change in cooperative interactions.

From an organizational learning perspective, the assumption that change is based on a gradual adoption of successful behavioral patterns or search among previous experiences (Levit & March, 1988, p. 321) hints at the more predictable and path-dependent nature of the change process. As a result, the ability of routines and rules to restrain the in-organizational learning processes act as a change mechanism. 

manner in accordance with a predefined sequence of cooperative interactions. However, based on constructive logic (Van de Ven & Poole, 1995, p. 522), rules are described as changing in a more discontinuous and unpredictable way. More importantly, it is proposed that, within the context of competitive relations, the prescribed and constructive nature of the change process pertains to the strength and balance of the cooperative and competitive elements. Similarly, the function of the prevailing rules for cooperating and competing between competitors to support predictability or variety in the change process shift. For example, with regard to a competition-dominated character, the variety and unpredictability in the reformulation of the rules for interaction over time is proposed to be delimited due to a prefigured life-cycle of changes in the cooperative and competitive interactions. In the same vein, rules for interaction set by competitors at the outset of their cooperation can be argued to give stability and predictability to the change process, rather than to support variety and unintended changes.

5.1. Future research and limitations of the study

To further explore the nature of the change process underlying cooperative interactions, the need for research that empirically describes the activities and incidents comprising the outlined change events becomes apparent. Moreover, research that, for example, through a cross-case analysis explores the nature of the change process in relations with various levels of strength and balance of the cooperative and competitive interactions will be of value. From a more general perspective, coopetition process research will also benefit from an analysis of methods for studying change. A valuable point of departure for this analysis might be the four methodological approaches put forward by Van de Ven and Poole (2005). The first question to clarify pertains, thus, to the different avenues of research that open up if the coopetitive relation is distinguished as a thing or a number of processes (Van de Ven & Poole, 2005, p. 1379). The second question concerns the insights gained, and also necessary conditions and assumptions, when applying a variance methodology or process narratives in exploring change in inter-competitor relations (Van de Ven & Poole, 2005, p. 1388). Research analyzing how these methodological approaches have been applied in existing coopetition research and their complementary value for explaining the coopetition process is thereby encouraged.

With regard to limitations of the study, it needs to be acknowledged that the analysis of previous coopetition studies does not explore the simultaneous existence of multiple sequences and mechanisms of change which belong to different process theories in each study. Moreover, the theoretical discussion of change in coopetitive interactions is refined through its focus on experiential learning and rules for interaction that stem from an organizational learning approach. Nevertheless, the described propositions are discussed by combining more general conceptualizations of the coopetition process that exists in the extant literature.

5.2. Managerial implications

From a managerial perspective, the conceptual framework emphasizes three issues. First, due to the simultaneous existence of cooperative and competitive interactions, the development of contrasting inter-competitor experiences and goals for interaction between organizational members is brought to light. Thus, managers should acknowledge the value of exchanging these different experiences within the organization to avoid cooperative and competitive interactions existing as two separate inter-organizational learning processes.

Second, it is acknowledged that cooperative interactions between competitors can change in a gradual pattern as organizational members involved in cooperative activities accumulate direct experiences and various forms of trust (Castaldo & Dagnino, 2009). However, new rules for interaction might also be imposed by top management on the members. Consequently, managers should take into account that
acceptance and implementation of these new rules might occur gradu- 
ally among organizational members.

Third, to manage the competitive tensions arising, for example, 
when mutually exploring new products, the study recognizes that com-
petitors might together predefine changes in their cooperative inter-
actions. However, in such a scenario, managers should also bear in mind 
that the organization might be less likely to take advantage of, for exam-
ple, new opportunities for cooperating that arise as the relation unfolds 
over time.

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Conceptualizing coopetition strategy as practice: A multilevel interpretative framework

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Conceptualizing Coopetition Strategy as Practice: A Multilevel Interpretative Framework

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Abstract: This study uses a strategy-as-practice approach to define coopetition strategy. Coopetition strategy forms, arguably, through the intersection of the organization’s internal and external value networks, giving rise to simultaneous cooperative and competitive activities of a more or less intended nature. Four scenarios encompassing propositions are put forth to explain how coopetition strategy as a deliberate and emergent activity is manifested in the organization. By approaching coopetition from the strategy-as-practice perspective, current conceptualizations of its deliberate and emergent nature are unified under a common framework. The practice approach advances existing understandings of coopetition by shedding light on strategic actors and their actions at multiple levels, the social embedding of the strategic activities, and the dynamic nature of the strategy.

Keywords: Inter-competitor cooperation; coopetition; deliberate strategy; emergent strategy; strategy-as-practice

To understand organizational strategies, the strategy-as-practice stream has emphasized the importance of approaching strategy as something individuals do, rather than as something the organization has (Jarzabkowski, Balogun, and Seidl 2007, 6). Practice scholars argue that strategy arises out of social interactions, which occur between individual actors at multiple organizational levels as well as in the external environment (Golsorkhi et al. 2010, 7; Regné 2008, 568; Whittington 2006, 621). Such a conceptualization of strategy formulation corresponds to the ever growing importance played by networks (Parkhe, Wasserman, and Ralston 2006, 560). Moreover, within the external-facing value network, explanations on how the organization creates value through cooperation have progressively extended beyond interactions with suppliers, customers, partners, and the community (Allee 2008, 6) to include competitors as well (Ritala 2012; Solitander and Tidström 2010). Against the notion that two organizations are collaborative partners in some activities simultaneously as they compete in others, coopetition has been raised as a prerequisite for any network to be efficient (Bengtsson, Eriksson, and Kock 2005) and yet also as an organizational challenge (Bonel and Rocco 2009; Tidström 2009; Yami, Castaldo, Dagnino, Le Roy and Czakon 2010).
As a value creation strategy, coopetition exists at the intersection of the organization’s internal value network, encompassing interactions between members within the organization and its external-facing value network (Allee 2008, 6). Consequently, in addition to cooperation advantages stemming from mutual interactions between two or more competitors, the value created embraces competition advantages that originate in the competitors’ drive to out-perform each other and in their intraorganizational interactions (Bengtsson, Eriksson and Wincent 2010a, 208; Yami et al. 2010, 2). To refine coopetition strategy as a concept, the importance of incorporating both deliberate and emergent features has been emphasized (Dagnino and Rocco 2009, 292; Kylänen and Rusko 2011; Mariani 2007; Tidström 2008).

To approach this call, there is a need to go further in the analysis of the theoretical elements underpinning coopetition as a deliberate and emergent strategy; as such, a discussion is currently absent. Moreover, to date, there has been little research conceptualizing coopetition strategy as an activity, that is, how the formulation and implementation take place within the organization (Tidström 2008, 215; Yami et al. 2010, 7). Hence, in filling these gaps, this article seeks to develop a framework that explains how and why coopetition strategy as a deliberate and emergent activity is formulated and implemented by individuals at the intra- and interorganizational levels.

The purpose of this study is to define coopetition strategy as an activity from a strategy-as-practice perspective. The value of the practice approach lies in its ability to grasp both deliberate and emergent features of the strategy and to conceptualize it as an activity occurring in the organization alongside the interactions with competitors and the institutional environment (see Jarzabkowski 2005, 40, 43; Tsoukas 2010, 57; Vaara and Whittington 2012, 287). To explain the link between everyday activities of the individuals and the organization’s value creation strategy, deliberate or not, scholars have stressed the centrality of exploring three interrelated theoretical elements (Whittington 2006, 615, 619; see also Jarzabkowski, Balogun, and Seidl 2007; Regnér 2008). These elements, which constitute strategy as an activity, embrace shared norms for acting (practices), actual activities (praxis), and individuals involved in these activities (practitioners) (Whittington 2006, 615, 619). Thus, to achieve the purpose of the study, we develop a framework that outlines the deliberate and emergent nature of coopetition through practices, praxis, and practitioners at the intra- and interorganizational levels. According to the foundation for this framework and current coopetition strategy research, four different scenarios encompassing propositions outline how coopetition strategy as an activity is manifested in the organization.

The contribution of this study to the coopetition strategy field permeates three main areas. First, as the strategy-as-practice approach focuses on the actual influence of all individuals involved in strategic activities (Jarzabkowski and Spee 2009, 69-70; Johnson, Melin and Whittington 2003, 5, 14; Regnér 2008, 570; Vaara and Whittington 2012, 309), insights are provided into the importance of strategic actors across multiple organizational levels in formulating and implementing a coopetition strategy (Golsorkhi et al. 2010, 1).

Second, the practice approach emphasizes the role that social embeddings, structures, and interactions play in the strategy (Jarzabkowski and Spee 2009, 82; Regnér 2008, 570, 573; Whittington 2006). In this way, the social nature of coopetition is illuminated, thus explaining how the strategy is manifested internally in the organization and externally in the intercompetitor relationship. A link between the intra- and interorganizational levels of analysis is, therefore, also established.
Last, the strategy-as-practice approach serves as a tool for unifying current conceptualizations of coopetition as a strategy under a general framework. Through its assumption on strategy as “a reality in flux” (Golsorkhi et al. 2010, 7), it supports notions of coopetition as a dynamic phenomenon (Yami et al. 2010, 6) and of the simultaneous existence and interplay between deliberate and emergent features associated with the strategy (Dagnino and Rocco 2009, 292; Kyllänen and Rusko 2011, 201; Mariani 2007, 120; Tidström 2008, 215).

The discussion is structured as follows. In view of existing coopetition research, the article sets out to approach the strategy as an activity by explaining the character and formation of strategy practices, praxis, and practitioners in an intercompetitor context. Hereafter, the deliberate and emergent features of coopetition strategy at the intra- and interorganizational levels of analysis are outlined in conjunction with prior coopetition strategy research. This analysis leads to the presentation of four approaches that explain how coopetition strategy as an activity is manifested in the organization.

A STRATEGY-AS-PRACTICE APPROACH TO COOPETITION

This article focuses on coopetition as an interorganizational strategy. Accordingly, strategy formulation and implementation at an intraorganizational level is discussed in relation to the existence of coopetition between organizations. Moreover, coopetition is defined as “a process based upon simultaneous and mutual cooperative and competitive interactions” (Bengtsson, Eriksson, and Wincent 2010a, 200) between two or more companies engaged in the same line of business (Bengtsson and Kock 2000, 415).

Defining Coopetition Strategy

From a practice approach, strategy has been defined as a “socially accomplished activity” (Jarzabkowski, Balogun, and Seidl 2007, 7). The activities arise out of actions and interactions between different individual actors (Jarzabkowski, Balogun, and Seidl 2007, 8) involved in formulating and/or implementing the strategy (Whittington 2006, 619). Moreover, the activities constituting the strategic concept have been delineated as activities that are consequential for the direction of the organization in either a planned or unintended way (Jarzabkowski, Balogun, and Seidl 2007, 8; see also Johnson, Melin, and Whittington 2003; Regnér 2008; Vaara and Whittington 2012). This definition of strategy encompasses, on the one hand, deliberate strategic activities where intentions underlie strategy formulation and implementation (Mintzberg and Waters 1985, 259). On the other hand, the strategic activities undertaken by the individuals may also be of an emergent and unconscious nature, and, thus, only in retrospect will they form some type of pattern or consistency (Tsoukas 2010, 49; see also Mintzberg and Waters 1985).

Following the definition offered by Jarzabkowski, Balogun, and Seidl (2007, 7–8), a coopetition strategy consists of more or less intended cooperative and competitive activities that are consequential for the direction of the intercompetitor relation and, ultimately, for the organization. Cooperative activities arise out of mutual interactions between individuals at the interorganizational level. Simultaneously, competitive activities stem from interactions occurring among organizational members at an intraorganizational level. The interplay between these two types of activities, which results in the simultaneous existence of mutual value creation
and the competitors’ individual use of the common benefits created, lies at the core of coopetition as a strategy (Gnyawali and Park 2011; Ritala and Hurmelinna-Laukkonen 2013).

To explain the underpinnings of this interplay, the attention is consistent with the practice approach (Whittington 2006, 615), directed at three interrelated concepts underlying organizational strategy as an activity. These are shared norms for acting (practices) alongside strategy formulation and implementation activities (praxis). The actors (practitioners) engaging in these practices and performing the strategic activities are, through their continuous interactions, central to maintaining and reforming the strategy. Consequently, as shown in Figure 1, coopetition strategy lies at the intersection of two or more competing organizations’ practices, praxis, and practitioners, and the institutional environment. Through interorganizational interaction, cooperative and competitive activities of a more or less intended nature are formed. The three strategic elements of practices, praxis, and practitioners are described in more detail below.

**Coopetitive Strategy Practices and Praxis at the Intra- and Interorganizational Levels**

Within the strategy-as-practice approach, practices refer to intangible formal and informal shared norms and accepted ways of how to think and act, which individuals draw upon when making and executing the strategy (Whittington 2006, 619–620; Vaara and Whittington 2012, 287). Following the assumption of the practice approach, how individuals act is determined by conceptions of legitimate ways of acting (Golsorkhi et al. 2010, 3; Vaara and Whittington 2012, 287). Practices incorporate the using of strategic planning procedures, such as workshops, budgets, analytical tools, and formal documents, but they also entail the influence of the social system on the strategic activities (for a full review, see Vaara and Whittington 2012). These practices, in turn, underlie strategy praxis, which is defined as the formal and informal everyday activities related to the formulation and implementation of strategy (Whittington 2006, 619). Because individuals always act within a context, praxis cannot be separated from the social
practices from which individuals draw (Vaara and Whittington 2012, 288; see also Jarzabkowski and Spee 2009, 82; Tsoukas 2010, 49). Thus, strategy practices and praxis together constitute the actual strategic activities. In coopetitive relations, these strategic activities may attain a cooperation-dominated, competition-dominated, or a more equal nature (Bengtsson and Kock 2000; Bengtsson, Eriksson, and Wincent 2010a).

Drawing on Vaara and Whittington (2012, 288), the formulation and implementation of coopetition strategy are illustrated as residing in a “web of social practices.” Starting from the institutional level (see Figure 1), practices embrace general rules and norms for competing in the market. Here, informal and widespread “rules of conduct” (Easton 1990, 61), or “rules of play” (Bengtsson and Kock 1999, 181), have been argued to underlie the behavior of competitors toward each other. Under the assumption that practices are interlinked (Jarzabkowski and Spee 2009, 81), these institutional norms are intertwined with relation-specific norms guiding the interaction of two or more competitors. Relation-specific practices may take on a formal, explicit, and contractual nature, or they may be based on implicit and informal trust-based understandings (Bengtsson and Kock 1999, 181; Easton 1990, 73).

The interaction processes that emerge when practitioners of two organizations begin to interact, based on certain institutional and relation-specific practices, underlie coopetition strategy formulation and implementation (see Figure 1). Accordingly, strategic activities can be distinguished both at the inter- and intraorganizational levels. At the interorganizational level, the competitors mutually engage in activities to formulate, reformulate, and implement their cooperative activities and mutual value creation. At the intraorganizational level, strategic activities, in terms of leveraging mutual benefits (Gnyawali and Park 2011, 658) and the creation of individual benefits (Khanna, Gulati, and Nohria 1998), come into focus through a coopetitive value creation logic (Mariani 2007) and mindset (Gnyawali and Park 2009, 2011). Other intraorganizational activities may include balancing and managing tensions between cooperative and competitive interactions (Gnyawali and Park 2011, 652) as well as separating the interaction processes between different individuals (Bengtsson and Kock 2000).

**Coopetitive Strategy Practitioners at the Intra- and Interorganizational Levels**

Strategy practitioners are defined as individual actors “who do the work of making, shaping and executing strategies” internally at different organizational levels as well as in the external environment (Whittington 2006, 619; see also Jarzabkowski and Spee 2009). External coopetitive practitioners (see Figure 1) are institutional actors and associations that influence the cooperative activities through requirements and support (Bengtsson and Kock 2000; Kylänén and Rusko 2011; Mariani 2007; Okura 2007; Tidström 2009) or through the formation of legitimate practices (Jarzabkowski and Whittington 2008, 102). Internal coopetitive practitioners embrace organizational members engaged in the formulation of the cooperative and competitive activities. Internal practitioners also extend to members implementing and performing these activities within the firm or through participation in the intercompetitor interactions.

At an intraorganizational level of analysis, strategy-as-practice research has recognized actors beyond top management as having an influence on strategy (Jarzabkowski and Spee 2009, 69-70; Vaara and Whittington 2012, 309). Existing coopetition studies have often outlined executives at higher organizational levels as coopetitive practitioners, formulating and managing the interplay
between the cooperative and competitive activities (see Gnyawali and Park 2011, 657; 2009, 324; Herzog 2010, 210; Luo 2007, 143; and Mariani 2007, 112). Scholars have, however, emphasized that other managers who have insights and engage in both cooperative and competitive activities receive important strategic positions as well (Bengtsson and Kock 2015).

Consistent with this line of reasoning, middle managers could be argued to play a central role in not only implementing a coopetition strategy at lower organizational levels but also in mediating insights in a bottom-up manner (Whittington 2006, 619). Furthermore, coopetitive practitioners could extend to include the individual organizational members at operational levels, who are involved in the actual implementation of the interorganizational interactions (Kylänen and Rusko 2011), or who have to address the consequences of these opposing interactions (Bonel and Rocco 2009). Similarly, actors maintaining informal cooperative interactions with another competitor may be defined as coopetitive practitioners (see e.g., Oliver 2004).

The Deliberate and Emergent Nature of Coopetition

Deliberate and emergent features of strategy have been conceptualized to reside in the organization’s ability to predict and control the influence of the external value network and, in the course of action, taken within the organization when formulating and implementing the strategy (Mintzberg and Waters 1985; Whittington 2001). Given this background, four scenarios explaining how coopetition as a strategy is manifested in the organization can be distinguished (see Figure 2). Mintzberg and Waters (1985, 258) argue, however, that a strategy is unlikely to be perfectly deliberate or emergent. By following this notion, in general, and the specific research of Dagnino and Rocco (2009, 9–10), Kylänen and Rusko (2011), and Mariani

![FIGURE 2 The deliberate and emergent nature of coopetition strategy as an activity.](image-url)
Coopetitive strategy is argued to consist of both deliberate and emergent features. As shown in Table 1, we approach this view by first depicting the deliberate and emergent perspectives separately.

<table>
<thead>
<tr>
<th>Strategy elements</th>
<th>Deliberate</th>
<th>Emergent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Practices:</strong></td>
<td>Origin: Rational planning, analysis, and choice</td>
<td>Origin: Environmental and organizational forces</td>
</tr>
<tr>
<td>Shared norms for acting</td>
<td><strong>Nature:</strong> Static, due to the assumption that: a) long-term predictions can be made about the environment b) long-term strategic coherence can be achieved through formal planning</td>
<td><strong>Nature:</strong> Dynamic and adaptable</td>
</tr>
<tr>
<td>Intra-organizational coopetitive practices:</td>
<td><strong>Nature:</strong> Static</td>
<td><strong>Nature:</strong> Dynamic and adaptable</td>
</tr>
<tr>
<td>Norms for how to individually act toward the competitor</td>
<td><strong>Formulation:</strong> Formal top management activities</td>
<td><strong>Formulation:</strong> Adaption to the environment and/or organization (middle-up, middle-down)</td>
</tr>
<tr>
<td><strong>Implementation:</strong> Implemented as planned</td>
<td><strong>Implementation:</strong> Not always implemented as planned → reformulation of practices and praxis</td>
<td></td>
</tr>
<tr>
<td><strong>Praxis:</strong></td>
<td><strong>Origin:</strong> Internal or external</td>
<td><strong>Origin:</strong> Internal and external</td>
</tr>
<tr>
<td>Formal/informal activities</td>
<td><strong>Nature:</strong> Rational and calculated</td>
<td><strong>Nature:</strong> Flexible</td>
</tr>
<tr>
<td>Intra-organizational coopetitive praxis:</td>
<td><strong>Level:</strong> Top management or external actors</td>
<td><strong>Level:</strong> Top, middle management, operation actors, or external actors</td>
</tr>
<tr>
<td>Individual strategy formulation and implementation activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inter-organizational coopetitive praxis:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual strategy formulation and implementation activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Practitioners:</strong></td>
<td><strong>Origin:</strong> Internal or external</td>
<td><strong>Origin:</strong> Internal and external</td>
</tr>
<tr>
<td>Strategic actors: top, middle, operational or external actor</td>
<td><strong>Nature:</strong> Rational and calculated</td>
<td><strong>Nature:</strong> Flexible</td>
</tr>
<tr>
<td>Intra-organizational coopetitive practitioners:</td>
<td><strong>Level:</strong> Top management or external actors</td>
<td><strong>Level:</strong> Top, middle management, operation actors, or external actors</td>
</tr>
<tr>
<td>Internal actor involved in the formulation and/or implementation of the cooperative and competitive activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inter-organizational coopetitive practitioners:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>External actor involved in shaping the cooperative and competitive activities between the competitors</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Coopetition as a Planned Practice

As a planned practice (see Figure 2), deliberate features, in terms of goal-orientation and intension, characterize strategic activities at the intra- and interorganizational levels (Mintzberg and Waters 1985, 257). This conceptualization of coopetition as a planned and directed strategy (Dagnino and Rocco 2009, 292; Kylänen and Rusko 2011, 194; Tidström 2008, 212), both in the organization’s internal and external value networks, rests upon two key assumptions. Internally, shared understandings and direct adoption of detailed and articulated intensions exist at different actor levels, thus enabling the realization of the strategy as intended (Mintzberg and Waters 1985, 259). In addition, the organization has the ability, as a result of planning, to predict and control the influence of the external environment (Mintzberg and Waters 1985, 258; Whittington 2001, 3).

In this scenario, rationality and quest for efficiency play a central role in the formulation of a coopetition strategy (Whittington 2001, 11, 26). Within the theoretical perspectives associated with a deliberate view, this rationality has generally been depicted to stem from acting in line with either profit maximization goals or with the social system in which the organization operates and is embedded (Whittington 2001, 3-4). In existing coopetition research, profit maximization has often been regarded as an underlying element of managerial rationality. From a game theory approach, such notions become evident in the assumption that actors are able to assess the elements of the strategic game and possibly change the rules of the game in the market (see Brandenburger and Nalebuff 1995). Here, the focal intentions and strategic activities of the organization are superior to the mutual activities it shares with competitors (Brandenburger and Nalebuff 1995; Okura 2007). Accordingly, the nature of the coopetitive practices build on a rationally chosen balance between cooperation and competition (Whittington 2001, 14), which is preset and calculated at the outset of the coopetition strategy. Moreover, the practices underlying the interactions are based on predicting a competitive advantage from the intercompetitor relation by analyzing partner resources and capabilities alongside value creation and appropriation possibilities (Gnyawali and Park 2009: 320; see also Garraffo and Rocco 2009).

With this background, the strategic activities take on a more formal and rigid nature at both the intra- and interorganizational levels. Top management is recognized as prime practitioners controlling the competitive and cooperative activities through the deliberate construction of certain coopetitive practices and intentions (see Mintzberg and Waters 1985). The ability or mindset to perceive and manage opportunities for cooperating with a competitor is, thus, held and passed on first and foremost by executives (Gnyawali and Park 2011, 657; 2009, 324; Luo 2007, 143). In addition, whereas top management controls and possesses insights into the simultaneous existence of cooperation and competition, members at the operational level act and interact in accordance with either cooperative or competitive norms in the implementation stage (Herzog 2010, 210). Based on the preceding discussion, the following proposition is put forth to illustrate how coopetition strategy is manifested as a deliberate intra- and interorganizational activity:

Proposition 1: As a planned practice, coopetition strategy arises out of preformulated activities by top management at the outset, aligned with the focal organization’s intentions.

Current studies have underscored the prevalence of some intentionality (Dagnino and Rocco 2009, 292), for example, with regard to the risks involved in cooperating with a competitor.
Nevertheless, the need for recognizing unintentional features has also been raised (Bonel and Rocco 2009; Dagnino and Rocco 2009; Kylänen and Rusko 2011; Tidström 2008). Scholars using this stream of thought have conceptualized the control and prediction of coopetition as dynamic and challenging (Yami et al. 2010, 5). They have also acknowledged the influence of informal interactions, trust (Bengtsson and Kock 1999, 178; Castaldo and Dagnino 2009; Easton 1990, 73; Oliver 2004), and strategic learning processes (Mariani 2007). In response to this background, the value of integrating an emergent perspective arises.

**Coopetition as an Adapting Practice**

In viewing coopetition as an emergent strategy, the strategic activities form through spontaneous acts (Kylänen and Rusko 2011, 194), and without certain prearticulated intentions (Dagnino and Rocco 2009, 292; Tidström 2008, 212; see also Mintzberg and Waters 1985, 258), both within the organization and in its external value network (see Figure 2). In this scenario, the environment is assumed to be complex, dynamic, and challenging to predict. The market and the competition herein, rather than the top managers, underlie strategy formulation and reformulation through the market’s power to determine the efficiency and success of the strategy (Whittington 2001, 16).

Consistent with this line of reasoning, scholars have outlined the strategic activities underlying coopetition as externally imposed by institutions (Kylänen and Rusko 2011; Mariani 2007). On the one hand, emergent interorganizational features have been acknowledged through elements of opportunism, occurring without order in the relation and causing continuous changes in cooperative and competitive activities (de Rond and Bouchikhi 2004). Czakon (2010, 69) shows, for example, how coopetition emerges as practitioners make assessments, while realizing a purely collaborative strategy. On the other hand, the strategic activities have been, in a similar vein, outlined to adapt to the development of trust (de Rond and Bouchikhi 2004) and the accumulation of socially embedded experiences among the competitors (Castaldo and Dagnino 2009).

In addition, the emergent perspective questions the value and possibility of the strategic activities to be controlled and realized as intended owing to intraorganizational complexity. The organization is assumed to consist of members with different experiences, roles (Levitt and March 1988, 325), and, ultimately, contrasting views (Jarzabkowski 2005, 64; see also Regnér 2003, 78). Consequently, strategy formulation and implementation are characterized by the bargaining among organizational members (Whittington 2001, 22), rather than a straightforward adoption of articulated intentions by top management. Simultaneously, the emergent perspective acknowledges the possible influence of informal strategic activities inherent in social processes contrasting formal ones (see e.g., Oliver 2004).

As a result of the assumed intra- and intercomplexity of the organization, the emergent view depicts strategy formulation and implementation as gradually emerging and discontinuous (Whittington 2001, 4). Mintzberg and Waters (1985, 270) further emphasize that in the emergent strategy, managers learn and adapt to the experiences created and leave room for organizational members to form and reform the content of the strategy along the way. Following these notions, learning and adaptation have been highlighted as two central themes underlying the development of coopetitive strategic activities (Baumard 2009, 19;
Czakon 2010, 60, 68; Mariani 2007). Moreover, scholars have stressed the strategic influence of operational actors and middle management, despite their lack of formal strategic roles (see Kylänen and Rusko 2011; de Rond and Bouchikhi 2004). This latter notion relates to the common assumption of the studies assigned to this category (see Figure 2) that the formulation, implementation, and reformulation of coopetitive strategy practices become an intertwined and continuous process. The competitor’s ability to adapt, be flexible and learn from partners, and react to instabilities is acknowledged throughout strategy formulation and implementation. Hence:

Proposition 2: As an adapting practice, coopetition strategy arises out of gradual and ad hoc activities stemming from continuous social influence.

**Coopetition as a Reacting Practice**

As a reacting practice, emergent features of the coopetition strategy prevail at the intraorganizational level alongside deliberate features at the interorganizational level (see Figure 2). Given the assumption that top management can predict and control its external environment, the cooperative and competitive activities are rationally planned in a top-down manner. The strategic activities are, thus, preceded by preformulated intentions pertaining, for example, to economic benefits, an improved strategic position, and access to skill (Bonel and Rocco 2009). Moreover, and similar to the planned scenario, the coopetitive practices underlying the interactions between the competitors stem primarily from the focal organization. Support for such notions can be found in the strategic alliance literature. Herein, the formation of interorganizational practices has been explained in terms of “learning races” (Hamel, Doz, and Prahalad 1989; Khanna, Gulati, and Nohria 1998; Powell 1998). To this end, attention has been directed at competitive aspects and at the tensions, opportunistic behaviors, and knowledge appropriation concerns arising thereof (Das and Teng 2000; Khanna, Gulati, and Nohria 1998; see also Dussauge, Garrette, and Mitchell 2000).

On the one hand, complexity and delimited control by top management at the intraorganizational level signal the existence of emergent strategic activities underpinning the strategy. Alongside the deliberate nature, studies have acknowledged that the articulated intentions by top management may not be directly adopted due to the absence of a shared understanding, for example, of appropriate knowledge exchanges among operational actors (Hamel, Doz, and Prahalad 1989, 136). On the other hand, the aforementioned elements of self-interest underlie the emergent nature of the strategic activities at the intraorganizational level. The strategy is characterized by the existence of spontaneous reformulations of the preset mutual intentions by the focal organization, as the relation unfolds over time. Managers are consequently assigned the task to react and respond to unintended opportunities and challenges arising in the interorganizational interactions by formulating new practices and engaging new practitioners at the intraorganizational level (Bonel and Rocco 2009, 212).

These emergent features are further depicted by Khanna, Gulati, and Nohria (1998) through their emphasis on intraorganizational learning, which results in continuous reformulations of prevailing strategic activities. In view of the emphasis on learning, middle managers could become important players, mediating information to top management regarding interorganizational
activities. Nevertheless, this role remains indirect as, for example, Hamel, Doz, and Prahalad (1989, 138) suggest: “Learning begins at the top. … But most learning takes place at the lower levels of an alliance.” This discussion leads to the following proposition:

Proposition 3: As a reacting practice, coopetition strategy arises out of continuously reformulated activities by top and middle management against the articulated intentions agreed upon between the competitors.

Coopetition as a Contextually Derived Practice

As a contextually derived practice, coopetition is conceptualized as planned and directed in the organization’s internal value network (see Figure 2). The organization’s ability to plan and control the external environment is, however, delimited, giving rise to emergent features at the interorganizational level. This latter assumption is revealed through the acknowledgement of coopetition as an externally imposed value creation strategy. In the studies assigned to this scenario, coopetition, on the one hand, has been proposed to be socially and/or regionally embedded. For example, Choi, Garcia, and Friedrich (2010) show how the national business culture and strong friendship ties support the formation of coopetitive relations. Lechner and Dowling (2003, 13) highlight, in turn, the influence of regional proximity on interorganizational practices, such as a cooperative attitude, trust, and reciprocal behavior. Scholars within this stream, on the other hand, have acknowledged the influence of consumers, competitors (Luo 2007), and institutional actors (Kylänen and Rusko 2011; Mariani 2007). Finally, research conceptualizing intercompetitor cooperation, in view of the network-based nature of the industry and in relation to the creation of the market or establishment of standards (Fjeldstad, Becerra, and Narayanan 2004; Ritala, Hurmelinna-Laukkanen, and Blomqvist 2009), also supports the notion of coopetition as an emergent strategy at the interorganizational level.

The deliberate nature is revealed through the assumption that top management becomes the key player in reformulating the cooperative and competitive activities in accordance with socially or environmentally imposed directions. This deliberateness, for example, can reveal itself through coopetition as an entrepreneurial strategy (Mintzberg and Waters 1985, 260). Here, the entrepreneur controls the organization and imposes certain articulated intentions on other members simultaneously, as the need to adapt to the external environment prevails (Dagnino and Mariani 2010, 107). Accordingly:

Proposition 4: As a contextually derived practice, coopetition strategy arises out of formulated activities by top management as a consequence of environmental changes and requirements.

CONCLUSIONS

This study has set out to define coopetition strategy as an activity from a practice approach. The approach was adopted to provide a framework that explains how and why coopetition strategy, as a deliberate and emergent activity, is formulated and implemented internally in the organization, and, simultaneously, with respect to the intercompetitor relation. To understand the link between the actual activities of actors and coopetition as a value creation strategy, focus was directed at three elements underlying strategy. These were the actors with an influence on
strategy, the agreed ways of acting and interacting, and the actual strategy formulation and implementation activities. By distinguishing these elements, we explain how the organization’s internal and external value networks intersect. Consequently, we depict how coopetition strategy arises out of the simultaneous existence of cooperative and competitive activities of a more or less intended nature. Depending on the deliberate or emergent nature of the strategic elements and their intra- or interorganizational origin, four scenarios of coopetition as a value creating strategy were presented.

The activities underpinning strategy as a planned practice were characterized by prediction, rationality, and formality through top management control. As an adapting practice, the strategic activities were illustrated to form gradually or ad hoc through social influence, flexibility, and learning at multiple organizational actor levels. In the two other scenarios, simultaneous deliberateness and emergence were depicted. As a reacting practice, strategic activities form in the organization through continuous reformulations of the articulated intentions agreed upon by the competitors. As a contextually derived practice, strategic activities emerge at the interorganizational level due to externally imposed changes or regulations, after which the role of top management’s internal control is acknowledged.

Theoretical Implications

The strategy-as-practice approach advances our current understanding of coopetition strategy as a theoretical concept by approaching it as an activity. First, the approach puts particular focus on the actual effect of all individuals involved in and influencing strategic activities (Jarzabkowski and Spee 2009, 69–70; Johnson, Melin, and Whittington 2003, 5, 14; Regnér 2008, 570; Vaara and Whittington 2012, 309). In consequence, in addition to top management, other actors, such as middle managers, operational actors, and external actors, are incorporated in the definition of who constitutes a coopetitive practitioner.

Second, by approaching the social nature of strategy in terms of practitioner interactions in the internal and external networks, the simultaneous existence of cooperative and competitive interactions (Bengtsson and Kock 2000; Bengtsson, Eriksson, and Wincent 2010a) at multiple levels of analysis (Bengtsson, Eriksson & Wincent 2010b, 35) is embraced. Thus, the study takes the definition of coopetition strategy closer to its previously articulated features. Most important, by defining the coopetitive practitioners and the practices from which they draw, a link between actor involvement, at the microlevel, and coopetition as a value creating strategy, at the organizational level, is established (Whittington 2006, 615, 619; see also Jarzabkowski, Balogun, and Seidl 2007, 10; and Regnér 2008, 566). The social nature of practices also illustrates the simultaneous influence that organizational and institutional level practices have on cooperative and competitive activities (Tsoukas 2010; see also Golsorkhi et al. 2010; Vaara and Whittington 2012) and, thus, on shaping a coopetition strategy.

Third, consistent with previous research, this study highlights the possibility of a coopetition strategy to assume both deliberate and emergent features (Dagnino and Rocco 2009, 292; Kylänéné and Rusko 2011, 201; Mariani 2007, 120; Tidström 2008, 215). Particularly, emergent features, such as self-interest and opportunism of organizations, as well as environmental and continuous social influences on cooperative and competitive activities, provide insights into the dynamic nature of a coopetition strategy. Accordingly, the influence of informal and unplanned
interactions, both internally and in the intercompetitor relation, opens up the possibility for activities, not articulated as strategic at the outset, to be consequential for the strategy (Vaara and Whittington 2012, 310). As the scope of what constitutes strategic activities is broadened to include emergent activities alongside planned and controlled activities by top management, the strategy-as-practice approach serves to unify and advance existing coopetition research. The coopetitive framework developed in this article could also contribute to the strategy-as-practice field by shedding light upon practitioners and emergent strategic activities in a new context.

Limitations and Future Research

An interesting avenue for future research could be to further explore the nature and development of coopetitive practices and praxis at organizational, group, and individual levels, from both top-down and bottom-up perspectives (Vaara and Whittington 2012). Furthermore, the focus on strategy could extend from the intraorganizational level to also embrace the influence of, and interaction between, practices and practitioners at an extra- or interorganizational level of analysis in coopetition research (Whittington 2006). A limitation of this study stems from its conceptual nature. It would be of value to investigate empirically how coopetitive practices are actually expressed, developed, and communicated through strategy practices, such as discourse, formal documents, meetings, technological tools, and consulting tools (Jarzabkowski and Whittington 2008, 101).

The aspect of time has not been explicitly addressed in the article’s discussion on how coopetition strategy is manifested in the organization. Hence, further research could explore this matter and provide a more holistic picture of coopetition as practice by exploring how the deliberate and emergent nature of strategic activities change as the coopetitive relationship unfolds. Alternatively, research could focus specifically on the development of the coopetitive practices and explore what type of practices dominate in the early stage of coopetitive interactions and what type of practices are used in more mature intercompetitor relations stages. Research could also focus on how the strategic roles of coopetitive practitioners in the organization change as the strategy process unfolds over time.

Another avenue for research, which was beyond the scope of this study, is to analyze the influence of the level of strength of the cooperative and competitive interactions in the relation. Consequently, a valid inquiry is to discover if competition-dominated practices and cooperation-dominated practices are constructed differently. At an intraorganizational level, it could be of interest to analyze and determine empirically if certain coopetitive practices are boundary-spanning through different levels. In this way, future studies could explore if coopetition—as a new behavior that integrates cooperation and competition interaction logics—embraces the organization as whole or only parts of it. Finally, we hope the strategy-as-practice approach will spur additional future research paths to explore coopetition strategy as an activity.

NOTES

1. Depending on the level of deliberateness and emergence, Mintzberg and Waters (1985, 270) put forth, in addition to a purely deliberate and emergent strategy, six types of strategies. In explaining the simultaneous existence of a deliberate and emergent nature it remains, however, beyond the scope of the upcoming discussion to analyze and distinguish the degree of deliberateness and emergence.
2. The studies in Figure 2 have been selected as they provide theoretical and/or empirical insights into coopetitive strategic activities. The categorization of the studies seeks to explore the support for the assumptions underlying the four scenarios and to exemplify these scenarios. It is, however, beyond the scope of this categorization to provide an in-depth review of each study and the study’s potential applicability to several scenarios. It is also beyond the scope of this categorization to provide a review of the coopetition strategy literature as a whole.

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ARTICLE 3

Co-opetition: A source of international opportunities in Finnish SMEs

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Co-opetition: a source of international opportunities in Finnish SMEs

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Abstract

Purpose – The purpose of this paper is to study international opportunities gained through co-opetitive relations in small- and medium-sized enterprises (SMEs) as well as to examine the influence of different levels of co-opetition on international opportunities.

Design/methodology/approach – In order to achieve the purpose, multiple in-depth case studies are conducted in four SMEs.

Findings – The results reveal a paradigm shift in competition in an international context. Co-opetition has provided international opportunities for the case companies, though to varying degrees and character. Furthermore, international opportunities can be found in strong and weak cooperation-dominated relations as well as in equal relations between competitors. However, the different levels of co-opetition influence the characteristics of the international opportunities in terms of continuity and scope.

Research limitations/implications – The results highlight the importance of taking co-opetitive relations in general as well as the different levels of co-opetition within these relations into consideration when analyzing the exploration and exploitation of international opportunities in SMEs. The results are, however, limited by the number of cases analyzed and further research on a larger scale is needed in order to draw additional conclusions.

Practical implications – The influence of various co-opetitive relations found on international opportunities and competitiveness brings to light the value for companies to focus on and to develop these relations as well as to maintain a variety of cooperative relations with their competitors in the internationalization process.

Originality/value – The paper increases the knowledge on a yet largely unexplored, but significant topic, which is valuable both from a practical- and a research-oriented perspective.

Keywords Small to medium sized enterprises, International opportunities, Finland, Competitive strategy, Globalization

Paper type Research paper

1. Introduction

An increasing amount of internationalizing small- and medium-sized enterprises (SMEs) can be observed (Zain and Ng, 2006), although the internationalization process involves many new risks and challenges (Buckley, 1997; Zain and Ng, 2006). In addition, SMEs often have a limited amount of both tangible and intangible resources to use in this process (Buckley, 1997; George et al., 2005; Reuber and Fischer, 1997). Without sufficient resources, it can be difficult for the company to evaluate and successfully grasp international opportunities (Buckley, 1997); a crucial aspect, considering that the

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internationalization process begins with finding and seizing opportunities abroad (Hohenthal and Lindbergh, 2005). However, empirical results show that SMEs can offset their lack of resources in the internationalization process by cooperating and forming alliances (Lu and Beamish, 2001).

Increased cooperation can be found between companies that also compete with each other, namely in co-opetitive relations (Hamel et al., 1989; Meyer, 1998). Evidence of simultaneous cooperation and competition among companies implies that a paradigm shift (Kuhn, 1996) has occurred as competition is no longer considered as a barrier for cooperation. Through this shift, cooperation among competing companies may be seen as advantageous for the competitiveness, at the same time as new opportunities can be explored within this type of relations. However, research on cooperative relations between competitors can still in general be regarded as quite limited (Bengtsson and Kock, 1999, 2000; Walley, 2007), emphasizing a need for further research within this field (Walley, 2007). Overall, co-opetition is considered to be a relatively new concept (Levy et al., 2003), but it is becoming increasingly important (Ganguli, 2007; Walley, 2007), also in a global context (Luo, 2004). When analyzing co-opetition in an international context, Holmlund et al. (2007) found that it influences the export activities of SMEs to some extent. More specifically, Chetty and Wilson (2003) show that companies rely on their relations to competitors for important resources in the internationalization process. By that they conclude that horizontal relations need to be taken into consideration when studying the internationalization process. However, this has not yet been realized to any large degree. By viewing internationalization through co-opetitive relations, this study aims to contribute to our current understanding of network involvement in internationalization and thereby exemplifies the occurrence of a paradigm shift.

The purpose of the paper is twofold. First, it aims to explore what kind of international opportunities can be gained through co-opetitive relations in SMEs. Second, the paper seeks to categorize these international opportunities based on different levels of cooperation in competitive relations. The concept of co-opetition here refers to simultaneous cooperation and competition between companies operating in the same business (Bengtsson and Kock, 2000). Consequently, in a co-opetitive relation a company cooperates with another company within some activities and at the same time competes with the same actor within other activities (Bengtsson and Kock, 2000).

2. The internationalization process from a network approach
Coviello and Munro (1995) conclude that in order to fully understand the internationalization process, there is a need to study the company’s network, since there are empirical results which indicate that the internationalization process is influenced by network relations as well as by international opportunities deriving from these relations.

Håkansson and Ford (2002) describe the business market as a network consisting of companies linked together through interactive relations. In a similar way, Johanson and Mattsson (1988, p. 287) define industrial markets as “networks of relationships between firms.” Moreover, Håkansson and Snehota (1989, p. 191) depict the concept of networks as a “web of relationships” which occurs through an active interaction between the parties. Based on the established relations, resources and activities of the parties are linked together and are therefore also somewhat accessible to the parties through the exchange processes that take place within the network (Håkansson and Snehota, 1989).
The networks consist of both direct and indirect relations with, for example, customers, suppliers, distributors, and competitors (Johanson and Mattsson, 1988). Furthermore, these network parties can be divided into vertical relations (relations with customers and suppliers) and horizontal relations (relations with competitors and complementors) (Nalebuff and Brandenburger, 1996). Companies can simultaneously have several different kinds of relations with each other (Nalebuff and Brandenburger, 1996), and due to the multiple roles that companies can have, the functions of the parties in the network are becoming increasingly more difficult to define (Prahalad, 1995). Bengtsson and Kock (1999, 2000) claim that a firm can play different roles depending on available resources and activities performed. Accordingly, the roles performed will vary among different activities, although the actors are embedded in the same business network. The dynamics of the business network and the increased number of both vertical and horizontal relations give more multifaceted roles to the actors. Hence, the same actor can simultaneously have the role of a buyer, supplier, competitor, cooperative partner, and complementary actor.

When analyzing internationalization in a network context, Johanson and Mattsson (1988) argue that companies internationalize by creating positions in foreign networks. Johanson and Vahlne (2003) also acknowledge a need for a more network-oriented internationalization model, based upon the criticism that has emerged over the years regarding the incremental internationalization models (see Johanson and Vahlne, 2003, for an overview). The authors have, therefore, integrated the traditional step-by-step internationalization model with a network-oriented approach. Internationalization is presented as a continuous process where a company gradually internationalizes by developing knowledge and by increasing commitment to both international markets and to new and existing members of the company’s business network.

Previous studies of Chetty and Blankenburg Holm (2000), Chetty and Wilson (2003), Coviello and Munro (1995) and Zain and Ng (2006), for example, show the importance and influence of network relations on the internationalization process with a focus on SMEs. In conclusion, according to Holmlund and Kock (1998), there are three main factors affecting the importance of network relations on the internationalization process in SMEs. First, companies receive important information and resources for the internationalization process through the networks. Moreover, SMEs often access international networks indirectly through their current network relations. Lastly, social contacts are used to a large extent for information purposes related to the internationalization. However, an important aspect to remember is that network relations can also create limitations, for example, by restricting the company from developing and changing (Håkansson and Ford, 2002) or from creating new relations and opportunities outside the network as well as by becoming too dependent on the current network relations (Coviello and Munro, 1995).

Research concerning the influence of network relations on the internationalization process has almost solely focused on vertical relations within the network (Chetty and Wilson, 2003). However, theories and results that exist on vertical relations cannot be applied directly to co-opetitive relations without due care, owing to the differences that can be found regarding the characteristics of both vertical and horizontal relations. Horizontal relations tend to be less formal and more invisible than vertical relations. Moreover, interactions between the companies are characterized by an exchange of more information and social-oriented activities between the cooperating parties, compared to resource-oriented activities in vertical relations (Bengtsson and Kock, 1999).
3. Co-opetition in an international context

Bengtsson and Kock (1999) conclude that a company can simultaneously have four types of relations with their competitors; namely cooperation, competition, coexistence, and co-opetition. Co-opetition, which is the focus of this paper, refers to companies competing and cooperating at the same time (Bengtsson and Kock, 1999, 2000). Within co-opetitive relations, both financial and non-financial interactions as well as mutual and separate goals exist between the competitors (Bengtsson and Kock, 1999). Both Luo (2004) and Nalebuff and Brandenburger (1996) compare the concept of co-opetition to a pie. In co-opetitive relations, companies cooperate to create a bigger pie and then these same companies compete when sharing the commonly created pie. Furthermore, in co-opetitive relations the level of cooperation and competition taking place between the competitors can vary. According to Bengtsson and Kock (2000), there are three sub-categories of co-opetition; namely, cooperation-dominated relations, equal relations (where the level of cooperation and competition is the same) and competition-dominated relations.

The decision regarding which activities will be dominated by cooperation and which activities will be characterized by competition can be very difficult (Dowling et al., 1996). The results of Bengtsson and Kock (2000) reveal that activities further away from the customer tend to be more cooperation oriented, while activities closer to the customer are usually, though not always, characterized by competition. The literature review of Walley (2007) and the arguments of Luo (2004) support these results by confirming that more cooperation-oriented activities between competitors are, for example, research and development, purchasing, production, and marketing activities. On the other hand, companies often compete within sales, distribution and service activities (Walley, 2007).

Internationalization is a demanding process from many perspectives and it might be difficult for the company to go through with it alone (Hamel et al., 1989). Considering that some of the company’s resources and skills will be best used in combination with the resources of a competitor (Bengtsson and Kock, 2000) and, furthermore, since competitors, in this case global competitors, might have important resources such as knowledge, expertise, and mutual goals related to the internationalization process, co-opetition can be a wise strategy (Luo, 2004). Chetty and Wilson (2003) discovered that companies that were internationally active relied to a larger extent on domestically active firms on relations to competitors for important resources such as tangible resources, human resources (e.g. knowledge and experience), organizational resources (e.g. common strategies on finding and developing international opportunities), as well as technical and reputation-related resources. Moreover, Chetty and Wilson (2003) reason partially in line with the thoughts of Luo (2004) that the importance of co-opetitive relations in the internationalization process might result from the fact that by cooperating with competitors the company can get hold of current information and knowledge as well as significant tangible and intangible resources, since the companies operate in the same area of business.

Possibilities for cooperation between competitors in international markets are great and in general companies tend to cooperate in markets that might be difficult to enter (Luo, 2004). Furthermore, through network relations firms can acquire new opportunities
in the internationalization process (Chetty and Blankenburg Holm, 2000; Coviello and Munro, 1995). The process of finding and developing opportunities can be characterized by both competition and cooperation between companies in the network. Oliver (2004) concludes that companies might cooperate when it comes to finding new opportunities and compete when developing them further. Additionally, Bengtsson et al. (2005) argue that the strength of cooperation and competition within the network affects both the search for and the development of opportunities. On the whole, the research presented to this point implies a correlation between co-opetition and international opportunities as well as the internationalization process of SMEs. Therefore, the two remaining questions unanswered so far are first, what kind of international opportunities can be found and developed through co-opetitive relations and second, do different levels of cooperation between competitors somehow influence these international opportunities.

4. Methodology

Multiple case studies have been used to study the influence of different levels of cooperation in competitive relations on international opportunities in SMEs. Dubois and Gadde (2002, p. 554) state that: “The interaction between a phenomenon and its context is best understood through in-depth case studies.” Case studies are characterized by in-depth analysis of the research object, and this approach is favorable to apply when there is a limited amount of previous empirical evidence on the topic to build theories on, as well as when a subject needs to be studied from within its context (Ghauri, 2004). Yin (2003) and Eisenhardt (1989) point out that multiple case studies tend to be more favorable compared to single case studies when analyzing data. In addition, Eisenhardt (1989) recommends the number of cases to be between four and ten in order to obtain material which is neither too large and complex to analyze nor too scanty to base conclusions on. In this study, four SMEs are included. Moreover, a qualitative research method has been applied. By using qualitative methods, a comprehensive picture of the phenomenon can be achieved and at the same time the opinions, attitudes, and thoughts of each and every informant can be analyzed. The present study concentrates on the experiences, opinions, and thoughts of the informants on a complex subject. These aspects cannot easily be quantified, which makes a qualitative method more favorable. By using qualitative interviews, a deep discussion with the informants about the subject can be achieved (Bell, 2006; Ghauri and Grønhaug, 2005; Saunders et al., 2007). The empirical material has for these reasons been collected through individual semi-structured interviews with key persons, namely the chief executive officers (CEOs) of the four SMEs.

The four companies fall under the definition of SMEs according to the European Commission (2003). They belong to the same field of industry, manufacturing trailers as well as superstructures for trucks and trailer trucks. The cooperation within the network has existed for about five to six years.

The first company, referred to as Company A was founded in 1945. It nowadays specializes in manufacturing superstructures and trailers with fully foldable side doors. The export rate of the company is more than 80 percent and it has subsidiaries in Sweden and Norway. The company has importers in Denmark and Holland and agents in Iceland, England, and Germany as well as a dormant subsidiary in Russia. It has 170 employees and a turnover of €33 million in 2007.

Company B has 55 employees and a turnover of €8.4 million in 2007. It was founded in 1956 and manufactures customized trailer and superstructure solutions.
Approximately, 75 percent of the company’s products are exported, mainly to Sweden and Norway but it also has sales activities through an agent in Iceland.

Company C was established in 1966. It has 60 employees and a turnover of €10 million in 2007. Company C manufactures timber trailers, tipping trailers, open trailers as well as woodchip, and peat trailers. International activities consist of export activities to the Nordic and Baltic countries as well as to Russia.

Company D was founded in 1986 and manufactures trailers, swap bodies for light and heavy trucks, as well as thermo and freeze bodies. The turnover for 2007 was €9 million and the company has 47 employees. About 15 percent of the company’s turnover is exported to Sweden, Norway, the Baltic countries, and Russia.

5. Findings

Bengtsson and Kock (2000, p. 415) define competitors as “actors that produce and market the same products.” However, a broader definition of competitors from a customer’s point of view is presented by Nalebuff and Brandenburger (1996, p. 28):

A player is your competitor if your customers value your product or service less when they have your product or service alone than when they also have the other player’s product or service.

When analyzing the companies in the study, differences can be found in the products and solutions that each company holds. However, considering that the four case companies operate in the same product area and that customers can choose one company’s product or solution over the others’, the companies in the network are considered competitors in line with the definitions presented above. An interesting aspect to take into consideration, nonetheless, is that the companies themselves do not consider the others in the network as direct competitors. This highlights an important question regarding which perspective to use when identifying the company’s competitors; that is, is it up to the customer, the researcher or the company itself to define the competitors.

The informants emphasized that the companies are in the same area of business although they have all specialized in different areas. Moreover, they find weak competition to be a key point for their cooperation in the network, since it is considered very difficult, if not impossible, to develop cooperative relations with a company that you also compete strongly with. The CEO of Company B stated for example: “it is better to cooperate than to compete.” Competition does exist in the network, however. The CEO of Company A concluded that if the companies merely focus on the areas characterized by competition, then the cooperation and exploration of opportunities in the network cannot develop any further.

In general, relations in the network have developed through cooperation; before they were characterized by more competition. The CEO of Company A said:

[…] if you would have asked the same questions six to seven years ago, I would have considered them as competitors, but today I do not even consider them as competitors, so in this sense the attitudes towards the others change over time.

This is also in line with the thoughts of Luo (2004) as well as Bengtsson and Kock (1999). Co-opetition is a dynamic phenomenon that develops continuously. The reflections of the respondents show evidence of a paradigm shift. The companies still find it a paradox to cooperate and compete at the same time and as a result they emphasize cooperation and defuse competition to justify their co-opetitive relations.
This reasoning represents a normal response as it tries to explain behavior which contradicts the existing constellation of shared beliefs (Kuhn, 1996).

Simultaneous cooperation and competition is found between the companies, but differences exist in the levels of co-opetition. Based upon the informants’ opinions and descriptions, three different kinds of co-opetitive relations were identified, following the categorization developed by Bengtsson and Kock (2000). These categories were further expanded by taking into consideration the strength of the relations between the competitors. These relations are shown in Figure 1.

The CEOs of Companies A and B consider the cooperation between them as strong and the competition as more weak. The relations between Companies A and B used to be more competitive, but as relations have developed through cooperation the companies have been able to specialize in different products. Owing to lack of capacity, Company A has specialized and does not manufacture covered trailers anymore. Instead the company offers Company B’s covered trailer solutions in their portfolio of products in order to keep up the necessary product range demanded by the customers. Naturally the relation has evolved in a more cooperation-oriented direction through co-opetition. This co-opetitive relation can therefore be categorized as strong cooperation-dominated. The CEO of Company B also mentioned that there is some cooperation regarding the marketing of the products, since Company A offers Company B’s products at their trailer center in Helsinki. Furthermore, the companies buy components from each other and Company B uses the sales channels of Company A in Sweden and Norway.

The relations between Companies A and D are characterized by a relatively equal level of cooperation and competition. The companies manufacture similar boxes for trailers, but the relation has also developed in a more cooperative direction since Company D has lately bought chassis from Company A for their production. The companies also cooperate in a number of development projects. The companies compete in the Finnish market while they have agreed on dividing the Norwegian market, meaning that Company A only markets larger boxes and Company D smaller boxes. The CEO of Company A stated: “In Finland we are tough competitors while there is no competition in Norway.” However, in Sweden the companies have not made any contracts and Company D sells their products both directly to the customers as well as through Company A.

Companies B and D buy components and half-ready products from each other. They also cooperate to some extent when it comes to ready products, since they have

![Figure 1. Co-opetitive relations between the case companies](image)
the possibility to offer each others’ products and in this way expand their product ranges. Some cooperation can also be found within joint development projects. However, the CEO of Company B said that the companies discuss more with each other than actually exchange products. When analyzing the interactions between the companies, one can come to the conclusion that the relations are cooperation dominated but not that strong. Therefore, the relations between Companies B and D are categorized as weak cooperation dominated.

The interactions between Company C and both Companies A and B are of a more information- and knowledge-oriented character. The CEO of Company C considers the main purpose of the cooperation is to compare purchase prices, as well as to discuss with others and to get to know the points of views of someone else in the same business. Some financial exchanges do exist. For example, Company B buys components from time to time from Company C. All in all, the CEO of Company C considers the contact with Companies A and B as rather limited. Therefore, the relations between Company C and these companies are labeled weak cooperation dominated.

On the other hand, the relations between companies C and D are quite strong while the competition is weaker. These companies belong to the same group. However, even though they have the same owner, these companies do not have any other legal bonds between them. Furthermore, they have daily contact with each other and common development projects. They also buy components and ready products from each other. This relation is therefore referred to as strong cooperation dominated.

5.1 International opportunities through co-opetitive relations
The results show that the co-opetitive relations have brought international opportunities for the companies and thereby increased the competitiveness on the international market in a number of ways. First and foremost, the companies have been able to access ready established international distribution networks as well as new international contacts. This has in general led to an increase in the international activities of the companies. The CEO of Company D stated, for example, that the internationalization of the company would have been harder to realize without the cooperation and the ready-established distribution channels of Company A. Furthermore, considering that this CEO finds the retailers of Company A in Sweden and Norway to be one of their most important customers, cooperation in the international market has turned into a significant opportunity for Company D. Overall, the contacts and networks shared between the companies have opened doors and led to new opportunities. Moreover, they have made internationalization easier than if the companies had been alone in the process. Therefore, the results support the arguments of Chetty and Blankenburg Holm (2000) that companies, through their network relations, can create new relations and stimulate the internationalization process.

The companies in the study cooperate in the internationalization process regarding sales and distribution. These results are coherent with the results of Coviello and Munro (1995), namely that marketing-related activities such as sales tend to be an activity shared between network partners in the beginning of the internationalization process. However, these results disagree with specific studies on co-opetition. For example, Bengtsson and Kock (2000) and Walley (2007) argue that competitors often compete within sales and distribution.
Based upon cooperation, the companies in the network have also been able to build up and establish their names in an international context. The CEO of Company B pointed out:

We have been able to easily enter Norway and Sweden thanks to Company A, and through the sales organization of Company A we have been able to distribute our products and become known in both Sweden and Norway. This has been very important and good for us. Furthermore, cooperation has reduced the costs related to the internationalization process and the development of the international network. By cooperating with companies that are already active in the target market, it has been possible to increase the speed of internationalization. The CEO of Company B said:

It always takes a long time to enter a new market and if you are completely unknown and the name of the company is unknown then it is not so easy.

Based upon this, one can conclude that the network partners serve as valuable references as a result of the international reputation which they have created. Moreover, through these references new opportunities can open up. The results are thereby in line with the findings of Chetty and Wilson (2003) who found that companies rely on reputation-related resources such as international image and the credibility of the cooperating competitor in the internationalization process.

By way of cooperation in the distribution of the products, the companies have also increased their product range through having the possibility to sell the products and solutions of the other parties in the network in the international market. At the same time, the products of the other party are exported. In this way, the companies can focus on their core activities and specialize. This creates in fact a win-win-win situation both for the companies and for the customers. Company C, on the other hand, was able to decrease its product range and find its current product niche. Through the international contacts from the network the sales of timber trailers in Sweden increased considerably to 54 trailers in 2007, compared to the period prior to this contact when Company C sold approximately eight to ten trailers a year.

Another international opportunity identified in the co-opetitive relations is the sharing of customers’ inquiries between the companies. The informants mentioned that when one party in the network was unable to respond to an order, another party in the network managed to secure it. Therefore, the order or inquiry was passed on to another company in the network turning the action into an international opportunity. This was the case for both Companies A and B when they received orders from Russia through Company C. In addition, when considering the fact that Company B was not active in the Russian market, one could draw the conclusion that it might be important and valuable to receive these kinds of orders so as to obtain references and contacts in a new market.

Furthermore, the companies have increased their international knowledge by cooperating. The CEO of Company A stated, for example:

Company C had strong contacts to Russia so we have clearly been able to benefit from the contacts and their knowledge there.

All the companies in the network also share knowledge and information. This exchange can be of a more general kind regarding not only the development of business in the future but also more specific matters. For example, someone investigates
an international matter of mutual interest and shares this information. In this way, the companies try to reach a higher level of efficiency. These results are, therefore, consistent with the importance of knowledge and experience-related resources emphasized in network relations in the study by Chetty and Wilson (2003).

In general, many of the opportunities emphasized in this study are consistent with aspects identified in studies on the influence of network relations on the internationalization process, for example, by Coviello and Munro (1995) and later by Zain and Ng (2006). Lastly, this study provides support for the arguments and results of Chetty and Wilson (2003) regarding the various ways that domestically competing SMEs might cooperate in order to succeed in international markets.

5.2 The influence of different levels of co-opetition

Further analysis of this paradigm shift in internationalization was carried out to study the influence of different levels of co-opetition on international opportunities. These results are summarized in Table I.

In Table I, the international opportunities emphasized by the informants in each relation are presented with the company providing the opportunity placed first. The results show that Company A has provided the majority of opportunities in the network. This is due to the fact that Company A had ready established international contacts and distribution networks when the companies started cooperating and they have chosen to share this with the others. Furthermore, the CEO of Company A said

<table>
<thead>
<tr>
<th>International opportunity</th>
<th>Strong cooperation-dominated relation (Companies A and B, C and D)</th>
<th>Weak cooperation-dominated relation (Companies A and C, B and C, B and D)</th>
<th>Equal relation (Companies A and D)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key opportunities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access to international distribution networks</td>
<td>A-B</td>
<td>C-A</td>
<td>A-D</td>
</tr>
<tr>
<td>Access to international contacts</td>
<td>A-B</td>
<td>A-C/C-A/C-B</td>
<td>A-D</td>
</tr>
<tr>
<td>Reputation – establish the name in the international market</td>
<td>A-B</td>
<td>A-C</td>
<td>A-D</td>
</tr>
<tr>
<td>Increase in international knowledge</td>
<td>A-B/B-A/C-D/D-C</td>
<td>A-C/A-B/C-B/B-D/D-B</td>
<td>A-D/D-A</td>
</tr>
<tr>
<td><strong>Other opportunities</strong></td>
<td></td>
<td></td>
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<tr>
<td>Increase in international activities</td>
<td>A-B</td>
<td>A-C/A-C/B</td>
<td>A-D</td>
</tr>
<tr>
<td>Reduced costs</td>
<td>A-B/B-A</td>
<td>A-C/A-B</td>
<td>A-D/D-A</td>
</tr>
<tr>
<td>Increased speed of internationalization</td>
<td>A-B</td>
<td>A-C/A-C/B</td>
<td>D-A</td>
</tr>
<tr>
<td>Piggybacking on partner’s international reputation</td>
<td>B-A</td>
<td>C-A/C-B</td>
<td>D-A</td>
</tr>
<tr>
<td>Increased product range</td>
<td></td>
<td>A-C</td>
<td>C-A/C-B</td>
</tr>
<tr>
<td>Finding product niche</td>
<td></td>
<td>A-C</td>
<td>C-A/C-B</td>
</tr>
<tr>
<td>Sharing customers’ inquiries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sum of opportunities (n)</td>
<td>9</td>
<td>9</td>
<td>7</td>
</tr>
</tbody>
</table>
that so far the company has been the main coordinator and leader of the network. Company A has provided more advantages for the others in the network than the other way around. The CEO is, however, convinced that the situation will even itself out in the long run. Upon further analysis of the opportunities illustrated in Table I, the differences in the number of international opportunities provided by each company in every relation show that the give-and-take balance is in most cases rather unequally divided. The informants did not, however, to any great extent, reflect over these differences, indicating that this is not an issue for the companies involved in the network.

The same amount of opportunities were identified in weak cooperation-dominated relations as in strong cooperation-dominated relations, while the number of opportunities identified in the equal relation between Companies A and D differs somewhat. The results therefore partially contradict the arguments of Bengtsson et al. (2005) who state that opportunities within relations characterized by weak cooperation and weak competition tend to be limited due to restricted and sporadic cooperation as well as more or less absent competition between companies. However, the results also show that strong cooperation-dominated relations do not automatically provide international opportunities for the companies involved. The study namely revealed that Companies C and D do not cooperate within international activities and that these companies have therefore not developed any direct international opportunities through the cooperation.

In further analyses of the opportunities, differences were identified between the relations, given that the level of importance of the opportunities varies. To begin with, some of the opportunities presented are interdependent and therefore a result of each other. The first four opportunities highlighted in Table I, namely access to international distribution networks and contacts, the possibility to establish one’s name in the international market and the increase in international knowledge are considered key opportunities. This is due to the fact that many of the other opportunities listed below these, such as increase in international activities, reduced costs, increased speed, and product range as well as piggybacking on the international reputation of the partner, can be regarded as results of the four key opportunities. Moreover, there are differences in the continuity of the identified opportunities, contributing to the fact that the value of the opportunities differs. Opportunities such as sharing customers’ orders are occasional opportunities and they do not directly bring a continuous international opportunity to the company in the same way as access to the international distribution network; therefore, the value of the opportunity is more limited. In addition, the results reveal that opportunities, such as access to international contacts and distribution networks, as well as the increase in international activities, tend to be more limited in their character when based upon sporadic short-term opportunities; for example, the exchange of a customer’s inquiry.

The findings show that long-term, international opportunities can, to a larger extent, be identified in strong cooperation-dominated relations and equal relations. The international opportunities identified in these relations are profound and have been both strategically and practically significant in the internationalization process of two of the three companies involved. International opportunities of a more sporadic character can be found in weak cooperation-dominated relations. However, continuous international opportunities can also be found in weak cooperation-dominated relations.
such as between Companies A and C. On the other hand, the study also identified a weak cooperation-dominated relation between Companies B and D that has not provided any direct international opportunities besides the sharing of information and knowledge from time to time during common meetings. Another aspect of interest is that in a weak relation one of the parties can be a provider of continuous international opportunities of great strategic significance, while the other party provides only sporadic opportunities. This namely describes the situation between Companies A and C. However, in the strong and equal relations, the exchange is of a more continuous character in both directions.

All in all, weak cooperation-dominated relations can provide significant continuous opportunities, sporadic international opportunities, as well as no concrete international opportunities at all. Strong cooperation dominated and equal relations tend to provide more long-term international opportunities. However, international opportunities are not necessarily gained through these relations.

6. Conclusions
The findings of the study indicate a paradigm shift in competition in an international context. Through co-opetition, the companies have been able to find and develop both practical and strategic international opportunities and thereby have also increased the competitiveness. Further analysis of the different levels of co-opetition shows that international opportunities are not merely based on strong cooperation-dominated relations or equal relations, but also on weak cooperation-dominated relations between competitors. However, the results reveal that the different levels of co-opetition affect the characteristics of international opportunities to some extent. The international opportunities identified in strong cooperation-dominated relations and equal relations are more continuous and extensive in their character. Continuous opportunities of a great strategic significance were also identified in weak cooperation-dominated relations, though the majority of the opportunities identified in these relations were of a more sporadic character providing occasional short-term opportunities, perhaps as a result of the somewhat limited cooperation.

The influence of co-opetitive relations on the exploration and exploitation of international opportunities within SMEs identified in the study emphasizes the importance of taking co-opetitive relations as a potential source of international opportunities into consideration, both in practice as well as in future research. Based upon the variation in the characteristics of the international opportunities found in the different levels of co-opetition, companies need to carefully select and establish different kinds of relations with their competitors in order to create a variety of international opportunities. However, further research-based on a larger sample testing the identified influence of weak, strong, and equal relations between competitors on international opportunities is needed in order to be able to draw additional conclusions. Moreover, it would be valuable to further develop our knowledge about the potential and, more importantly, the desirable combinations of different kinds of co-opetitive relations in an international context, regarding not only the strength of the relation but also other characteristics such as practical and strategic implications. Finally, an essential topic for further research would be to investigate other sources and means for SMEs to find and develop international opportunities.
References


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This thesis focuses on the simultaneous existence of cooperation and competition between firms, and falls under the research area of coopetition. In recent years, coopetition, inherently complex and paradoxical in nature, has attracted increasing attention in both business practice and research. As a result, coopetition is confirmed as a phenomenon of contemporary importance to companies varying in size and industry. Moreover, from a research standpoint, coopetition has been established as a distinct theoretical approach to explain inter-firm relationships and, in particular, cooperation between directly competing firms.

Yet, to advance extant knowledge on coopetition, calls have been made for research scrutinizing the interaction process and focusing on the handling of simultaneous cooperation and competition, at multiple levels of analysis starting from the individual. To this end, the overall aim of this article-based thesis is to develop a theoretical understanding of how coopetition is maintained as a process and as a strategy, alongside an empirical understanding of the interplay between cooperation and competition. The thesis answers three interrelated research questions, addressing the dynamics of coopetitive interaction, the deliberate and emergent features of coopetition, and the balancing of cooperation and competition.

Article 1 contributes by conceptualizing change in coopetitive interactions through three mechanisms. The outlined mechanisms are inter-organizational learning manifested in cooperation between competitors, intra-organizational learning based on exchanges of contrasting experiences between individuals within the organization, and the development of the external business environment. The article further contributes by developing the notion that the nature of the change process underlying coopetition, in terms of the generative change mechanism and predefined or discontinuous character, depends on the balance and strength of the cooperative and competitive interactions.

In Article 2, the theoretical contribution comprises a framework explaining coopetition as a deliberate and/or emergent strategy. By integrating research on strategy-as-practice and, thus, focusing on the social nature of coopetition, the framework delivers four scenarios on how coopetition strategy manifests in an organization. The framework implies that coopetition strategy ought to be explained as an activity occurring across multiple levels in an organization, and at an institutional and inter-organizational level. Furthermore, the framework broadens extant views on individuals who influence strategy and activities that may be consequential for the strategy.

Article 3 contributes to discussions on the influence of different levels of strength of the cooperative and competitive interactions on relational outcomes. The contextual contribution lies in the study’s examination of coopetition in relation to the internationalization process and among a group of SMEs operating in a traditional manufacturing industry. Empirical results imply that the continuity, scope, and strategic impact of opportunities gained through coopetition vary with the balance and strength of the cooperative and competitive interactions.