The Effect of Coopetitive Interactions on Performance Outcomes

A Two-Sided Perspective on Dyadic Coopetitive Relationships

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Abstract

The business environment has become increasingly complex and dynamic in recent years, requiring companies to compete in a fast-developing and fast-changing environment. In order for companies to maintain sustained competitive advantage and success, they increasingly engage in various forms of inter-organizational alliances, which enable the creation of value. Value creation through alliances is often seen as a result of a purely collaborative behavior however, it can also result from the presence of collaboration and competition simultaneously. Thus, one form of inter-organizational alliances that has become increasingly popular both scientifically and practically in the last two decades is coopetition, the paradoxical relationship that arises when two or more companies cooperate and compete with each other at the same time.

We have detected three gaps in previous research on coopetition. Firstly, previous research has lacked to look at coopetitive interactions and their effects. Secondly, research has lacked to empirically investigate negative outcomes of coopetition. Thirdly, research has lacked to examine a two-sided perception of specific dyadic coopetitive relationships and their coopetitive interactions with regard to performance outcomes. This research gaps motivated us to find answers to the following research question:

“How do coopetitive interactions in a dyadic coopetitive relationship affect the performance outcomes of both partners in this relationship?”

As such, the purpose of the study is to explore the effect of coopetitive interactions on performance outcomes from a two-sided perspective in a dyadic coopetitive relationship. This further means exploring how coopetitive interactions occur, how such interactions impact performance outcomes, and what factors influence these coopetitive interactions.

In order to realize the research purpose consisting of four objectives, we conducted a qualitative study in form of semi-structured in-depth interviews with ten companies from different industries located in Sweden. This enabled us to get one two-sided perspective from two coopeting partners of the same coopetitive relationship and beyond some one-sided perspectives that still provided perceptions for both sides of the coopetitive relationship.

The findings and analysis show that the customer plays a central role in the decision for two companies to form a coopetitive relationship and engage in coopetition either out of mutual consent or out of force. Depending on if the customer has an unsought influence or a forcing influence on the decision to engage in coopetition, the interactions can be either cooperation- or competition-dominated. This further influences the degree of tensions, which are created internally, and these tensions influence the degree of reciprocity, which will ultimately affects the respective performance outcomes for both companies in the dyadic coopetitive relationship. Furthermore, we have figured out that these coopetitive interactions can be affected by a combination of managerial capabilities (proactivity, management frameworks) and social capabilities (commitment, trust, transparency, openness). As a result, we derived propositions and developed a conceptual model illustrating this process for validation in further research.
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1. Introduction

This chapter provides the reader with an initial background on coopetition, coopetitive relationships and their interactions as well as coopetitive outcomes. This will further lead to the problematization and research gap, which are the lack of attention on negative performance outcomes in coopetition and particularly the lack of a two-sided perspective on coopetition. From this a research question addressing this problem and research gap will derive and a purpose will specify four objectives for conducting this study, followed by the study’s scientific and practical contributions as well as its delimitations.

1.1. Problem Background

The business environment has become increasingly complex and dynamic in the recent years. Thus, it requires companies to compete in a fast-developing and thus fast-changing environment. In order for companies to maintain sustained competitive advantage and success, they increasingly engage in various forms of inter-organizational alliances, which enable the creation of value (Padula & Dagnino, 2007; Rai, 2013, p. 1). Value creation through alliances is often seen as a result of a purely collaborative behavior (Khanna et al., 1998; Rai, 2013, p. 2); however, in reality, it can also result from the presence of collaboration and competition simultaneously (Bengtsson & Kock, 2000; Brandenburger & Nalebuff, 1996). Thus, one form of inter-organizational alliances that has become increasingly popular both scientifically and practically in the last two decades is coopetition (e.g. Bengtsson & Kock, 1999, 2000, 2014, Bengtsson et al., 2010; Das & Teng, 2000; Gast et al., 2015; Gnyawali et al., 2008; Pellegrin-Boucher et al., 2013).

Coopetition is the coexistence of cooperation and competition with cooperation creating value and competition appropriating value (e.g. Bengtsson & Kock, 2000, 2014; Brandenburger & Nalebuff, 1996; Das & Teng, 2000; Morris et al., 2007). Thus, coopetition is defined as a paradoxical relationship that arises when two or more companies cooperate and compete with each other at the same time (Bengtsson & Kock, 2000, p. 412; Bengtsson & Kock, 2014, p.180; Morris et al., 2007, p. 35). This further means that companies who in reality are competitors producing and marketing the same products and services ally with the purpose to cooperate towards a common goal (Bengtsson & Kock, 1999, pp. 178, 190; Bengtsson & Kock, 2000, p. 416; Gnyawali & Park, 2009, p. 324). For this purpose, they can cooperate in certain business activities by focusing on specific market and product areas, while at the same time still compete in other business activities (Bengtsson & Kock, 2000, pp. 415-416).

Coopetition is a broad field comprised of different focal areas, such as drivers, the likelihood to coopete, or outcomes (Bengtsson & Johansson, 2014, p. 404; Bengtsson & Kock, 2014, p. 182). It has above become evident that coopetition is defined as a relationship and thus it can be argued that it has its point of origin in the relationship itself. Therefore, it is important to specify the different forms of coopetition, particularly as they can have different effects. Coopetition based relationships can differ in their number of actors involved, their simplicity versus complexity, or their degree of balance between cooperation and competition. Dagnino (2009, pp. 32-33) argues that interfirm coopetitive relationships can have different forms depending on how many firms are
involved and on how many levels in the value chain these firms are coopeting along. A coopetition situation comprised of two firms coopeting is referred to as a dyadic coopetitive relationship, while a coopetition situation comprised of more than two companies is referred to as a network coopetitive relationship (Dagnino, 2009, pp. 32-33). Furthermore, whether in dyadic or network form, the relationships can be either simple or complex depending on the amount of levels in the value chain they are coopeting along (Dagnino, 2009, pp. 32-33). Thus, coopeting along one level in the value chain only is either a simple dyadic coopetitive relationship or a simple network coopetitive relationship. Coopeting along several levels in the value chain is either a complex dyadic coopetitive relationship or a complex network coopetitive relationship (Dagnino, 2009, pp. 32-35). It is important to understand the different forms of coopetitive relationships not only because of their different effects, but also because coopetition is a multi-level phenomenon in which dyadic coopetitive relationships are embedded in a larger coopetitive network context (Bengtsson & Raza-Ullah, forthcoming 2016). This means that they affect and also are affected by other dyadic relationships within this network context (Bengtsson & Kock, 2000, pp. 421-422). Thus, even though described as different forms, dyadic coopetitive relationships and network coopetitive relationships should be regarded as interdependent rather than independent (Dr. M.K. Srivastava, personal communication, March 15, 2016).

Regardless of whether the coopetitive relationships are of a dyadic or network form, they can also differentiate in their degrees of balance between the two continua cooperation and competition. From this perspective, cooperation and competition “are two different interaction processes within a co-opetitive relationship (...)” (Bengtsson et al., 2010, p. 199). As such, according to Bengtsson and Kock (2000, pp. 415-416), these paradoxical coopetitive relationships can either be cooperation-dominated, equal, or competition-dominated. In cooperation-dominated coopetitive relationships, the coopeting actors put emphasis on cooperation, which implies that the degree of cooperation between the coopeting actors is higher than the degree of competition (Bengtsson & Kock, 2000, p. 416; Osarenkhoe, 2010, p. 356). Equal coopetitive relationships are comprised of an equal degree of cooperation and competition between the coopeting actors (Bengtsson & Kock, 2000, p. 416; Osarenkhoe, 2010, p. 356). Equal coopetitive relationships can appear either in form of weak competition and weak cooperation or strong competition and strong cooperation (Bengtsson et al., 2010, pp. 204-209). In competition-dominated coopetitive relationships, emphasis is put on competition, which implies a higher degree of competition rather than cooperation exists between the coopeting actors (Bengtsson & Kock, 2000, p. 416; Osarenkhoe, 2010, p. 356). The degree of balance is important as it determines the degrees of tension and dynamics in coopetitive relationships and their interactions (Bengtsson et al., 2010, pp. 204-209).

As the degree of balance affects coopetitive tensions and dynamics, these different types of paradoxical coopetitive relationships through their coopetitive interactions can lead to different benefits and drawbacks, which might affect the value creation process and thus the performance outcomes. According to Bengtsson et al. (2010, p. 206), in a competition-dominated relationship, the actors are confronted with a high degree of tension and lower dynamics, which makes it difficult to gain the benefits of the coopetition alliance. In a cooperation-dominated relationship, the actors encounter rather weak tension and also lower dynamics, which also might not result in gaining many benefits due to decreased pressure for improvement (Bengtsson et al., 2010, pp.
Nevertheless, actors in equal coopetitive relationships, whether in form of weak and weak or strong and strong, are confronted with no dynamics as extremes might destroy the interaction dynamics in the coopetitive relationship or as one interaction might outdo the whole relationship (Bengtsson et al., 2010, pp. 204-206, 209). Therefore, Bengtsson et al. (2010, p. 209) argue that the interactions should be relatively moderate and balanced on the respective continua, resulting in appropriate degrees of tension on both continua. The appropriate degree of cooperation will prevent over-embeddedness, while the appropriate degree of competition will enable companies to develop further (Bengtsson et al., 2010, p. 209).

It is evident that tension has a central role in coopetition. Coopetitive relationships have a tendency to generate higher degrees of tension than other relationships (Gnyawali, 2016, p. 19) and should therefore not be neglected. Tension and also interaction dynamics are affected by many factors, but three factors mentioned as important in coopetition literature are trust, commitment, and reciprocity or mutual benefit respectively (e.g. Chin et al., 2008, p. 451; Morris et al., 2007, p. 51). These in turn seem affected by the strength of the interactions on the respective continua (Bengtsson et al., 2010; Morris et al., 2007). However, trust, commitment, and reciprocity or mutual benefit are important in order to create common value and gain mutual benefits out of the coopetitive relationship (Bengtsson et al., 2010; Das & Teng, 2000, p. 78; Morris et al., 2007, pp. 51-52). If they are low or not given at all, companies will barely exchange information, knowledge and resources for the creation of value nor will they appropriate value, which will results in no benefits (Bengtsson et al., 2010; Morris et al., 2007; Tidström, 2014, p. 270). Therefore, it is of high importance to manage the tension within the coopetitive relationship accordingly, dependent on the strength of the interactions (Fernandez et al., 2014; Tidström, 2014, p. 270). However, depending on what type of tension coopetitive parties are dealing with and how this tension is managed, it can affect performance differently and thus lead to different outcomes both in general but also for the respective coopeteting parties (Tidström, 2014, pp. 269-270).

The different outcomes that result from coopetitive relationships can be both positive and negative, even though research has been focusing on the advantageous side of coopetition mainly while disregarding the disadvantageous side of it (e.g. Bengtsson & Kock, 2000; Gnyawali & Park, 2009; Padula & Dagnino, 2007; Park, 2011; Pellegrin-Boucher et al., 2013). By coopetiting companies can get access to information, knowledge, resources as well as gain time (Bengtsson & Kock, 2000, p. 424) or improve their market performance and a reputation for their business (Rodrigues et al., 2011, pp. 452-453). Generally, companies take “the advantage of the positive elements of both competition and cooperation” (Pellegrin-Boucher et al., 2013, p. 73). This implies that the coopeteting actors try to constantly improve and develop their activities, products, and markets to maintain competitive advantage, which refers to the positive side of competition (Bengtsson & Kock, 1999, 2000; Gnyawali et al., 2006, pp. 511, 527; Gnyawali et al., 2008). At the same time they also utilize the complementary resources from their coopetiting partner, which refers to the positive side of cooperation (Bengtsson & Kock, 1999, 2000; Gnyawali et al., 2006, pp. 511, 527; Gnyawali et al., 2008). Taken the positive sides of both competition and cooperation together creates syncretic rents, which means advantages (Lado et al., 1997, p. 123).

Advantageous outcomes that derive from such coopetitive relationships are several. Starting at the bottom, companies that coopete can develop new products or services to
increase their product portfolio due to the access to new capabilities and competences and also reduce costs for the R&D as well as accelerate the R&D of new products or services due to cost sharing (Bengtsson & Kock, 2000, p. 424; Gnyawali & Park, 2009, pp. 314, 322; Quintana-Garcia & Benavides-Velasco, 2004, p. 936; Ritala et al., 2009, p. 269). Furthermore, coopepetition can increase efficiency due to shorter lead times (Bengtsson & Kock, 2000, p. 424), economies of scale (Gnyawali & Park, 2009 p. 314; Morris et al., 2007, p. 38; Pellegrin-Boucher et al., 2013, p. 73), and the reduction of uncertainty and risk (Gnyawali & Park, 2009, p. 314; Gueguen, 2009, p. 143; Ritala, 2012, p. 318).

However, coopepetition can be assumed to not only entail positive outcomes, but also negative outcomes in form of risks and costs, though such negative effects are barely discussed in previous research. The main risk and also main cost that appears in coopeptive relationships is the fact that one coopeting partner uses the coopepetition situation to “better know, control, or weaken a competitor, in order to gain advantage in direct market conflicts” (Pellegrin-Boucher et al., 2013, p. 74). This further implies the risk of one party absorbing information and knowledge from the coopeting partner without transferring any information or knowledge as exchange, which leads to knowledge leakage (Gnyawali & Park, 2009, p. 323; Ritala & Hurmelinna-Laukkonen, 2009, p. 824). Besides, coopeting relationships might result in disadvantageous outcomes, such as technological risks, management challenges and the loss of control (Gnyawali & Park, 2009, pp. 314, 323). However, considering the amount of research that has focused on positive outcomes compared to negative outcomes, the benefits of coopetition seem to outweigh its drawbacks. It still seems to be a debatable point whether coopetition truly is advantageous or if appearances are deceiving, particularly considering the outcomes for the respective actors in the dyadic coopetitive relationship.

1.2. Research Gap and Research Question

From the problem background above, it becomes apparent that the majority of studies have mainly investigated the positive outcomes, while only a few studies have considered risks and costs of coopetition, which can be interpreted as negative outcomes even though not stated as such. Tidström (2014) argues that “literature on the outcomes of tensions in coopetition is seemingly nonexistent (…)” (p. 270). Besides the fact that tensions can be associated with negative outcomes rather than positive, the same is to some extent true for negative outcomes in general, which means all kinds of negative outcomes and not solely the outcomes of tensions. Negative outcomes of coopetition have not received much attention in coopetition literature yet. However, companies should not let the tempting advantages of coopetition blend them and consider the challenges, risks, and costs of coopetition (Gast et al., 2015, p. 509). Thus, further research is needed in this regard.

Another limitation in the majority of research on coopetition is that prior research has examined coopetition mainly from an observable one-sided perspective with focus on private rather than mutual benefits. Surprisingly, only a very few researchers have conducted research from a perceptual one-sided or two-sided perspective. Only one study has considered outcomes from the perspective of all actors involved so far; however in a network coopetitive relationship. Tidström (2014, p. 270) reveals in her study on managing tension in coopetition that outcomes are not wholly the same for all
parties and that outcomes can be positive for some parties in the network coopetitive relationship and negative for others. Based on this, it can be argued that very little research has been conducted on how outcomes differ for several companies within a network coopetitive relationship. Furthermore, no research has been conducted on how outcomes vary in dyadic coopetitive relationships, which play a more central role in an entire coopetitive network. It is a debatable point whether success for one company likewise means success for the coopeting partner company. It seems realistic to assume that in a dyadic coopetitive relationship one firm might take an advantage, while the other might take a disadvantage from it (Tidström, 2014); or that one side obtains more than the other side (Rodrigues et al., 2009, pp. 435; 453). Thus, research is needed that looks at how one side of a dyadic coopetitive relationship perceives the relationship, its interactions, and the outcomes for both itself and the coopeting partner, and furthermore a two-sided perspective is needed. This would increase the understanding for coopetitive relationships and their interactions and explore how their coopetitive interactions lead to potential differences in outcomes for the two sides. Bengtsson et al. (2010) round this up by saying that “there is a lack of knowledge about the effects of co-opetition and different types of co-opetitive interactions” (p. 210).

Summarized, it is apparent that this study has detected three major research gaps to be filled, namely (1) the lack of research on coopetitive interactions and their effects, (2) the lack of research on examining two-sided perceptions of specific dyadic coopetitive relationships and their coopetitive interactions with regard to performance outcomes, and (3) the lack of sufficient empirical research on negative outcomes of coopetition. Therefore, this study aims to answer the following research question:

“How do coopetitive interactions in a dyadic coopetitive relationship affect the performance outcomes of both partners in this relationship?”

1.3. Research Purpose

The purpose of the study is to explore the impact of coopetitive interactions on performance outcomes from a two-sided perspective in a dyadic coopetitive relationship. This further means exploring how coopetitive interactions occur, how such interactions impact performance outcomes, and what factors influence these coopetitive interactions. (1) Firstly, this study attempts to gather insights about the nature of dyadic coopetitive relationships and their interactions from two partners in a dyadic coopetitive relationship. (2) Secondly, by understanding the interactions of dyadic coopetitive relationships, this study attempts to understand how these interactions affect the performance outcomes of both parties engaged in this dyadic coopetitive relationship. (3) Thirdly, by investigating both positive and negative performance outcomes that result from these dyadic coopetitive relationships, this study wants to provide an understanding on if and how these outcomes differ for both parties. (4) Lastly, this study aims at finding out why or for what reasons respectively these outcomes differ, which means what factors influence the coopetitive interactions.
1.4. Intended Theoretical and Practical Contributions

The study builds on already existing literature in the realm of coopetition and intends to contribute both theoretically and practically. Therefore, the target audiences of the degree project are academics or researcher in the field of business administration and particularly in the area of business development, the management teams and employees of companies engaged in coopetition, as well as students that are interested in learning more about this area of research.

With regard to theoretical contributions, the aim is to advance the conceptualization and the understanding of dyadic coopetitive relationships and their interactions. This further means that the thesis intends to contribute to a new field of knowledge and structures on the nature of dyadic coopetitive relationships and their interactions, the consequences of coopetitive interactions on performance outcomes of both parties involved in the relationship, and what factors affect the coopetitive interactions. As such, the study aims to contribute with new and two-sided perspectives on coopetitive dyadic relationships and their interactions, and the negative effects of these relationships if they are not well maintained and developed.

With regard to practical contributions, the study intends to aid companies in understanding the complexity of coopetitive relationships and their interactions as well as their consequences with regard to the companies’ performances. This understanding might encourage the companies to form coopetitive relationships more consciously and proactively by considering what both partners in the relationship can get from this relationship. It might further help companies on how to manage the challenges of coopetitive relationships and their interactions as well as the factors that influence the coopetitive interactions in order to create a win-win situation.

1.5. Delimitations

Due to the limited scope of time and the limited resources at our disposal, both economically and geographically, we have chosen to delimit the chosen firms to that of the Swedish market. The study delimits the chosen industries, basing the majority of the interviews on that of the IT/ICT industry, and for reasons of comparison only a few companies from other industries have been chosen. The limited scope of time and the sensitive information being dispersed by the companies delimit the study further to only one pair of companies representing two sides of a dyadic coopetitive relationship being investigated, and beyond that only single companies representing one side of a dyadic coopetitive relationship.

The literature that we have used in the theoretical framework is delimited to that of the western world, making it more relevant and applicable to the study; however making it probably not applicable to companies outside the western world. Besides, the study is delimited to dyadic coopetitive relationships and their interactions as the aim of the study is to explore, describe and understand dyadic coopetitive relationships as it is easier to examine a relationship in a dyadic context than in a network context. Thus, the network context is only mentioned for the purpose of understanding that dyadic coopetitive relationship are part of a larger network context; however this study does not aim to look at the network context as it goes beyond the scope of the study.
1.6. Disposition

The study consists of seven chapters. Chapter 1: Introduction introduces the subject of our research and states a problem definition, which leads to framing the research gap, the research question as well as the purpose of our study. Chapter 2: Scientific Methodology discusses the scientific methodology that we have used and the implications on the research and the results. Furthermore it discusses the choices of the appropriate philosophies and research approaches. It discusses both the advantages and disadvantages in this context, building on this we conclude the most appropriate approach for the study. Chapter 3: Theoretical Framework provides an extensive literature review with reference to the concept of coopetition, dyadic coopetitive relationships and their coopetitive interactions as well as the resulting coopetition outcomes. The chapter introduces the most relevant theories, models, and concepts related to the topic at hand. Chapter 4: Practical Methodology enlightens the audience about the strategic research choices made for the data collection techniques that have been used and are presented in this chapter. Chapter 5: Empirical Findings present the findings based on four main categories that have been identified by a systematic review of the collected data. Chapter 6: Analysis interprets, analyzes, and synthesizes the empirical findings in the light of the study’s research question and theoretical framework with the aim to fill the research gaps and realize the study objectives. This will result in new theory built up from the ground. Chapter 7: Conclusion presents the key findings that derive from both the empirical findings and the analysis and answers the research question to fill the research gaps. Besides, it will also discuss the quality criteria to assess the quality of the work before finalizing the study with implications, recommendations, limitations and future research.
2. Scientific Methodology

_In this chapter we will introduce the research philosophy of the chosen study to be conducted and how this may affect the study that we have proposed. We will go on to present and discuss the epistemological view, followed by the choice of our research approach and design. In conclusion we will discuss the chosen theories and the critique of the chosen sources._

2.1. Choice of Subject

The outset of the study that has been undertaken is related to our two-year Master of Science level studies within the field of Business Development and Internationalization. The interest in the field of coopetition arose while it was introduced to us when we were enrolled in a module called “Managing Networks and Internationalization”. As such, in the beginning of the second year of our Master studies, we decided to write in the area of networking and internationalization as we gained valuable knowledge and an increasing interest in the field of “Managing Networks and Internationalization”. We came up with two topics that were either “business ecosystems/value networks” or “coopetition”. These ideas were due to several reasons, such as our interest in the course “Managing Networks and Internationalization” and its related topics, our understanding of the importance and relevance of networks, and strategic alliances for companies in value creation. Both are currently popular topics within business research, when for example reading scientific newspapers such as the Harvard Business Review.

As Professor Maria Bengtsson was assigned as our supervisor, we decided to write within the increasingly popular topic “Coopetition” as Maria Bengtsson mentioned that she likes to involve students in her projects. As she has huge knowledge and experience in her field, we considered her as an extremely valuable supervisor. Subsequently, we started searching for and reading scientific literature on coopetition, and made use of and analyzed the results of a quantitative study (a survey from 2015) provided to us by our supervisor. 220 firms previously participated in this quantitative study that was conducted by Umeå University in 2015, of which 64 firms mentioned a willingness and interest to participate in a follow up study. We started realizing that existing research has primarily focused on the positive sides of coopetition and less on the negative sides. Furthermore, we discovered that existing research has focused on a single firm in a coopetitive relationship, so the focal firm of the relationship. Besides, the results of the survey from 2015 showed that several companies experienced coopetition as a negative rather than positive experience.

All these considerations led to an interesting discussion and raised questions, such as whether coopetition is really solely positive, or whether all parties involved in coopetition benefit from coopetition or only one of them, or whether every coopetitive relationship really lead to common created value and a common positive outcomes. Hence, we started doubting that coopetition is a purely positive experience that creates common value and advantages for all sides. Based on this discussion, we came up with the problem of our study and an extensive research gap, a research question and a research purpose.
With the ability and permission to interact with the firms that participated in the quantitative study from 2015 as a part of our research project, the study can be seen as one that adds valuable information in the larger context of research within the specific field of business and more specifically coopetition. The research paper is however an independent degree project in the frame of the study being conducted, studying the link between coopetition and the positive and negative outcomes of the relationship that occur when two firms coopete. This is a relatively new subject and we think that our thesis will contribute knowledge that has both theoretical and practical relevance to the choice of the subject that has been decided upon.

The research paper will preferably focus on the perspective of two firms involved in a dyadic coopetitive relationship, through their respective coopetitive interactions and how these interactions impact the performance outcomes of both parties involved. The end-goal is to understand the perspective of each partner firm, gathering an insight into these interactions and by focusing on the dyadic coopetitive relationship. By focusing on the negative and positive aspects this study gives important insight about how these outcomes differentiate for both parties with the intention to find out why or for what reason these outcomes do differ.

2.2. Preconceptions

With reference to Nyström and Dahlberg (2001, p. 339), researchers must perform their research to the best of their abilities while at the same time taking into consideration the preconceptions and understanding that they already possess in order to remind them to maintain a neutral stance when conducting their research. Bryman and Bell (2011, p 414) elaborate on the understanding that preconceptions result from the researcher’s experience or previous encounters and therefore may influence the research being conducted (Nyström & Dahlberg, 2001, p. 342). Researchers have to be conscious about their own thoughts and perspectives at all times. Consequently we have been well aware of our prior experience, both with regards to our professional and academic backgrounds. Both of us have studied international business administration and relations on a bachelor level as well as gaining insight to the management of and development of businesses on both a regional and international scale. The knowledge we obtained through academia and practical experience has been used interchangeably between the two fields. This has resulted in us obtaining a mutual understanding of the topic of coopetition, focusing on the positive and negative effects of dyadic coopetitive relationships and their interactions with one another.

Throughout our Bachelor studies, we had the opportunity to discover the field of international business networks and how firms interact with one another on a multinational level through strategic alliances. This interest was further fostered in our Masters studies through one of our core subjects, which is “Managing Networks and Internationalization”. Therefore, when undertaking the Master thesis in our final semester we were well versed in the field of networking, of which coopetition has become a major component. We were well aware of the advantages that coopetition brought to companies that engaged in the activity, however we soon realized that there was a lack of theory on the negative aspects of coopetition and particularly a lack of a two-sided perspective. We found this enticing and realized that we would be able to add a degree of new theory to the field by exploring the consequences of coopetition for
both sides in a dyadic coopetitive relationship. Throughout our academic tenure, we have had the opportunity to engage in coopetition workshops, case studies, simulations and lectures as well as applying the theory that has been taught to us in real world scenarios through the engagement of distributors, suppliers and partners in our own businesses. Due to this previous experience we are of the firm belief that our practical experience concerning the concept of coopetition is noteworthy, enabling us to grasp the subject and in being able to identify both the positive and negative aspects of coopetition and being able to pinpoint the challenges in the discipline itself.

2.3. Research Philosophy

The research philosophy of the study being conducted can be determined in relation with that of the research question of the thesis. It is crucial that we as researchers choose the best plausible philosophical standpoints related to the research question and the purpose of the research. The assumptions that are raised by the research philosophy will allow us as researchers to emphasize the research strategy that we think best suits the study, and also elaborate on the selected methods that we have chosen to answer the research question in relation to our own perspective of the world. To be more precise the approach and different views of reality, the social beings and knowledge found within this realm (Hudson & Ozanne, 1988, p. 508). The research philosophy is made up of two philosophical branches, namely ontology and epistemology.

Ontology determines the author’s assumptions about the nature of the social reality, which can be either objective and external to that of the individual, or it can subjective and construed with individuals (Long et al., 2000, p. 190). The various aspects of the ontological philosophy can be presented through a spectrum and extends from objectivism to that of subjectivism. Through social research, objectivism is determined in believing that the social actors existence is independent from one another’s, while subjectivism believes that the opposite is true and may be defined in considering that social phenomena are created through the perceptions of the social actors and their interactions with one another and between them (Bryman & Bell, 2011, p. 22; Saunders et al., 2009, p. 110). Flick (2006, p. 78) discusses the term of social constructivism as a position, which is related to that of subjectivism philosophy. Social constructivism indeed does support the fact that the creation of a phenomenon occurs through that of social actors and their consequent actions. Social constructivism can therefore refer to have a social construction where the social actors can have different interpretations and meanings of the world and therefore believe in the fact that many different realities exist (Hudson & Ozanne, 1988, p. 509). These various interpretations can then affect their actions and their interactions with one another.

Through the investigation of the positive and negative aspects of coopetition in dyadic relationships, we deem that it is fit that our ontological standpoint in this research is to have one of a social constructivism view. It is of course evident that the process of coopetition involves multiple actors by involving individuals from various firms during the period of cooperation and competition. Our research question therefore determines the presence of social actors who collectively aim to create value in one-way or another. These actors with regards to the companies involved or the individuals within these companies can experience the process in multiple different ways. Therefore one actor involved in coopetition may experience it in positive manner while the other sees it
purely in a negative light. By having a constructivism position, we as researchers believe that the social actors involved in the research can and will have different interpretations as well as differentiating perceptions of the process, which could affect the relationship between them.

The epistemological standpoint refers to that of the basis of knowledge (Long et al., 2000, p. 190) and determines what knowledge is seen as acceptable or not for the authors while they conduct their research (Space & Spencer, 2003, p.13). The two ends of the perspective are represented by the knowledge that can be seen as objective and that is available to everyone and the knowledge seen as subjective and that is affected by the individual’s experience (Long et al., 2000, p. 190). Saunders et al., (2009, p. 113) further discusses the various and differentiating aspects, namely three of them, positivism, realism, and interpretivism. Firstly, positivism is related to that of the natural sciences in which researchers observe the social reality so that they may collect data in order to determine a hypothesis. These hypotheses have to either be confirmed or refused over the course of the research, in order to develop a theory that will be tested at a later stage. Positivists are ingrained in attempting to find out conditions, causes and the effects in order to generalize laws that exist (Hudson & Ozanne, 1988, p. 511). Secondly, realism on the other hand corresponds to the philosophical standpoint where the reality is independent of the researchers perspective and mind frame. Realism and the position of it require the understanding of data that has been collected and thereby demands that a scientific approach is undertaken. Realism can be broken down into two standpoints, that of direct realism in which the researcher experiences the reality and the world with individual senses while that of critical realism corresponds to that of the researchers experiences of reality and are expressed by sensations rather than that of feelings (Saunders et al., 2009, p. 114). Thirdly, the interpretivist stance supports the idea that the business world is complex and forever in flux, therefore it cannot be ruled by laws as such with the physical sciences, which are more able to distinguish a cause from that of an effect as the positivism (Hudson & Ozanne, 1988, p. 512). In the interpretivist perspective the researchers seek to determine motives, meanings and reasons for various outcomes (Hudson & Ozanne, 1988, p. 511) with an empathetic position where the researchers have to be transparent towards their own assumptions of the world around them (Space & Spencer, 2003, p. 17).

We as researchers have chosen the epistemological position of an interpretivist perspective in which we think that the social actors and firms involved in dyadic coopetitive relationships are able to interact with one another and are able to experience the process of coopetition in different ways. We therefore believe that our research question correlates and that it is suitable to have this view in order to gain an understanding of how performance outcomes for both sides are affected by coopetitive interactions in dyadic coopetitive relationships.

2.4. Research Approach

Philosophical standpoints lead researchers to determine what their research approach would be. We have previously mentioned that the position of the research being conducted is that of constructivism and interpretivism with regards to the terms of the ontological and epistemological standpoints respectively. Research approaches in the social sciences depend on the assumptions of the researchers in regard to their ontology
and epistemological positions; this statement is supported by Morgan and Smircich (1980, p. 49) who demonstrate that the research approach and all approaches are dependent on these assumptions. In line with the above statement Space and Spencer (2003, p.14) go on to determine that the research approach is a constant debate concerning the manner in which the knowledge of the study had been obtained throughout the research process. Therefore, several approaches exist in which one can conduct research. The two most common approaches in which to conduct research are the deductive approach and the inductive approach.

A deductive approach may be used when a specific theoretical position is made before the collection of any relevant data, in which the results of the study being conducted are collected and analyzed. Space and Spencer (2003, p.14) clarify that the results that are then obtained are used as an adequate conclusion. Ketokivi and Mantere (2010, p. 316) elaborate on the deductive approach which enables the researchers to develop a series of hypotheses that need to be tested in order to come up with a conclusion that will either refute or confirm the prior formed hypotheses. Thomas (2006, p.238) endorses the same standpoint by explaining that throughout a deductive approach, the researcher will need to investigate and analyze the data by comparing the results to that of previous hypotheses and assumptions developed by the researchers. When a researcher comes up with a hypothesis, which will be confronted with empirical data collection, the researcher is engaging and practicing a deductive research approach (Bryman & Bell, 2011, p. 11). It is evident from the multiple authors that we have cross-referenced that there is a common stance with regards to the deductive approach, which either aims to clearly confirm or refute a hypothesis made from an established theoretical framework.

With reference to our own research we have chosen to take on an extensive understanding of the field of coopetition, with regards to the extensive academic literature available to us, as well as with the engagement of professors and practitioners in the fields of academia as well as private business environment and public institutions. We did not choose to come up with a predestined hypothesis in order to test and clarify our theory, however due to studies of the same kind being related to our research, we would be able to support our findings in the existing research, by verifying or refuting existing research that is related to the field of coopetition.

On the other hand, Saunders et al. (2009, p. 41) defines the development of theories after the collection of data as theories that will be and are able to be related to that of existing literature in the specific field (Saunders et al., 2009, p. 61). To elaborate on this, conducting an inductive approach is related to the building of theory. Researchers first collect data, which then is used at a later stage to formulate a new theory or theories (Saunders et al., 2009, p. 126). Theory in inductive research is led by observation and the empirical findings serve as the conclusion of the research (Space & Spencer, 2003, p. 14). Through the process of conducting an inductive approach the researcher is able to directly have a perspective of the human interpretation on the social world being studied, more so than merely the development of theories. By undertaking an inductive approach, which we have chosen to do in our study, we as the researchers aim to gain a better understanding of the phenomenon of coopetition that we wish to conduct to the point of new theory development. This is validated by Ketokivi and Mantere (2009, p. 316) who state that an inductive approach concerns the fulfillment of a gap in specific theory by that of an untested theory.
In the case of our own research we believe that an inductive approach is the most beneficial and relevant to what we wish to gain from the research being conducted. The main goal of our research is to fulfill a gap, the gap being that of generating a new perspective on the positive and negative aspects of coopetition in a dyadic coopetitive relationship. The elements of an inductive research process are seen as a social phenomenon and involve that of human interaction and interpretations. In the process of constructing our interview guide, the themes that we have addressed do carry elements of our literature review, this is considered somewhat deductive in nature. However, throughout the thesis, the predominant approach used is that of an inductive one in order to gain an in-depth understanding of the subject matter and in order to develop a theory which could later on be tested by quantitative studies.

The research approach that we will undertake is inductive, meaning that the results of the study to be conducted will generate new theory from the empirical data collected through in-depth interviews. The reason an inductive approach is undertaken is due to the study being based on the principle of developing theory after the data has been collected (Saunders et al., 2009, p. 72). We will explore our data and develop theories from the data that will be subsequently relatable to the literature (Saunders et al., 2009, p. 92). As previous research is limited regarding the negative outcomes of coopetition and a lack of the perspectives of both actors involved in a dyadic coopetitive relationship it is necessary to explore this more in depth as defined in the research question. This case does not include a deductive approach that would aim to test theory from a hypothesis with the assistance of any empirical data (Eisenhardt & Graebner, 2007, p. 25).

Due to the approach being that of induction, the study is explorative by nature and is driven by empirical findings through data analysis. Explorative research is conducted when a problem has not yet been defined clearly; it takes places due to the researchers not knowing enough to make any relevant conceptual distinctions. As such explorative by nature means that in our study we are going to explore a new phenomenon that has not been clearly defined yet, which further means that we want to explore and gain insights about how coopetitive interactions affect the outcomes for two parties involved in a dyadic coopetitive relationship as this phenomenon’s nature is still unclear. Besides, explorative research assists in determining the most suitable research design, data collection methods and the selection of subjects to undertake, therefore definitive conclusions can only be drawn with extreme caution. When having an inductive approach, the study will aid in developing theory that may have been previously overlooked based on new empirical data. An inductive approach moves along in a linear fashion from data being collected and then in turn to findings that expand the knowledge through conclusive new theory being generated (Ketokivi & Mantere, 2010, p. 316).

Eisenhardt and Graebner (2007, p. 26) state and argue that both inductive and deductive approaches do complement one another and that newly generated theory and insights that are accurate may be further tested through a deductive approach to back the former, which can lead to a better validation of prediction and generalizability. As previously mentioned this study focuses solely on the inductive approach as we as researchers wish to focus on an under researched area that addresses the outcomes of coopetition for both parties in a dyadic coopetitive relationship. In relation to the chosen research philosophy we can build a better understanding of the phenomena to be studied. Saunders et al.
(2009, p. 127) confirms that it is more appropriate in the field of research to use an inductive approach when it is used in a study that focuses on a new and under researched area, due to the fact that it generates data that is to be analyzed and better linked to a theoretical methodology.

2.5. Research Design

The research design of the study being conducted raises the question as how to plan the research inquiry in order to answer the research question and fulfil the research purpose (Flick, 2006, p. 135). The various research designs have been identified, of which there are three designs. The research design is interlinked with three variables, namely that of ontology, epistemology and that of the research approach. The qualitative method of research requires that one has a subjective point of view or standpoint as an ontological philosophy and an interpretivist position as an epistemological philosophy with an inductive research approach (Ritchie et al., 2014, p. 31). A mixed-method approach to conducting research is associated with a realist standpoint of ontology, and interpretivist position as an epistemology and the research approach being either that of deductive or inductive. A mixed-method approach is a culmination of qualitative and quantitative methods; through a mix-method approach the researcher is able to better understand a specific subject (Saunders et al., 2009, p. 151). On the other hand, the quantitative method is correlated with a position of objectivism as an ontological perspective, a positivist epistemology and that of a deductive research approach (Saunders et al., 2009, p 41). As we previously mentioned, throughout the writing of this thesis, we as the authors have chosen an ontology that is subjectivism, an interpretivist epistemology and an inductive research approach. As a result of the chosen elements we believe that the chosen qualitative research design that we have chosen appears to be the best fit for our chosen topic, as it is new research we are conducting and wish to generate new theories from it. Throughout the conduct of this research, we have been successful in collecting more than relevant data from different actors spread out across multiple firms, both large and small in scale and their operational outputs involved in coopetition to some degree or another. The research question we have chosen and the purpose of the thesis in question imply the generation of a new theory concerning the impact of coopetitive interactions on performance outcomes from a two-sided perspective in a dyadic coopetitive relationship, which further corresponds to fulfill the need of an existing gap in the coopetition literature.

At this point of departure in the research being conducted, we assume that the quantitative method is not yet relevant nor is it adequate. Bryman and Bell (2011, p. 35) echo the same stance as they explain that with that of a qualitative method, researchers are able to produce theories and not test them, which may come at a later stage as the gap in the research, matures. Golouafsani (2003, p. 600) follows up on this, stating that by following a qualitative method, researchers are able to focus on the understanding and explanation of their research. This study seeks to follow, explain and analyze the phenomena of coopetition in order to gain a more in-depth understanding on the impact of coopetitive interactions on performance outcomes from a two-sided perspective in a dyadic coopetitive relationship. For the above-mentioned reasons it is clear to us that a qualitative research method is best suited for our specific research. It does not go without saying that we are well aware of the generalization that that of a qualitative study carries and therefore can be seen as complex. When using an inductive approach,
it is important that we as researchers have to be aware of the difficulties that exist in order to be certain whether our reasoning preserves the truth of the study or not. It is understandable that a deductive approach would appear more feasible in certain circumstances (Lukka & Kasanen, 1995, p. 73). Our epistemological stance can also influence the aspect of generalizability due to us having an interpretivist epistemology which implies that we have focused on the subjective meanings and social phenomena by attempting to understand the reality behind the details of the research (Saunders et al., 2009, p. 119). Lukka and Kasanen (1995, p. 86) state the authors can claim generalizability while conducting an inductive research approach by using extensive and substantial knowledge from prior studies conducted that give sound perspectives of the phenomena that is being studied.

2.6. The Choice of Theories and the Role of the Theoretical Framework

We have chosen theories based on our topic at hand, more specifically with regard to both the research question to be answered and the research purpose to be fulfilled. For that reason we have looked for scientific literature on “Coopetition”, which means theories on coopetition. From the course “Managing Networks and Internationalization” taken during our Master studies we had four articles on coopetition already, namely Bengtsson & Johansson (2014), Fernandez et al. (2014), Gnyawali & Park (2009), and Raza-Ullah et al. (2014). In order to search for more articles, we followed two approaches: Firstly, we searched for scientific literature by using Umeå University Library database (e.g. EBSCO, Emerald or Scopus). It was sufficient to use the key words “Coopetition” or “Co-opetition” considering the amount of published articles on coopetition. Secondly, we tried to find relevant sources by looking at the reference lists of previously found scientific literature. As an additional source, our supervisor Maria Bengtsson provided us with one single forthcoming scientific article written by her and Raza-Ullah and at that point of time accepted for publishing; however yet not being published.

As the research question of our study is comprised of the key variables or key concepts “coopetitive interactions”, “dyadic coopetitive relationship”, and “coopetitive performance outcomes”, we have primarily chosen scientific literature with theories related to these key variables. This means that coopetition literature dealing with coopetitive relationships and interactions as well as outcomes of coopetition has been chosen. However, considering the yet readily comprehensible amount of existing coopetition literature, we used the majority of articles on coopetition. Articles that are beyond the scope of our study have been assessed as not significant and thus excluded, for example articles that focus on intra-organizational or cross-functional coopetition as our study focuses on inter-organizational coopetition.

In addition to existing coopetition theories, we included points made by Dr. M.K. Srivastava since we got the opportunity to interview him as he visited Umeå University (the Interview Template is in Appendix 1). Dr. M.K. Srivastava is a knowledgeable researcher within the area of strategic alliances, more specifically he focuses on understanding the phenomena of technological innovation, strategic alliance portfolio, geographic clusters, and evolution of knowledge structure of firms; in particular, how firms generate technological innovations on a sustained basis using the external
mechanisms such as strategic alliances. However, his work also includes some research on coopetition. Hence, we took the opportunity to ask him several questions around the topic of “coopetition” in order to gain a better overview and understanding on coopetition beside the perspective that we have gained by reading scientific literature on this topic. Besides, it is interesting to have a kind of “expert” perspective. This personal communication with Dr. M.K. Srivastava happened at an earlier stage of our thesis and therefore helped us in deepening our understanding of coopetition before moving into the data collection for the generation of new theory.

Ultimately, the coopetition theories assessed as significant for our study with regard to our research question and research purpose and the valuable coopetition knowledge from the interview with Dr. M.K. Srivastava make up the base for the theoretical framework of our study. The role of the theoretical framework is then to situate our study in the context of previous research on coopetition. This means that our theoretical framework presents a critical synthesis of the chosen theories that we have assessed as relevant for understanding the key concepts of this study. Furthermore, the theoretical framework does not only provide a critical synthesis on the key concepts, but also makes up a base for the analysis of the findings of our study as we will use previous research to verify our findings.

2.7. Source Criticism

A large amount of sources from diverse academic articles have provided us with an in-depth perspective on coopetition. These academic articles have been sourced through numerous databases that provide academic articles to universities. When finding these articles, keywords were used to source relevant articles, these keywords have allowed us to find and review a large amount of suitable articles which all contribute to the theoretical framework of this paper. As per the requirements of the institution, published articles are preferred and therefore other research on the topic may have been overlooked. This does however make the selected articles a reliable source as they have been critically reviewed and approved. The references that have been selected come from scientific books; this is most evident in the methods section. The aim is to avoid any secondary sources as much as possible.

The thesis does not focus on dyadic relationships as a single variable in itself but as part of coopetitive relationships and its interactions, meaning that we focus on coopetition related literature only. Coopetition is a relatively under researched area there is indeed the point that the influence of previous researchers subjective views may be prevalent and therefore overlooking some notable aspects in the field. Coopetition and dyadic relationships is multifaceted with definitions being stretched to fit the context and theory of the study. The academic articles that have been selected give a global perspective and are produced in various geographies with different business climates.
3. Theoretical Framework

This chapter will address the theoretical framework for the chosen research study, which will be based on theories and concepts related to the field of coopetition. In more detail and with regard to the research problem addressed in this study, this chapter will provide an overview on the concept of coopetition, coopetition relationships and interactions, and the resulting outcomes of coopetition. The theoretical framework will attempt to provide a holistic perspective of the subject.

3.1. The Concept of Coopetition

In the past competition between companies was a traditional and also main approach (Walley, 2007, p. 15). However, with changes in the business environment, companies have drifted away from mainly competing with each other to also cooperating with each other (Walley, 2007, p. 14). Since then companies are engaging in strategic alliances of different forms in order to cooperate. Traditionally cooperation and competition have been seen as opposing and mutually exclusive activities (Walley, 2007, p. 12), implying that companies can either only compete with each other or only collaborate. However, growing markets, changing customer needs and the development of technology have again changed the competitive environment, thereby claiming for new types of alliances (Koza & Lewin, 1998). These new types of strategic alliances require both cooperation and competition simultaneously, which indirectly suggests “coopetition” (Hamel, 1991, p. 89; Khanna et al., 1998, p. 205; Walley, 2007, p. 14). Gast et al. (2015) even argue that “the concept of strategic alliances can be regarded as a cornerstone of coopetition strategy (...)” (p. 501), which reinforces Dagnino’s (2009, p. 30) assertion that strategic partnerships are never strictly competitive or strictly cooperative, but both simultaneously.

This development of competition and cooperation with regard to strategic alliances has led to the development of the term “coopetition”, whose definition, according to Gast et al. (2015, p. 507), is still not clear since existing definitions slightly differ and thus lead to general disagreement between researchers. Hence, when it comes to coopetition literature, three categories of studies exist, namely (1) coopetition, (2) competition-oriented cooperation, and (3) cooperation-oriented competition (Chen, 2008, pp. 292-295). For this study it is therefore important to first provide an understanding for the two elements cooperation and competition in order to understand the key concept “coopetition” as well as different types of coopetitive relationships, interactions, and outcomes.

3.1.1. The Competition Paradigm

The competitive paradigm has largely been shaped by Porter in the 1980’s by introducing concepts like “competitive strategy” and “competitive advantage” (Gast et al., 2015, p. 500). Broadly competition can be defined as a situation that occurs when two or more opposing or rival companies contend with each other for achieving higher profits and gaining competitive advantage over the other companies (e.g. Osarenkhoe, 2010, p. 345; Padula & Dagnino, 2007, p. 35). Furthermore, Bengtsson and Kock (2000, p. 415) and Osarenkhoe (2010, p. 345) define competitors as actors that compete for the
same customers as they produce and market similar products to satisfy a specific group of customers. As such, competition is “hostile” by nature (Gast et al., 2015, p. 503) and even seen as “business-as-war” (Nalebuff & Brandenburger, 1997, p. 28) since companies strive for own benefits and competitive advantage at the expense of the rival companies (e.g. Khanna et al., 1998, p. 194; Padula & Dagnino, 2007, pp. 33, 35; Rusko, 2011, p. 312). Therefore, competition describes private interests of companies as fully divergent between each other rather than convergent, and competition often results in a “zero-sum game structure” or a “win-lose/lose-win game structure” respectively (Brandenburger & Nalebuff, 1996; Nalebuff & Brandenburger, 1997, p. 28; Padula & Dagnino, 2007, p. 35; Rusko, 2011, p. 312). Consequently, competition includes one limitation, namely it ignores the relevance of positive interdependencies of cooperation within competition (Brandenburger & Nalebuff, 1996; Padula & Dagnino, 2007, p. 48; Rusko, 2011, p. 312).

3.1.2. The Cooperation Paradigm

The cooperative paradigm has diffused and been thought of as an alternative to the competition paradigm in the late 1980’s (Padula & Dagnino, 2007, p. 35). Cooperation is also known as collaboration and can broadly be defined as a strategic collaborative relationship between two or more companies in which the partnering companies combine complementary resources, capabilities and skills with the purpose of gaining mutual benefits out of it (e.g. Khanna et al., 1998, p. 194; Osarenkhoe, 2010, p. 346; Padula & Dagnino, 2007, pp. 33, 35). Padula and Dagnino (2007) emphasize that companies “interact on the basis of a fully collaborative game structure” (p. 36). As such, cooperation is “friendly” by nature (Gast et al., 2015, p. 503) and even seen as “business-as-peace” (Nalebuff & Brandenburger, 1997, p. 28) since companies maintain positive interdependencies with the aim that the positive performance of one company leads to a positive performance for the other one, which implies common benefits or collaborative advantages respectively (Padula & Dagnino, 2007, pp. 33, 35; Rusko, 2011, p. 312). This implies that cooperation represents collective interests rather than private interests and thus companies that cooperate have fully convergent interests (Padula & Dagnino, 2007, pp. 33, 35-36). As a result, cooperation produces a “positive-sum game structure” or a “win-win game structure” respectively (Nalebuff & Brandenburger, 1997, p. 28; Padula & Dagnino, 2007, pp. 33, 35; Rusko, 2011, p. 312). However, this also implies that, like competition, cooperation has one limitation, namely it disregards the existence of negative interdependencies within cooperation (Brandenburger & Nalebuff, 1996; Padula & Dagnino, 2007, p. 48; Rusko, 2011, p. 312).

3.1.3. Contradictory Logics of Interaction: The Coopetition Paradigm

The origin of the term “coopetition” is to a large extent still unclear (Gast et al., 2015, p. 507; Walley, 2007, p. 14), however, some researchers reckon that it was Ray Noorda, founder and former CEO of Novell, who shaped the term “coopetition” to express the need of simultaneous cooperation and competition (e.g. Chen, 2008, p. 289; Dagnino, 2009, p. 26; Dowling et al., 1996, p. 155; Nalebuff & Brandenburger, 1997, p. 28; Zhang & Frazier, 2011, p. 853). This need can be traced back to the limitations in the natures of cooperation and competition that both neglect each other (Brandenburger & Nalebuff, 1996, 1997; Padula & Dagnino, 2007, p. 48; Gast et al., 2015, p. 507; Rusko,
Hence, a new paradigm called “coopetition” was introduced by Brandenburger and Nalebuff in 1996. Brandenburger and Nalebuff (1996, p. 16) explain coopetition based on game theory and introduce a “Value-Net” framework, which represents the relationships and interdependencies among a network of five players, namely the focal firm (business), its suppliers, its customers, its competitors, and its complementors. Based on this, Brandenburger and Nalebuff (1996) broadly define coopetition as “duality in every relationship – the simultaneous elements of cooperation and competition. War and peace. Co-opetition” (p. 39). Thus, coopeting means cooperating and competing simultaneously with a complementary partner, which further means creating value through cooperation, while capturing value through competition; both at the same time (Brandenburger and NaleBuff, 1996; Nalebuff & Brandenburger, 1997, p. 28). Dowling et al. (1996, pp. 155-157, 165), who base their study on resource dependence theory and transaction cost theory, support this view by arguing that multifaceted relationships, which represent the concept of coopetition, are becoming a necessary strategy for companies to adapt to in order to create and capture value in the future. Furthermore, Lado et al. (1997, pp. 122-124, 132) illustrate coopetition as “syncretic rent-seeking behavior” and affirm that simultaneous cooperation and competition leads to competitive as well as collaborative advantage, and thus to a positive-sum game in form of greater syncretic rent for the company.

However, this prior research has provided a broad definition of coopetition only. Therefore, Bengtsson and Kock (2000) specify coopetition more narrow by defining it as a “dyadic and paradoxical relationship that emerges when two firms cooperate in some activities, such as in a strategic alliance, and at the same time compete with each other in other activities” (p. 412). These two coopeting firms are normally competitors producing and marketing similar products, which now still compete in certain activities, while also engaging into cooperation in other activities at the same time (Bengtsson & Kock, 2000, p. 415). Hence, the two contradictory logics are divided between activities and not between actors (Bengtsson & Kock, 2000, p. 415). More precisely, companies that coopete do so by cooperating in the upstream activities, such as R&D or purchasing, while competing in the downstream activities, such as distribution and service (Bengtsson & Kock, 2000, p. 424; Walley, 2007, pp. 17-18). Furthermore, in later studies, the authors modify their definition of coopetition by adding that it can be more than just two actors being involved in coopetitive interactions, regardless of whether it is a horizontal or vertical relationship (Bengtsson et al., 2010, p. 200; Bengtsson & Kock, 2014, p. 182). As such, even though coopetition is said to be the most complex relationship, it is also said to be the most advantageous relationship (Bengtsson & Kock, 2000, p. 411); not only for the coopeting companies themselves but also for their customers due to the common created value that likely would have not been created individually (Walley, 2007, p. 16). Therefore, coopetition exceeds the basic “positive-sum game structure” or “win-win game structure” of collaboration by resulting in a “variable-positive-sum game” or “win-win-win game structure” respectively (Dagnino, 2009, p. 36; Rusko, 2011, p. 312; Walley, 2007, p. 16). As a result, Dagnino (2009, p. 25), who defines coopetition as the hybrid relationship of competition and cooperation, expand the concept of coopetition by introducing the concept “coopetition strategy”. This coopetition strategy describes an interfirm strategy in which competing companies with partially convergent interests and goals agree to coopete in order to create value (Dagnino, 2009, p. 32).
Gnyawali et al. (2008) as well as Padula and Dagnino (2007, p. 47) initially supported the view on coopetition provided by Bengtsson and Kock (2000), namely that coopetition means the simultaneous cooperation and competition between the same partners at the same time. However, in a later study Gnyawali and Park (2009, p. 309) explain that coopetition in a broader sense means that the same partners cooperate at one time and then compete at a different time, or that companies even cooperate with a few specific competitors to be strong enough to compete with a few other specific competitors at a later time. This expanded view provided by Gnyawali and Park (2009) underlines the paradoxical nature of coopetition, which Raza-Ullah et al. (2014) examine more in-depth in a later study by looking at coopetition from paradox lens in order to understand the complex and contradictory phenomenon “coopetition”. According to Raza-Ullah et al. (2014, p. 190), coopetition should be regarded through a paradoxical lens since its contradicting logics make coopetition paradoxical. Based on this paradoxical lens view, the authors define coopetition as a paradoxical relationship in which interaction takes place through the simultaneous pursuit of cooperation and competition, and which comes into being once existing competitors agree on a cooperative undertaking towards a common goal, or once any collaborating partner brings out a product to the market of other partners (Raza-Ullah et al., 2014, pp. 189, 191). Ultimately, some authors argue that the many slightly different definitions still do not provide a clear and general picture or definition of the concept of coopetition; therefore, claiming for further research to find a proper and general definition of coopetition as well as a modification of the current definition of Bengtsson and Kock (2000) (e.g. Gast et al., 2015, pp. 510-512; Walley, 2007, p. 27). However, it is apparent that coopetition is a merger of cooperation and competition, which we illustrated in Figure 1.

![Figure 1. Coopetition: A Merger of Cooperation and Competition](image)

For our study, we consider coopetition as an interplay between cooperation and competition and thus from an activity perspective as defined by Bengtsson and Kock (2000). This means that we see coopetition as divided between activities rather than between actors since we focus on dyadic coopetitive relationships and not on a network, even though we can imagine and know that more companies can be involved. Furthermore, we look at coopetition from a two-continuum perspective, which implies that both cooperation and competition can be strong and weak, as we consider the paradoxical nature of coopetition and the resulting tensions and emotional ambivalences as explained by Raza-Ullah et al. (2014). Depending on the strength of cooperation and competition different types of coopetitive relationships can develop being balanced and strong, balanced and weak, cooperation-dominated or competition-dominated. We feel that the paradox and the different types of coopetitive relationships seem important in explaining coopetitive relationships and interactions as well as the resulting outcomes.
3.2. Coopetitive Relationships and Interactions

All inter-organizational or inter-firm relationships are part of a complex network of relationships (Bengtsson & Kock, 2000, p. 424; Wilhelm, 2011, p. 664) which is formed by the direction of relationships (vertical versus horizontal) and by the nature of interdependencies (competition, cooperation, coopetition) (Dowling et al., 1996, p. 154). According to Bengtsson and Kock (1999, p. 180; 2000, pp. 412-413), vertical and horizontal relationships admittedly have some similarities, but are still of totally different natures. The main difference in the nature of horizontal and vertical relationships is that horizontal relationships is based on force to interact and thus mutual dependence, while vertical relationships builds upon mutual consent to interact and thus a mutual interest (Bengtsson & Kock, 2000, p. 414). Coopetition evolves in both vertical and horizontal relationships (e.g. Bengtsson & Kock, 2014, p. 182; Gnyawali et al., 2008, p. 391). Horizontal coopetitive relationships are relationships between firms in an industry, which implies that coopetition takes place between direct competitors (e.g. Dagnino, 2009, p. 36; Gnyawali et al., 2008, p. 391; Osarenkhoe, 2010, p. 353; Tidström, 2014, p. 262). Contrary, vertical coopetitive relationships can be described as relationships between purchasers and suppliers, which implies that coopetition occurs between indirect competitors (e.g. Dagnino, 2009, p. 36; Gnyawali et al., 2008, p. 391; Osarenkhoe, 2010, p. 353; Tidström, 2014, p. 262).

Besides, Dagnino (2009, pp. 32-35) categorizes interfirm coopetition into two basic forms (dyadic coopetition and network coopetition), which results into four types of coopetitive relationships, which are simple dyadic coopetition, complex dyadic coopetition, simple network coopetition, and complex network coopetition (Figure 2). These four types of coopetitive relationships differ with regard to the number of companies involved in coopetition and the number of levels of the value chain in which coopetition takes place.

<table>
<thead>
<tr>
<th>Level of value chain</th>
<th>Number of firms</th>
<th>Two</th>
<th>More than two</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>Simple dyadic coopetition</td>
<td>Simple network coopetition</td>
<td></td>
</tr>
<tr>
<td>Several</td>
<td>Complex dyadic coopetition</td>
<td>Complex network coopetition</td>
<td></td>
</tr>
</tbody>
</table>

Figure 2. Types of Coopetitive Relationships, taken from Dagnino (2009), p. 33

Dyadic coopetition comprises relationships between two companies, which is known as firm dyads, while network coopetition refers to more complex relationships consisting of more than just two companies, which is known as the overall firm network (Dagnino, 2009, pp. 32-33). However, according to Madhavan et al. (2004, pp. 919-920), a relationship between three companies within the overall network is called a triad or triadic relationship, which dissents from Dagnino’s (2009) assertion that more than two companies involved make up a network coopetitive relationship. It should rather be more than three companies when following Madhavan et al (2004). According to Dagnino (2009, pp. 32-33), two companies that coopete along one single level of the value chain, for instance in R&D, are in a simple dyadic coopetition and thus can be
termed as a simple dyadic coopetitive relationship. Furthermore, if the two companies coopete along more than one level of the value chain, for instance in both R&D and also production, then they are in a complex dyadic coopetition and thus can be named a complex dyadic coopetitive relationship (Dagnino, 2009, p. 32-33). Network coopetition is similar to dyadic coopetition, but with more actors involved. Hence, if multiple companies coopete along one level of the value chain only, then this is a simple network coopetition and, as such, a simple network coopetitive relationship (Dagnino, 2009, pp. 32-35). If multiple companies coopete along various levels of the value chain, then they are in a complex network coopetition and can be termed as a complex network coopetitive relationship (Dagnino, 2009, p. 32-35). However, our study will focus on dyadic coopetitive relationships as we want to examine the outcomes of both companies involved in such a relationship.

All coopetitive relationships, whether they are dyadic, triadic, or a network, can be categorized based on the competitive/cooperative balance scale, which means based on the degree of competition and cooperation of their interactions (Bengtsson & Kock, 2000; Walley, 2007). Furthermore, the balancing of cooperation and competition is related to different types of tension (Tidström, 2014, p. 263), which means that coopetitive interactions create tensions (Bengtsson et al., 2010, p. 200). These tensions are conditions of cognitive and emotional stress and are composed of strain/discomfort and conflict/friction (Gnyawali et al., 2016, pp. 8-9). Hence, Bengtsson and Kock (2000, pp. 415-416) argue that three different types of coopetitive relationships exist, which are determined by the strength of competition and/or cooperation in their interactions (Figure 3). Coopetitive relationships within which interactions are more cooperative than competitive are cooperation-dominated relationships, while coopetitive relationships within which interactions are more competitive than cooperative are competition-dominated relationships (Bengtsson & Kock, 2000, p. 416; Osarenkhoe, 2010, p. 356). In his coopetition model, Osarenkhoe (2010, p. 356) terms the cooperation-dominated relationships, which consist of strong cooperation and weak competition, “Partner” due to companies looking for mutual benefits. Actors involved in these cooperation-dominated relationships often encounter low tension and limited dynamics, which decreases pressure to improve and thus makes it harder to achieve the desired benefits (Bengtsson et al., 2010, p. 207). Competition-dominated relationships consisting of strong competition and weak cooperation are named “Contender” as the companies compete for market share and market power (Osarenkhoe, 2010, p. 356). In competition-oriented relationships actors are faced with higher tensions and lower dynamics, which makes the creation of meaningful changes rather difficult and thus hampers achieving the desired benefits (Bengtsson et al., 2010, p. 206).

Figure 3. Different Types of Coopetitive Relationships, taken from Bengtsson & Kock (2000), p. 416
However, coopetitive relationships can also be equal relationships, which is the case when cooperation and competition are equally distributed, which means balanced (Bengtsson & Kock, 2000, p. 416; Osarenkhoe, 2010, p. 356). Following Osarenkhoe’s (2010, p. 356) coopetition model, these relationships can be either “Monoplayers”, which are relationships comprised of low cooperation and low competition due to lack of significant interaction; or “Adapters”, which means relationships consisting of high cooperation and high competition due to mutual dependency to achieve the respective goals. As both of them are extremes, actors within equal relationships are confronted with no dynamics at all since extremes might either destroy the interaction dynamics or one extreme interaction might outperform the whole relationship itself (Bengtsson et al., 2010, pp. 204-206, 208).

Hence, Bengtsson et al. (2010) state that “a combination of moderate cooperation and moderate competition is the most suitable for coopetition” (p. 208). This means that we have a state of dynamic coopetition (Figure 4), in which the interactions on the respective continua are neither too weak nor too strong but moderate (Bengtsson et al., 2010, p. 209). Furthermore, there is an adequate degree of tension in cooperation to prevent over-embeddedness and enable beneficial exchanges as well as an adequate degree of tension in competition to push companies to develop further (Bengtsson et al., 2010, pp. 209-210). Thus, a certain degree of tension is acceptable and tensions in coopetition do not necessarily need to be negative as mostly expected (Tidström, 2014, p. 270).

However, Gnyawali et al. (2016) argue that “(…) coopetitive relationships are particularly prone to high degrees of tension (…)” (p. 9), which implies that a balanced moderate coopetitive relationship (dynamic coopetition) is mostly difficult to achieve. As such, coopetitive relationships and their tensions have to be managed properly to keep tensions on an adequate level (e.g. Chin et al., 2008; Gnyawali et al., 2016; Tidström, 2014, p. 263). Besides relationship management, the best way to reduce tensions is by having a sustainable relationship comprised of high trust, commitment, and mutual benefit (Chin et al., 2008, p. 451; Morris et al., 2007, p. 51; Osarenkhoe, 2010, p. 353). Trust implies believing in the reliability of the coopeting partner with regard to, for example, sharing and using information and resources or balancing self-interests and mutual benefits (Morris et al., 2007, p. 41). Commitment refers to the degree of dedication or engagement with regard to creating mutual benefits (Morris et al., 2007, p. 51). As such, trust and commitment are related to the cooperation extreme and thus to lower tensions, which further means that distrust and under-commitment are related to the competition extreme and thus to higher tension (Bengtsson et al., 2010, pp. 206-207; Park et al., 2014, p. 212; Tidström, 2014, p. 270). Therefore, Chin et al. (2008, pp. 443, 451) argue that coopeting companies need to develop long-term trust and long-term commitment as both are critical success factors if companies want the coopetition to be successful. Ultimately, high levels of trust and commitment in a coopetitive relationship can positively influence coopetition outcomes (e.g. Bouncken & Fredrich, 2012, p. 20; Morris et al., 2007, pp. 51-52; Park et al., 2014, p. 219). However, taking into account that trust and distrust are two distinct constructs (Lewicki
et al., 1998, p. 444) and that coopetitive partners not only share knowledge, resources, and capabilities, but also try to protect those (Ritala & Hurmelinna-Laukkanen, 2013), trust and commitment have to be accompanied with a certain level of distrust as well in order to not become over-embedded.

3.3. Coopetition Outcomes

Coopetition outcomes are seldom described as outcomes per se in coopetition literature. Instead coopetition literature uses the term “firm performance” when investigating the consequences or outcomes of coopetition (e.g. Park et al., 2014; Quintana-Garcia & Benavides-Velasco, 2004; Ritala, 2012, Walley, 2007, p. 20). Furthermore, coopetition outcomes are also represented as positive consequences, advantages or benefits to emphasize the gains from coopetition and as costs or risks to stress the negative consequences of coopetition (e.g. Bouncken & Kraus, 2013, p. 2068; Gnyawali & Park, 2009, p. 314; Pellegrin-Boucher et al., 2013, pp. 73-74; Walley, 2007, p. 20). Besides, according to Bengtsson and Kock (2014, p. 182), the drivers or motives and the outcomes of coopetition overlap or are the same, thereby implying that the desired outcomes are mostly the drivers for the decision to coopete. As such, it could be assumed that literature on the drivers of coopetition can be interpreted with regard to outcomes as well.

Even though Bengtsson and Johansson (2014, p. 404) as well as Bengtsson and Kock (2014, p. 182) argue that “coopetition outcomes” is a focal area in coopetition research, coopetition outcomes still appear to be an unverified area (Walley, 2007, p. 20). Furthermore, current coopetition literature either examines coopetition outcomes rather from a broad perspective by listing a number of outcomes based on their conducted studies (e.g. Bengtsson & Kock, 2000; Gnyawali & Park, 2009; Liu et al., 2014; Pellegrin-Boucher, 2013; Rodrigues et al., 2011); or some studies examine coopetition outcomes from a more narrow perspective by looking at a specific outcome more in-depth (e.g. Bouncken & Kraus, 2013; Park et al., 2014a; Quintana-Garcia & Benavides-Velasco, 2004). This makes it difficult to grasp coopetition outcomes as a whole. For this reason, Bengtsson and Raza-Ullah (forthcoming 2016) provide a recent overview of coopetition outcomes by categorizing them into (1) innovation-related outcomes, (2) knowledge-related outcomes, (3) firm performance outcomes, and (4) relational-related outcomes. However, in order to underline that positive outcomes have been more widely researched than negative outcomes, we categorize coopetition outcomes more generally into positive and negative outcomes.

3.3.1. Positive Coopetition Outcomes

Both cooperation and competition have positive elements that lay the foundation for coopetitive advantage and thus for positive coopetition outcomes (Bengtsson & Kock, 2000, p. 422; Pellegrin-Boucher, 2013, p. 73). Bengtsson and Kock (2000), who are one of the first studies to mention outcomes, explain this further by proposing that “the advantage of coopetition is the combination of a pressure to develop within new areas provided by competition and access to resources provided by cooperation” (p. 422). As such, cost-sharing regarding new product development, shorter lead times, and contribution of the respective core competencies can be among the benefits that result from the elements of cooperation (Bengtsson & Kock, 2000, p. 422). Developing
products further and increasing efficiency can be among the benefits that derive from
the positive elements of competition (Bengtsson & Kock, 2000, p. 422).

Based on a sample of Turkish SME’s a few years later, Morris et al. (2007, pp. 51-52)
investigated that trust, commitment, and mutual benefit positively influence the
relationship between coopetition and firm performance. The higher trust, commitment,
and mutual benefit are in a coopetitive relationship, the better the company performs,
which then leads to positive outcomes such as leveraging resources for product
development, economies of scale, reduced costs, reduction of risk, and a better financial
performance (Morris et al., 2007, pp. 38; 51). Gnyawali and Park (2009, pp. 314, 322),
who also base their study on SME’s and additionally focus on technological innovation,
support this view to a large extent by stating three main benefits, which are economies
of scale, reduction of uncertainty and risk as well as speed in product development.
Economies of scale in R&D or innovation as well as the sped up product development
result from the combination and leverage of each other’s resources, competencies, and
capabilities (Gnyawali & Park, 2009, p. 322). Furthermore, uncertainty and risk are
reduced due to the distribution or sharing of costs for the R&D or innovation processes
these conditions companies benefit from better innovation and market performance

Gnyawali and Park (2009) provide a broader perspective on innovation performance as
they list overall benefits. However, Quintana-Garcia and Benavides-Velasco (2004, p.
936), who base their study on biotechnology SME’s, focus solely on innovation-related
coopetition outcomes and confirm that coopetition leads to better innovation
performance. The authors explain this further by arguing that cooperation with a direct
competitor enhances technological diversity and the development of product lines
(Quintana-Garcia & Benavides-Velasco, 2004, p. 936). However, coopetition increases
radical innovation rather than incremental innovation due to group thinking and the
resulting stimulated creativity (Bouncken & Fredrich, 2012, p. 19; Bouncken & Kraus,
2013, p. 2068). Furthermore, high trust and high dependency are necessary to benefit in
this innovation context (Bouncken & Fredrich, 2012, p. 20), which to some extent
supports the earlier study of Morris et al. (2007). Park et al. (2014, p. 219) add that
cooperation-dominated coopetition or strong balanced coopetition (high
cooperation/high competition) result in better innovation performance due to a greater
possibility of mutual trust, mutual commitment, knowledge sharing, and mutual benefit.
Ritala (2012, p. 318) confirms Park’s assertion that cooperation-dominated coopetition
increases innovation performance but not strong balanced coopetition since he provides
evidence that low competition intensity leads to better innovation and market
performance.

Liu et al. (2014, pp. 439, 452, 460) focus more on different types of coopetition
relationships and assert that the respective degree of cooperation and competition in
coopetition affects relationship outcomes (economic performance, knowledge sharing,
relationship satisfaction). As such, cooperation-dominated coopetition increases
relationship benefits, while competition-dominated coopetition decreases them (Liu et
al., 2014, p. 457). This further means that cooperation-dominated coopetition leads to
better economic-related outcomes (e.g. increased sales, stronger market position,
increased efficiency), better knowledge-related outcomes (e.g. knowledge-sharing,
knowledge-creation, knowledge acquisition), and better relation-related outcomes (e.g.
strong satisfaction with relationship) (Liu et al., 2014, pp. 452). The opposite is true for
competition-dominated coopetition. Ultimately, Liu et al.’s (2014) study supports
to some extent Rodrigues et al. (2011, pp. 452-453), who investigated coopetition from a
co-branding perspective, and claim that coopetition results in greater sales, greater
market share, and improved brand recognition. However, Rodrigues et al. (2011, pp. 452-453) also state that even though both coopeting partners gain positive outcomes, the
coopetition outcomes are never equal between the two. This further implies that one
side gains more than the other side.

3.3.2. Negative Coopetition Outcomes

Coopetition is not a pleasant experience for companies as it can entail many negative
consequences (Dr. M.K. Srivastava, personal communication, March 15, 2016). Thus,
coopetition can become a dangerous situation that does not necessarily lead to positive
outcomes, particularly if the coopetition takes place for a longer period (Pellegrin-
Boucher et al., 2013, p. 74). Pellegrin-Boucher et al. (2013, p. 74) explain that this is the
result of the reinforcement of competitive advantage by the competitor through
absorbing and leveraging the resources, competencies and capabilities of the partnering
firm. Besides, this can be traced back to the paradoxical nature of coopetition, which
lets some authors question the viability of coopetition and thus examining its risks and
costs (Bengtsson & Raza-Ullah, forthcoming 2016; Pellegrin-Boucher et al., 2013, p. 74).
In their forthcoming study, Bengtsson & Raza-Ullah (2016) clarify that the
coopetition paradox causes tensions and ambivalent emotions, which then lead to
negative outcomes rather than positive outcomes. However, only a few studies consider
the risks and costs that come along with coopetition (e.g. Gnyawali & Park, 2009, p.
314; Pellegrin-Boucher et al., 2013; Ritala & Hurmelinna-Laukkanen, 2009) and the
verification of risks and costs is lacking as well (Walley, 2007, p. 20).

Ritala and Hurmelinna-Laukkanen (2009, pp. 825-826) claim that negative effects of
competitive pressure lead to negative effects or outcomes, which implies that the higher
competition the higher the is the possibility to experience the risks and costs of
coopetition rather than positive outcomes. As such, it can be assumed that competition-
dominated relationships lead to negative coopetition outcomes. However, they lack to
list what kind of negative consequences coopetition can have. Therefore, Gnyawali and
Park (2009, pp. 314, 323) address three drawbacks related to coopetition, namely
technological risks, challenges in the management of coopetitive relationships, and the
loss of control. If a company gets a quite opportunistic coopetition partner and does not
deal carefully with it, the company runs risk that the coopeting partner absorbs all its
secret and proprietary knowledge and other resources (Gnyawali & Park, 2009, p. 323;
Pellegrin-Boucher et al., 2013, p. 74). This further means that technological innovation
is put on risk (Gnyawali & Park, 2009, pp. 314, 323) and the competitor can strengthen
its own competitive advantage in the market as explained by Pellegrin-Boucher (2013,
p. 74). Furthermore, managing the coopetitive relationship and its interactions is a quite
challenging task and if not managed properly, a company runs risk to lose control of the
partnership (Gnyawali & Park, 2009, p. 323). This implies that the competitor directs
the partnership and its operations towards own rather than mutual benefits. However, if
the coopeting partners do not share these risks and costs, then coopetition can also lead
to negative innovation performance (Ritala, 2012, p. 318). Particularly incremental
innovation is negatively affected (Bouncken & Kraus, 2013, p. 2068). Ultimately, Dr. M.K. Srivastava (personal communication, March 15, 2016) states that the negative will
override the positive if firms do not consider how to manage the aspects of coopetition. However, even though negative outcomes have been mentioned, little has been done empirically (e.g. Gnyawali & Park (2009) is a conceptual and not empirical paper).

3.4. Conceptualization of Theoretical Framework

In order to provide a clearer overview of the theoretical framework, we visualize it by linking and summarizing the theories into a model (Figure 5). However, the conceptual model serves as an overview for understanding the linkages in the theoretical framework and as a base for the empirical data collection, but not as a base for theory testing. The theoretical framework shows that coopetition is the paradoxical coexistence of competition and cooperation (e.g. Bengtsson & Kock, 2000; Brandenburger & Nalebuff, 1996). Furthermore, from a two-continuum perspective, coopetitive relationships can either have a higher degree of competition (competition-dominated relationship) or a higher degree of cooperation (cooperation-dominated relationship) if not being balanced (weak/weak, strong/strong, moderate/moderate degrees of competition and cooperation) (Bengtsson & Kock, 2000; Osarenkhoe, 2010). The degree of competition and cooperation in a relationship influences the degree of dynamics of its interactions as well as the degree of tension within it (e.g. Bengtsson et al., 2010). Trust/distrust and commitment/under-commitment can affect the strength of these dynamics and tensions in coopetitive relationships (e.g. Chin et al., 2008, p. 451; Morris et al., 2007, p. 51). Ultimately, depending on the degrees of dynamics and of tension caused by the coopetitive interactions, coopetitive relationships lead to certain either positive or negative performance outcomes (e.g. Gnyawali et al., 2016; Liu et al., 2014; Park et al., 2014; Walley, 2007). Based on the reviewed literature, we have categorized the performance outcomes into positive outcomes and negative outcomes. This model shows the interesting link between coopetitive relationships, its interactions and the resulting performance outcomes, which is interesting to explore from a perceptual perspective provided by the actors involved in such a (dyadic) relationship.

![Figure 5. Conceptualization of Theoretical Framework](image-url)
4. Practical Methodology

This chapter will present the practical methodology for this thesis. The practical methodology will begin with an explanation of the empirical research that has been conducted, both the research strategy as well as the interview process that was undertaken. The practical methodology will also consider the ethical considerations that will be presented along with the acknowledgment of the practical limitations of this thesis.

4.1. Research Strategy

The research strategy systematically guides the researcher in answering the research question by choosing a specific research strategy, which is in line with the chosen research philosophy, research approach, and research design (Saunders et al., 2009, pp. 138-154). As we have chosen an ontological standpoint that is objectivism, an epistemological standpoint that is interpretivism, an inductive research approach, and a qualitative research design, we will collect data by conducting interviews and analyze the collected data by applying Grounded Theory. According to Starr (2014, p. 241), conducting in-depth interviews is one qualitative data collection way that is particularly suitable in business and economic research. We will present the chosen qualitative sampling method, the chosen qualitative data collection method, and the data analysis strategy in-depth in the following sections:

4.1.1. Qualitative Sampling Method

During qualitative research methods it is probable that the researchers are unable to determine any form of probability sampling (Ritchie et al. 2003, p. 78). This occurs for certain types of studies and therefore a non-probability sampling method would be applied. On the other hand, for a non-probability sampling to take place there exist no specific rules to follow, but rather results from the judgment of the researchers. Several kinds of non-probability sampling exist such as quotas, snowball sampling, self-selection, purposive and convenience (Saunders et al., 2009, p. 236). Research sampling must fulfill the purpose of the study (Collingridge & Gantt, 2008, p. 391). Our research corresponds mostly to that of a purposive sample whereby we as the researchers have gone on to interview the individuals involved in the coopetitive relationships selected by ourselves. By us conducting this sample, it will be evident that we have conducted our research with relevant judgment of who were the most suitable to answer the research question to the best of their abilities, that would meet our purpose and objectives of the study (Collingridge & Gantt, 2008, p. 391). The choice of our sampling is backed and highlighted by the fact that our research topic is new in the field of coopetition and that of the business realm that coopetition falls in.

Due to us choosing a non-probability sampling, especially that of the purposive sampling technique we were able to make the judgment of acquiring as many respondents as we saw fit until we thought that we had reached a suitable number for the sample size we wished for. The purposive technique does not allow for any generalizations to be made, which we are aware of, as a representative sample will not be reached (Saunders et al., 2009, p. 239), taking note of this is a formality as we had no
intentions of generalizing any outcomes but instead focus on the understanding of the circumstance of the positive and negative outcomes in coopetitive dyadic relationships.

As has previously been mentioned we have chosen to undertake a technique of purposive sampling in order to conduct the research. Ritchie et al. (2003, p. 80) states that a purposive sampling technique requires that the selection of participants be in relation to that of others. The participants have been selected based on their involvement in coopetition within their own firms and that they have previously engaged in a quantitative survey conducted by Umeå University in 2015, from which we were able to extract data from through numerous SPSS files. The individuals were selected on their former experiences with regards to coopetition and those that reported more negative effects with regards to coopetitive relationships were short listed as possible candidates to contact. For us to have a comprehensive perspective, we selected those working in coopetition such as experts in the field, as well as managers, researchers and Chief Executive Officers. By doing so we found a commendable sample of individuals involved in coopetition across multiple industries.

We were well aware that at times the sensitivity of the research being conducted resulted in some individuals’ being more recluse than others and due to the limited time, scope and cost we chose to select participants based predominantly in Sweden. The focus of this study explains that we chose the participants due to their vision on coopetition and their extensive knowledge about coopetition, which would allow us to gain feedback from them with diverse orientations, gaining an inside-out and outside-in perspective on the topic of coopetitive relationships. The participants had to meet a specific managerial role on the matter of coopetition before being selected; therefore our target was predominantly senior level executives who have dealt with coopetition beforehand. Interviews were conducted in English; therefore a decent level of the language was required to conduct the interview, which was communicated to them beforehand. All companies were initially contacted via an email process, in which the subject matter of the research was introduced as well as why their participation is beneficial.

As already mentioned, we initially approached companies provided by the prior quantitative data, however due to certain hurdles such as time constraints and that we additionally had to contact and consider other companies that were not included in the quantitative survey from last year. However, they were also chosen based on the requirements mentioned in the previous paragraph. The process took up to much time as respondents expressed they were not available at such short notice. This sampling resulted in ten companies that were identified to be suitable for the study. The coopeting partners IBM and SAP were identified as well as the companies Acreo Swedish ICT, MedTech Group (pseudonym), IT-Factory AB (pseudonym), Revenues AB, Algoryx Simulation AB, Vitec Software Group AB, Redloop and Ericsson. IBM was identified in the quantitative study from 2015 and provided us with its coopeting partner SAP. Acreo Swedish ICT, MedTech Group, Redloop, and Ericsson were identified in the quantitative study from 2015 as well, while the remaining companies IT-Factory AB, Revenues AB, Algoryx Simulation AB, and Vitec Software AB were not included in the quantitative study from 2015. Besides, these selected firms were asked to name a coopeting partner, which was contacted in order to gain the two-sided perspective of the dyadic relationship we wanted to achieve. However, even though we got provided with coopeting partners of all companies, we have not been able to get interview
appointments with them in due time. As a result, we only got one pair of companies providing a two-sided perspective, namely IBM and SAP. In addition, we have seven companies providing their perceptions on the whole coopetitive relationship (meaning the companies provide their perceptions on the other side as well, which means that they provide it on both themselves and the partner side), and one company who is currently not doing coopetition but is planning to do it very soon. However, as the seven companies provide their perceptions on both themselves and their partners, we see this as a kind of first two-sided perspective. Therefore, we decided to stick with the “two-sided perspective” in both the heading and the research gap, question and purpose of our thesis. We are the first ones to examine a pair of coopeting companies from a two-sided perspective at all, and, additionally, the single companies describe their perceptions for the whole relationships thereby including perceptions on the other side (the partner), so kind of two sides. Our sample companies and some of their characteristics are presented in Table 2 in Chapter 5.

4.1.2. Qualitative Data Collection Method

Within the qualitative research method, researchers must approach the participants through a series of interviews in order to decipher and understand the respondents, the way they perceive various concepts and their own perspectives communicated in their own words (Kvale, 1996, p. 70). Through engaging in this process the researcher is able to describe the experiences of the respondents through interpretation and the meaning of the phenomena that is being discussed (Kvale, 1996, p. 30). Different interview techniques exist, namely structured, semi-structured or unstructured interviews. The choice of a specific research technique can be justified by the research topic that is being studied, the purpose of the study and the objectives of the researchers and what they wish to achieve through their research. The researchers would conduct structured interviews, which are defined as a standardized interview procedure; this structure would have a standard set of question for all participants involved. This interview procedure would be used when the researchers wish to obtain results that can create a generalization with reference to a population group (Bryman & Bell, 2011, p. 204). However, when researchers wish to understand the perspective of their participants, the use of unstructured interviews will be implemented as in the case of the research we are conducting in the field coopetition focusing on the positive and negative aspects of a coopetitive dyadic relationship.

The purpose of our research is to understand the effect of coopetitive interactions on performance outcomes from a two-sided perspective in a dyadic coopetitive relationship. This further means exploring how coopetitive interactions occur, how such interactions impact performance outcomes, and what factors influence these coopetitive interactions. It is therefore an exploratory study. An exploratory study will allow us as researchers to aim and figure out what is taking place within these relationships, while seeking new observations (Chisnall, 2005, p. 37). With regards to this research and in order to make it successful, we believe that the semi-structured interview technique would be the most suitable, as the purpose of our research will lead us to look for a greater understanding of the phenomenon of coopetition and the positive and negative effects of these coopetitive dyadic relationships and their interactions. Therefore, we do not think that structured interviews would be appropriate to understand the impacts of the various variables in these relationships. With the use of a semi-structured interview
technique, it will lend the respondents a degree of freedom throughout the interview, although the interview is in some way structured as it displays a relevant list of questions and themes that the researchers want to cover with an interview guide (Kvale, 1996, p. 27). By following this structure we as researchers are able to follow and cover the existing literature that we have earmarked as important, while also having the opportunity to ask further questions depending on the participants’ answers. The answers that a researcher often discovers throughout such a process is indeed interesting as one is able to gain useful insights that will be used for further analysis that have not been heard or highlighted before. Therefore, we consider the semi-structured interview method/technique as the most suitable for our research by allowing us to collect data that may contribute to new literature.

As has previously been mentioned we have considered the semi-structured interview method/technique as the most suitable way of collecting data for our study. As such, data collection for this study has been conducted through semi-structured interviews, of which four interviews have been conducted face-to-face and six through technological communication platforms such as Skype. The in-depth interviews conducted for this study were semi-structured; this implies that the interviews follow a structured interview guide, led by pre-determined questions and an openly structured interview, where the participant is encouraged to talk widely about the subject at hand (Alvesson, 2011, p. 16; Damon & Holloway, 2011, p. 225). Hence, the data collection through semi-structured interviews has been supported by an interview guide (Appendix 2) that we have constructed as recommended by Bryman and Bell (2011, p. 467). The interview guide was developed with regard to the research question to be answered and the research purpose to be fulfilled, which means that we structured the interview guide based on the four objectives stated in the research purpose. By doing so we wanted to ensure that we could get the necessary information to answer our research question and fulfil the research purpose of the study as good as possible. Furthermore, the interview guide is partially anchored in our theoretical framework. The interview guide consists of introductory questions, reflection questions divided into four main themes (Nature of Coopetitive Interactions In Dyadic Coopetitive Relationships, Effect of Coopetitive Interactions on Performance Outcomes, Positive and Negative Performance Outcomes (both sides), Influencing Factors: Potential Reasons For Different Outcomes), and a closing question, which can be seen in Appendix 2. The sequence of the questions in the interview process of each participant was consistent, ensuring similar types of information from all participants (Damon & Holloway, 2011, p. 226).

Damon and Holloway (2011, p. 221) state that the benefit with interviews is that the data one collects is within the participants social context, meaning that the data being collected is based on the interpretation of their personal experiences that are communicated through their own words and body language. However, we are also aware of the negative implications of this specific interview approach. There is always the issue of different agendas of researchers and the participants, such is the dynamic of such a relationship and the interview bias may affect the results. Interview bias occurs when the interviewers impose their own reference frame onto the participants, this includes both the interview questions and the way they are interpreted (Easterby-Smith et al, 2012, pp. 130-131). Open-ended questions can prevent interview bias yet at the same time it is not the best way in obtaining the most relevant and right information (Easterby-Smith et al, 2012, pp. 130-131). Easterby-Smith et al. (2012, p. 131) do recommend probes as a useful tool to avoid any form of bias; this technique improves
the participant’s answers all together. An important part of the interviewing process is to follow up on the things people tell you. Your initial question opens the door to an issue, and your interviewee’s response is a first draft of an answer to your question. Once this draft is on the table, you need to ask more questions to get the full story in order to clarify what they have said, in order to gain more details, get their feelings, thought and rationale behind statements that have been made. It is important to enquire about certain views they have and to test their ideas as possibly being counterfactual. This enables us as researchers to review possible influences and to steer back after digressions and accommodate possible emotions.

4.1.3. Conduction of the Interviews

Following the advice of Saunders et al. (2009, pp. 330-331), all the interviews started with an explanation of the research project, which included a short explanation of our research topic, the research question and the research purpose as well as an explanation of the interview process. Furthermore, even though qualitative research and semi-structured interviews can put pressure on researchers as researchers attempt to build trust with their participants, we as the researchers tried to create trust by clarifying the nature of our study, by exhibiting a great deal of enthusiasm towards our participants and their responses, and by treating them with the utmost respect and professionalism that meets the ethical considerations of the research (Kvale, 1996). By creating a trust situation between us researchers and the interviewees we hoped the interviewees would share the necessary amount of information in order for us to answer the research question and fulfil our purpose to the best possible outcome. These ethical considerations are to be discussed in more detail in section 4.2. Besides, it was important for us to make the participant feel as comfortable as possible with us both being engaged in the interview and playing an active role in the process as well as by choosing a quiet interview location (Creswell, 2007, pp. 133-134). Several interviews were held face-to-face at the participants’ offices in order to have them feel comfortable in their own environment. The interviews that were conducted over Skype were also held in a quiet office space to avoid any distraction. The length of the interviews ranged from 30 minutes to that of one hour and a half. However, there was one interview, which was affected by time constraints, and the participant could not offer more than half an hour.

As has been mentioned in section 4.1.2., we researchers guided the interview by following the questions from the interview guide that we have developed in order to have the focus on answering our research question and fulfil our research purpose. However, throughout the interview process we also had to be attentive to what the participants would say and had to follow up on relevant information with questions, yet at the same time we had to be aware of the participant being interviewed in order to stay on track and in sync with the problem definition of the study. This means that the interview was logical and the order of the questions was kept consistent, however, still flexible enough to allow the participants to explore certain subjects that they found of personal interest to talk about. It is notable here that us as interviewers have a high involvement with the participants, in order of us to be able to see their perspectives as our own (Bryman & Bell, 2011, p. 410). As such, throughout the interviews both of us took turns in asking the participants questions, focusing on specific topics and then alternating it the following interview. While one of us would ask questions the other would makes notes and comment if they wished the participant to elaborate on an area
of interest, or they heard something of value that may have been overlooked. This format allowed the both of us to ask questions from the interview guide as well as be observant on interesting aspects that come up.

According to Creswell (2007, pp. 133-134), the interview process should be recorded and protocoled. The interviews that were conducted have all been recorded, as it was more convenient for us as the interviewers to focus on the conversation, instead of continuously making notes. However, notes were sometimes made when something important came up and it was necessary to remember it for both the respective interview conversation and in case our recordings would get lost. All the recorded material was transcribed thoroughly to create ground for systematic analysis, which is to be discussed in more detail in section 4.1.4. Specific participants requested a sense of anonymity; therefore we had to send the findings and the transcriptions back to the participants for confirmation, in order to request permission that the information was valid and those we could use.

4.1.4. Constant Comparative Method

Our research is based on grounded theory. Grounded theory in qualitative research is an inductive way of building and grounding theory in empirical data (Neuman, 2000, pp. 145-146). Grounded theory is an inductive methodology, although it is assumed to be a qualitative method, it is more of a general method. It is the systematic generation of theory from systematic research. Grounded theory can be explained as a set of rigorous research procedures leading to the emergence of a conceptual category. Neuman (2000, p. 146) argues that as a researcher when using grounded theory, you are allowed a flexibility and interaction between the theory and the data. When analyzing the empirical data, we will systematically go through the material by using constant comparisons that are sprung from grounded theory. Neuman (2000, p. 146) argues that the theory in qualitative research is built from comparisons. Boeije (2002, p. 393) argues that the comparisons assist in categorizing, coding and picking up traces of theory within the various categories, making it possible to connect the data and the theory more easily through an inductive process. It is important to note that it can be further described that old and new material can be compared to one another numerous times in order to create new theory, however it is by looking at the similarities and the differences that one will be able to draw valid conclusions. The continuous comparison sees that the theory is developed through a continuous comparison by the data being collected, coded and analyzed at the same time (O’Reilly et al., 2012, p. 250). Our research has worked in accordance with O’Reilly’s stance, the clues and links to the theory being to become more apparent in the mind of the researcher as the study continues to develop.

Through the fieldwork process, we as researchers gather voluminous raw data; this analysis will turn this raw detail into findings. The search for patterns in the data is needed in order to organize field notes into readable narrative descriptions that highlight the major themes and the categories that need to be identified (Charmaz, 2008, p. 397). As we have chosen grounded theory there are several concepts that are identifiable, namely: theoretical sensitivity and coding comprised of (1) open coding, (2) axial coding and (3) selective coding. The first step in the process is that of open coding, the process of breaking down, examining, comparing, conceptualizing and categorizing data through a reduction process. Open coding consists of labelling various phenomena,
discovering categories, and developing those categories into different properties and dimensions. Labeling this phenomenon includes breaking down raw and full descriptive field notes by asking open ended questions about what the material entails and what does it represent for each phenomenon, incident, idea and event (Charmaz, 2008, p. 397). Each phenomenon is then labeled in order to capture the essence in a more general way or concept. The concepts are then compared to others that have already been discovered though the research being conducted or previous theories, it has to then be labelled in a way that will preserve the integrity of the data. The process of discovering categories and concepts produce a lot of information which can be overwhelming. These concepts must however be grouped into categories of similar information. As such, we read the transcripts several times and labelled relevant words and phrases of the participants’ answers (e.g. “when thinking of a specific relationship”, “to cooperate with a competitor”, “to work with a competitor”, and “a big reason”, “a reason would be”, “that is the reason for working together”), which has led us discover some categories (e.g. “Dyadic Coopetitive Relationships” and “Reasons behind Coopetition”). The open coding process resulted in eight categories, of which four are sub-categories as illustrated in Table 1 and also in Appendix 3. Further developing properties and dimensions bringing about the characteristics of each category and the dimensions of a property along a continuum, for example, in our study we have the coopetition intensity, mutual management, commitment, trust, reciprocity, transparency, tension and performance outcomes may all vary from high to low. This assists us to develop further relations with the data in merging themes and those that appear in parallel development with one another (Charmaz, 2008, p. 398). This data varies from independent to dependent.

The second step is axial coding; axial coding is data that is assembled in a new way after open coding, by making connections between categories. Moving from an inductive to a deductive analysis. Axial coding consists of taking categories and identifying the conditions that give rise to it. The context into which it is embedded in the action and interaction strategies in which it is handled, managed and carried out, as well as the consequences of those strategies expanding out the knowledge of the categories. As such, we identified relationships between the categories and connected them (e.g. “Dyadic Coopetitive Relationship and Interactions”) and further put them into a context (e.g. “The Role of the Customer: Mutual Consent vs. Force”). This resulted in two main connections (Appendix 3). The categories represent the phenomena that are present now. In theory there are events and incidents that lead to the occurrence of a category that focuses on the action and interaction that individuals take with respect to the category (Glaser & Straus., 2009, p. 28). The consequences are therefore the outcomes of the interactional strategies of the theory.

The third step is that of selective coding which is the process of selecting the core category around which the final analysis will be based and relating it to the other categories. This process consists of the processes; explicating the story line: analytical description of the core strategy, relating other categories to the core and validating the story line (Glaser & Straus, 2009, p. 28). After the analysis, a lot of irrelevant information may seem important; however one category must be prioritized over all others (Charmaz, 2008, p. 408). It is important that the most striking and interesting data becomes central and it must be explained clearly to the audience. However, this has appeared challenging to identify and prioritize only one core category, leading us to identify five single selective codes (Appendix 3). Then all the core properties and
dimensions must be outlined, other categories must be related to the core categories using the highlighted properties, dimensions, contexts, strategies and consequences. The theory is then validated against the data, analyzing as to how coopetitive interactions affect the performance outcomes of both firms engaged in a dyadic coopetitive relationships with each other.

In sum, with regards to the categories and coding process we have coded and transcribed empirical data from the various companies. We then chose and separated the quotes that we found were important from each interview into specific categories. The empirical findings chapter is based on the empirical categories that have been gathered from the interviews (Table 1). The quotes that we used from the interviews that were grouped into the different categories were then used and synthesized into the theoretical concepts used in the analysis, enabling us to connect the theory to the respective empirical data. To give a clear depiction of the participating firms, we used complementary sources such as the firm's web pages. In order for us to gain a comprehensive overview of the empirical data we chose to present the findings through the various categories instead of presenting each interview individually. The categorizing can be seen as pre-analysis due to the coding process, this structure enables the audience to identify patterns within the empirical data and theory in the analysis.

### Table 1. Categories in the Empirical Findings

<table>
<thead>
<tr>
<th>Main and Sub-Categories</th>
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<tbody>
<tr>
<td>Dyadic Coopetitive Relationships</td>
</tr>
<tr>
<td>- Reasons Behind Coopetition</td>
</tr>
<tr>
<td>- Cooperation vs. Competition: Division of Activities</td>
</tr>
<tr>
<td>- The Interaction Process</td>
</tr>
<tr>
<td>- Managing Coopetition</td>
</tr>
<tr>
<td>Requirements for Effective Coopetitive Relationships</td>
</tr>
<tr>
<td>Coopetition Outcomes</td>
</tr>
<tr>
<td>Influencing Factors in Coopetitive Relationships</td>
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### 4.2. Ethical Considerations

The Swedish Research Council has set guidelines and rules that concern the ethical aspects of conducting research. It is the researcher's responsibility to balance the expected knowledge contributions with the associated risks and possible negative outcomes or consequences for the participants (The Swedish Research Council, 2002, p. 5). The Swedish Research Council underlines the importance of the necessary ethical considerations before an interview has taken place as well as during and after the interview has been conducted. It is of key importance that all ethical considerations are well understood and have been taken into account by the researchers (Damon &
Holloway, 2011, p. 57). Ethical considerations have to be explicitly stated in the thesis document.

Upon contacting the participants, we clarified the purpose of the study and the subject of our research project. We explained to them why we thought they were interesting participants and the reasoning behind why they had been selected. It was clearly communicated to all participants that the research being conducted for the thesis would be published as an official document. It was important to clarify this with the participants in order for them to agree to the interview being recorded, transcribed and that they were comfortable with this. We asked them if they wished to remain anonymous or whether we could use the respective names of the firms. Furthermore, we understood that their participation was indeed voluntary and if at any point they felt uncomfortable answering any of the questions they did feel obliged to do so and that they were allowed to discontinue the interview if they felt it was necessary. It is critical to convey this information to the participants, as it is their rights that need to be protected, and in several cases it was asked and agreed upon that the information is kept confidential. As researchers it is of utmost importance that we need to implement and carry out the research with full transparency and integrity with the well-being of the participants in mind (Damon & Holloway, 2011, p. 60).

Some companies chose to stay anonymous as they were in a critical phase of engagement on various partnerships or they did not want to break relations with certain coopetition firms. We have therefore used some pseudonyms and only we as the researchers are able to match the appropriate firm with the information that has been collected. All participants requested to read the analysis of the results before publishing, which we as researchers of course agreed upon. The agreement between the researcher and the participants, whereby the participant agrees to take part in the research study to be conducted is based on the permission of understanding the purpose of the study and the potential risk factors or benefits that the study carries (Damon & Holloway, 2011, p. 70). The empirical chapter of the research paper was sent to all participants, allowing them the opportunity to read and accept or reject the content of the chapter before publishing. The empirical findings were chosen to be sent and not the actual direct transcription of each individual interview, the reasoning behind this was due to categorizing. This ensured that empirical findings were true to the participants’ arguments and not influenced by our interpretations as researchers, meaning that when approved it pointed to the fact that we had done a correct translation in accordance with their meanings.

### 4.3. Practical Limitations and Implications

All the participants answered the questions that were posed to them with little hesitation, despite a few exceptions when they wished to keep things confidential with regards to their partners or possibly future developments that were as seen too delicate to disclose. In two of the meetings unfortunately the participants were in somewhat of a hurry and had to move on to their next meetings. This did indeed have an impact on these interviews due to the limited time, which may have affected the depth of the interviews as the participants had little time to reflect and take their responses into consideration. Although we have done interviews at a bachelor level, as researchers we cannot claim to be the most advanced in interview techniques, which may affect our
research to some extend; however with the assistance of our Professor and another PhD candidate, we were able to comfortably navigate our way through this process. The development of knowledge from one interview to another allowed us to become more confident in focusing on specific areas, and we became more au fait with the jargon used by those we were interviewing in the various industries (Damon & Holloway, 2011, p. 223).

Throughout the interviewing process, although the firms expressed a keen interest in our topic of coopetition it became clear that some may have overextended themselves due to certain asymmetrical levels of knowledge with regards to terms and phrases pertaining to coopetition, some were not so familiar with the phrase. At times when questions around coopetition came up, the word cooperation was used, especially cooperation with their competitors or partnering firms. Coopetition is of course a relatively new research field and therefore it is understandable that the word is not on the top of mind of everyone, especially not among the smaller firms as it is not a consistent concept that may arise in certain business communities. Asymmetric knowledge when it came to acronyms and phrases went both ways, as researchers we had difficulties to understand certain linguistic traits used in the various industries. In order to avoid this, we attempted our utmost to elaborate on the theoretical principles and concepts that were communicated through the questions. We could have prepared ourselves better in certain cases and affiliated ourselves more through research on industry standards and the possible words that they may use especially in the IT/ICT field.
5. Empirical Findings

This chapter will first provide an overview of the ten diverse companies and their participants as well as a comparison of them. After that the collected empirical data on how the companies experienced and perceive the coopetitive relationship and interactions with one specific competitor, and the resulting outcomes of both sides will be presented. The presentation of these empirical findings will be based on four identified main categories, of which one category is divided into four sub-categories.

5.1. Overview of Companies and Participants

The companies that we have interviewed as well as their participants are quite diverse as the companies come from different industries or sectors and the participants have different managerial roles (e.g. CEO, Business Development Manager, Alliance Manager, etc.). However, the majority of the interviewed companies come from the IT/ICT sector, and for the reason of comparison a few companies from other industries have been selected. Due to this diversity we briefly present the companies and their respective participants below before depicting the actual empirical findings. In addition, we present a summary of the key characteristics of the companies in order to provide a clearer overview (Table 2).

5.1.1. IBM

IBM (International Business Machines Corporation) is a multinational corporation founded in 1911 with headquarters located in the United States of America (IBM, 2016) and 377,575 employees worldwide (Annual Report, 2015, p. 69). IBM is an innovation- and industry-focused company that operates in the IT industry by providing, for example, IT services, IT consulting, hardware as well as software solutions, and cloud platforms (Annual Report, 2015, pp. 22-27). IBM has offices worldwide, of which we interviewed IBM in Sweden (IBM Svenska AB), which is located in Stockholm. More specifically, we interviewed the Employer Branding Leader of IBM in Sweden, who has experienced coopetition through several project works. He speaks about the long-term coopetitive relationship with SAP, which we also interviewed to get a two-sided perspective.

5.1.2. SAP

SAP (Systemanalyse und Programmentwicklung (System Analysis and Program Development)) is a German multinational corporation founded in 1972 and based in Germany (SAP, 2016). SAP is the third largest independent manufacturer of enterprise application software, providing applications, analytics, mobility solutions, databases, and cloud services to customers worldwide (SAP, 2016). SAP has 78,230 employees spread over several offices worldwide (SAP, 2016), of which we interviewed SAP in Sweden (SAP Svenska AB), which is located in Stockholm. More precisely, we interviewed the Nordic Alliance Manager of SAP in Sweden, who has intensively experienced coopetition, particularly the coopetitive relationship between SAP and IBM, which he also speaks about.
5.1.3. Acreo Swedish ICT

Acreo Swedish ICT is part of the Swedish ICT Group and one of Europe’s top research institutes (Acreo, 2016). Acreo is headquartered in Stockholm/Kista and has three additional offices in Göteborg, Hudiksvall, and Norrköping (Acreo, 2016), where 135 employees spread over (Acreo, 2016). We interviewed a manager from the commercial track, more specifically the Business Development Manager for the departments “Fiber Optics” and “Broadband”, who has been working with Acreo for 6 years. According to him, Acreo has a huge portfolio, which includes printed electronics, micro- and nanotechnologies, broadband technology, fiber optics, sensor and actuator systems. He added that approximately half of Acreo’s R&D projects are industry projects for the Swedish industry, covering an elaborate network of organizations, such as Ericsson, SAAB, ABB, Scandia and Volvo. Being part of a research institute he has experienced coopetition for several years now. He talks about the coopetitive relationships with the institute Sverige Akima AB, which works in the same areas as Acreo Swedish ICT.

5.1.4. MedTech Group (Pseudonym)

The MedTech Group was founded in 1989 and consists of four distinct group companies, which are MedTech Medical, MedTech Healthcare, MedTech Technologies, and MedTech Pharma. MedTech has offices in four different countries on three continents with headquarters being located in Sweden (Stockholm), and employs 3000 people worldwide of which around 100 employees work in Sweden. We interviewed the Managing Director of MedTech in Sweden, who is in this role for over 10 years now and responsible for overseeing the business strategy and all operations of MedTech. According to him, MedTech in Sweden operates in the R&D, Project/Product-Management industry as MedTech is a supplier of components and services to customers in the biotech, biopharma, and medtech industries. This further means that MedTech designs, develops, and manufactures advanced drug delivery devices and other medical related equipment. The coopetitive relationship the manager of the MedTech Group is talking about is a vertical coopetitive relationship with one of its customers since the MedTech Group is a supplier.

5.1.5. IT-Factory (Pseudonym)

IT-Factory is a fast-growing IT-Media-company that was founded in 2007/2008 as a spinoff from a University. The company is headquartered in Umeå but also has a second office in Stockholm, and it employs approximately 35 people in total. We interviewed the CEO of the company who has experienced coopetition for a few years now. According to him, IT-Factory has both global and local customers, ranging from entrepreneurs to established companies. IT-Factory provides services in interaction design, graphic design, development and tests, complex systems, and consulting. The focus is on the media industry with video-based solutions, as stated by the CEO. For this study, the CEO speaks about the coopetitive relationship with a competitor within the IT sector in Sweden.
5.1.6. Revenues
Revenues is a small consultancy firm founded in 2009 and located in Umeå in Sweden. Revenues has four employees and its consultancy services focus on business development and growth, innovation, and the market (Revenues, 2016). We interviewed the founder and CEO of Revenues as well as one of Revenues’ consultants together, who both have experienced coopetition for a while now. They talk about the coopetitive relationship with PwC, which is a multinational consultancy services firm. According to both of them, Revenues assists companies of all types and sizes with strategic business development, thereby focusing on strategic planning, growth strategy, and operational execution.

5.1.7. Algoryx Simulation
Algoryx Simulation is a software developer and service provider for simulations and was founded in 2007 as a spinoff from Umeå University (Algoryx, 2016). More precisely, Algoryx provides software and services for visual and interactive physics based simulations (multiphysics and 3D simulation) (Algoryx, 2016). According to our participant, who is the CTO and Co-founder of Algoryx Simulation, the company is one of two companies in the world to provide these kinds of software and services, which creates a duopoly in the market. Therefore, they do not coopete with them and instead the manager talks about a vertical coopetitive relationship with its customer, which however has not taken place but is set for the future.

5.1.8. Vitec Software Group
The Vitec Software Group is a software company divided into seven business areas and was founded in 1985 as a spinoff from Umeå University (Vitec, 2016). Nowadays employs approximately 400 people spread over several Nordic offices in Sweden as well as one office each in Norway, Finland, and Denmark (Vitec, 2016). The interviewee is the CEO and co-founder of Vitec and, according to him, Vitec is active in the vertical software segments, which means that it offers industry specific business systems rather than general systems. The CEO talks about coopetitive relationships with competitors within the Swedish IT industry, which he only engages if necessary.

5.1.9. Redloop
Redloop is a dynamic and innovative media production company (film and advertising agency) located in Malmö in Sweden (Redloop, 2016). We interviewed the Agency Leader and also Producer of Redloop, who has experienced coopetition several times over the years and talks about a coopetitive relationship with a competing media production company. She explained that Redloop creates films and television commercials for product launches, promo videos as well as behind the scenes images, and their customers range from small to large companies. Redloop’s portfolio includes companies such as IKEA, Sony Mobile, or Tetra Pak.
5.1.10. **Ericsson**

Ericsson is a well-established multinational corporation founded in 1876, headquartered in Stockholm in Sweden, and operating in the information and communication technology sector (Ericsson, 2016). The company has around 116,281 employees worldwide, of which 17,041 employees are located in Sweden (Ericsson, 2016). The portfolio of Ericsson includes products and services, which are networks, services and support solutions (Ericsson, 2016). The participant is the Strategic Sourcing Director at Ericsson, which is a senior overseeing role focused on processes and messages for sourcing and service delivery. He is familiar with several coopetition engagements within Ericsson and speaks about the coopetitive relationship with a multinational technology company, which is a main competitor.

5.1.11. **Overview of Participating Companies**

The table below summarizes the key characteristics of the participating companies in order to provide a clear and simple overview that enables quick conception and comparability as well as reduces confusion. It includes information on the company name, type of company (size), industry/sector the company is operating in, and the location of the interviewed company.

<table>
<thead>
<tr>
<th>Company</th>
<th>Type of Company</th>
<th>Industry/ Sector</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBM</td>
<td>Large Corporation</td>
<td>IT</td>
<td>Stockholm</td>
</tr>
<tr>
<td>SAP</td>
<td>Large Corporation</td>
<td>Software</td>
<td>Stockholm</td>
</tr>
<tr>
<td>Acreo Swedish ICT</td>
<td>NPO</td>
<td>Research &amp; Development</td>
<td>Stockholm</td>
</tr>
<tr>
<td>MedTech Group</td>
<td>Large Corporation</td>
<td>Medical/Healthcare/ Technologies/Pharma</td>
<td>Stockholm</td>
</tr>
<tr>
<td>IT-Factory</td>
<td>SME</td>
<td>IT</td>
<td>Umeå</td>
</tr>
<tr>
<td>Revenues</td>
<td>SME</td>
<td>Consulting</td>
<td>Umeå</td>
</tr>
<tr>
<td>Algoryx Simulation</td>
<td>SME</td>
<td>Software</td>
<td>Umeå</td>
</tr>
<tr>
<td>Vitec Software Group</td>
<td>SME</td>
<td>Software</td>
<td>Umeå</td>
</tr>
<tr>
<td>Redloop</td>
<td>SME</td>
<td>Media Production</td>
<td>Malmö</td>
</tr>
<tr>
<td>Ericsson</td>
<td>Large Corporation</td>
<td>ICT</td>
<td>Stockholm</td>
</tr>
</tbody>
</table>
5.2. Dyadic Coopetitive Relationships

The ten different companies represent all types of coopetition or dyadic coopetitive relationships respectively as illustrated in Table 3. Two firms discuss the same horizontal coopetitive relationship from their own perspectives and with their own perceptions. Five companies describe horizontal coopetitive relationships, which include direct competitors, while three companies describe vertical coopetitive relationships, which include indirect competitors such as customers and complementors. They provide a one-sided perspective for both sides in the coopetitive relationship. All types of coopetitive relationships are described, ranging from cooperation-dominated to different types of balanced coopetition to competition-dominated relationships, which further differentiate in the degree of success as illustrated in Table 4. All companies seem to acknowledge that the interest and willingness to end up coopeting must come from both sides, regardless whether this decision derives from an own choice or if being forced by third parties. The MedTech Group from the medical/health/pharma industry, which feels to be a special case stating that it is different from normal companies and a bit stagnant regarding coopetition, emphasizes this by stating that

“We approach them and they refuse, which is the normal case. (...) We do want to cooperate with other companies but all have patents and that is an issue today. These patents slow down the coopetition process and put hurdles in place (...).”

The MedTech Group wants to cooperate with its competitor more often, but the competitors often refuse to. This underlines not only that patents are an obstacle for the MedTech Group in this particular industry, but particularly that coopetition needs both sides to agree on forming a coopetitive relationship in order to make coopetition happen. However, even though the companies agree on this view, they do not share the same perceptions with regard to (1) reasons for their decision to coopete, (2) how to divide activities in coopetition, (3) how to interact in coopetition, and (4) how to manage coopetition. There are both similarities and differences in their perceptions, which will be further elaborated in the following sub-sections.

Table 3. Overview of Dyadic Coopetitive Relationships

<table>
<thead>
<tr>
<th>Company</th>
<th>Direction of Relationship</th>
<th>Type of Player (Coopeting with…)</th>
<th>Type of Coopetitive Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBM *</td>
<td>Horizontal</td>
<td>Competitor</td>
<td>Cooperation-dominated</td>
</tr>
<tr>
<td>SAP *</td>
<td>Horizontal</td>
<td>Competitor</td>
<td>Cooperation-dominated</td>
</tr>
<tr>
<td>Acreo Swedish ICT</td>
<td>Vertical</td>
<td>Complementor</td>
<td>Cooperation-dominated</td>
</tr>
<tr>
<td>MedTech Group</td>
<td>Vertical</td>
<td>Customer</td>
<td>Competition-dominated</td>
</tr>
<tr>
<td>IT-Factory</td>
<td>Horizontal</td>
<td>Competitor</td>
<td>Cooperation-dominated</td>
</tr>
<tr>
<td>Revenues</td>
<td>Horizontal</td>
<td>Competitor</td>
<td>Cooperation-dominated</td>
</tr>
<tr>
<td>Algoryx Simulation</td>
<td>Vertical</td>
<td>Customer</td>
<td>Balanced (low/low)</td>
</tr>
<tr>
<td>Vitec Software Group</td>
<td>Horizontal</td>
<td>Competitor</td>
<td>Balanced (low/low)</td>
</tr>
<tr>
<td>Redloop</td>
<td>Horizontal</td>
<td>Competitor</td>
<td>Balanced (strong/strong)</td>
</tr>
<tr>
<td>Ericsson</td>
<td>Horizontal</td>
<td>Competitor</td>
<td>Competition-dominated</td>
</tr>
</tbody>
</table>

* Two-sided perspective: Coopete with each other
5.2.1. Reasons behind Coopetition

The companies have different reasons when it comes to the decision to cooperate with a competitor both in general but also when choosing one specific competitor, and thus engage in coopetition. Some of them are similar and even overlap, while others differ. The majority of companies or the companies who cooperate with direct competitors, namely the coopetitive partners IBM and SAP, Acreo Swedish ICT, IT-Factory, Revenues, Redloop, argue that a main reason to cooperate with a competitor or engage in coopetition is the fact that the competitor sometimes has certain knowledge, resources, capabilities, and sometimes even capacities that they do not have. This can also be the case vice versa, when the competitor lacks certain knowledge, resources, and capabilities that the companies have. The CEO of IT-Factory illustrates this with his experience with a dyadic coopetitive relationship by saying that

"We have one partner that might be seen as a competitor because we want the same customers in the same segment, but we see each other more as a good match because (...) we complement one another because together we can take on bigger customers and together we have a lot of resources, knowledge, and expertise; whereas if we went to the same client we could not offer them the same expertise and skill set."

He does not only underline the fact that companies cooperate with a competitor to access certain knowledge, resources, and capabilities, but also makes two additional points. The first point he makes is what also the other companies further explain, namely that through coopetition both sides (can) complement each other. However, in order to complement each other, the partner should probably be a company of the same type with similar business models as the manager of Acreo Swedish ICT explains based on his coopetition experiences with both a Not-Profit Organization (NPO) and a For-Profit Organization:

"This institute [NPO] works in the same areas as we are and we found that cooperating instead of competing by using in-house resources we can utilize each other resources in combination (...) and the end result of the project will be stronger."

However, the opposite is the case by trying to coopete with a for-profit oriented company. Cooperating with competitors in the for-profit business has never been a success as the manager of Acreo Swedish ICT further explains:

"Since we are an NPO and a research institute we have had discussions with larger technical consultancy companies (...). Their business model is to sell their competence and we have tried to cooperate with them rather than compete but we have not been able to cement a project where we are able to work together."

He emphasizes a difference between a NPO and a normal profit-oriented business in coopetition, namely that the combination NPO and NPO is beneficial and creates better and stronger results, while the combination of NPO and for-profit is not beneficial, at least not for Acreo Swedish ICT. He explains that Acreo Swedish ICT has never been able to coopete with a for-profit company because they could never find a common base due to the different natures of the business and thus the different business models. For
example, Acreo Swedish ICT is not able to compete on pure price, which is common for for-profit organizations, since it is funded by the government and other funding agencies and thus is legally constrained to compete commercially. Nevertheless, he indirectly makes a similar point to the second point previously made by the CEO of IT-Factory. Both argue to some extent that by coopeting with a competitor better and stronger results can be achieved, and thus also bigger customers can be approached. They trace this back to the newly and additionally accessed knowledge, resources and capabilities, and the CEO of IT-Factory further adds that they can offer the customers much better solutions than they could without coopeting. IBM seems to agree with the views of both and even extends it as the manager of IBM states that coopetition enables the company to create products or services or deliver projects that none of the two coopeting partners could have created or delivered alone without the mutual collaboration. Hence, he also argues that coopetition enables the company to reach a broader scope of customers. He rounds it up a bit extremely by saying that

“Both companies realize that they do not have the bulk of expertise to survive independently.”

It sounds extreme when considering SAP’s perspective as the manager of SAP admittedly mentions the mutual importance of the coopetitive relationship between IBM and SAP as much of the success of both is dependent on it; however he does not state that the companies would not survive without each other.

Besides, in addition to IT-Factory, IBM, and SAP that argue that coopetition opens the doors to reaching new customer segments and thus new customers, also the consultancy company Revenues believes in it. Revenues says that coopetition is an approach to get access to certain customers since by choosing a specific company that works in certain areas with certain customers as a coopeting partner, one can inevitably access these customers. However, it is not always a company’s own free will to cooperate with a competitor when wanting to reach specific customers. Sometimes, companies are forced to cooperate with a competitor, as it is the case for Redloop and Ericsson that both argue that they only do it if required by the customer. The manager of Ericsson explains that

“The most common reason to engage in coopetition with a competitor is when the customer requests us to do so. The decision is not ours, we call it a shotgun landing; basically, we are forced into a relationship. (...) We have the responsibility towards the customer. This is the most common reason, so if I have to be very honest we do not normally enter it out of free will.”

Ericsson makes clear that coopetition happens often, but never out of its own free will but rather out of force in order to comply with customers’ requests and keep the customer. Redloop has experienced the same situations with regard to coopetition, saying that

“We actually avoid to work with competitors but it is when the client requests us to do then we do.”

The manager of Redloop is in the same situation as Ericsson and does prefer to not cooperate with a competitor if not needed. The same applies to the Vitec Software Group who says that they do not really cooperate with competitors. According to the
CEO of the Vitec Software Group, they do neither have a reason to nor do they want to cooperate with competitors as they have a very specialized products and services and focus on small niche markets with weak competition. However, if the customer wants them to cooperate with a competitor, then they do it.

Ultimately, there is the case of vertical coopetition, which can take the form of suppliers and customers cooepeting, such as Algoryx Simulation and the MedTech Group do it. Being a supplier Algoryx Simulation plans to move towards vertical coopetition in the near future, which means that they start competing with their customers for the end-consumer. This would make Algoryx Simulation the competitor for its own customers. It is the other way around for the MedTech Group as it perceives its own customers as the biggest competitors and argues that a main reason to try to cooperate with them is to avoid the risk that they stop outsourcing to MedTech as the statement of the MedTech Group’s manager approves

“Our biggest competitor would be the customers; if they decide to do this in-house, they can design, develop and manufacture it themselves; however, they outsource it to us.”

5.2.2. Cooperation vs. Competition: Division of Activities

The division of activities in coopetition, which means in what areas or activities the companies cooperate and in what areas or activities they compete, takes place in the upstream and downstream of the business in most of the cases. The coopetitive partners IBM and SAP provide a two-sided perspective, which seem to correspond to each other. The manager of IBM describes that the cooperation with SAP occurs in the upstream rather than in the downstream as he explains that they cooperate in tasks related to R&D or product improvement and development, such as changing interfaces towards user-friendliness or moving interfaces to cloud based solutions. He further describes that competition then takes place in the downstream when IBM is trying to sell its own products from its own product portfolio due to larger margins rather than SAP’s or the common products.

“The cooperation may be more related to research and development, and the competition aspect is more related to market penetration and market share.”
(Manager, IBM)

This means that IBM and SAP cooperate in activities that are rather far away from the customer, while competing in the activities that are rather close to the customer. The manager of SAP extends this perspective by mentioning specific areas of their businesses, in which they are competing, namely in business intelligence and cloud solutions as both companies offer these. However, he also states that

“Although we both have products that we cooperate on and compete on at the end of the day, it is the customer who comes first and must make the decision. So, some power lies with the customer.”

The manager of SAP makes clear that even though both IBM and SAP cooperate in some activities and compete in others; in the end it is the customer who decides the direction of the relationship and the degree of cooperation and competition within it.
Besides, every employee of both IBM and SAP who deals with coopetition should be familiar with where and when they are allowed to cooperate and when they are not allowed to do so but need to compete. The following statement by the manager of SAP consolidates it:

“There is a high level of knowledge sharing and resources between the two companies and everyone from a sales perspective is well aware where the two companies do compete and cooperate.”

Besides IBM and SAP, the companies Acreo Swedish ICT, the MedTech Group, and IT-Factory also cooperate in the upstream rather than in the downstream activities, as Acreo Swedish ICT and the MedTech Group both cooperate in R&D related activities, and IT-Factory cooperates in the creation or production area. However, Acreo Swedish ICT argues that they try to rather not compete when they decide to engage into cooperation with a competitor, but instead focus on the cooperation part. The MedTech Group also cooperates only as the customer is the competitor here, and thus direct competition is not possible, particularly since it does not produce products to serve the end-consumers. Nevertheless, according to the manager of the MedTech Group, the relationship is competition-dominated due to the patents. In spite of that, this means that both companies are cooperation focused, whereby Acreo Swedish ICT cooperates far away from the customer and the MedTech Group cooperates with the customer. IT-Factory provides a broader perspective stating that they cooperate a lot in the media business area with their coopeting partner, which means the creation or production side of the business. IT-Factory emphasizes that it focuses on cooperation rather than competition; however, competition can appear on the market when competing for the same customers. Thus competition occurs in the downstream.

A very contrary case is the consultancy firm Revenues as it provides a service and thus cooperates in the upstream, which means close to the customer. The CEO of Revenues says that they try to focus on cooperating through complementing each other. He illustrates this by an example:

“We mainly focus on growth, with that said we do change our approach to certain customers to avoid the competition side of business interactions. So if somebody offers internal management consulting, we push more growth consulting.”

This statement clearly underlines that Revenues tries to focus on complementing in an activity and therefore avoids competition. Ericsson agrees on this approach to some extent, which the manager of Ericsson emphasizes by explaining that in its coopetitive relationship the companies decided to complement each other and create and sell a mutual product rather than one of their single products. In this specific case, Ericsson cooperates in both the upstream and downstream. However, the manager of Ericsson further emphasizes that competition is not excluded in the downstream as both still might try to sell their own products. As well as Revenues and Ericsson, Redloop is a special case with a specific view on how to divide activities in coopetition. Redloop clearly states that it cooperates in one specific project, but at the same time it still competes in other projects, which the statement by the manager of Redloop underlines:
“The relationships are always built around a project. We actually always compete in most areas, but on projects we are often given different roles by the clients that we see to.”

As such, there is a clear division of activities. Redloop cooperates in one activity because the customer insisted it, but at the same time competition takes place in other activities in which they are not forced to cooperate. This means that Redloop cooperates in both the upstream and downstream with its competitor in the respective project as they create and sell this project mutually for and to the customer. However, when it comes to other projects they are purely competing in the downstream.

5.2.3. The Interaction Process

The interaction process contains actors involved in the coopetition, how the interaction takes place with regard to reciprocal contact as well as how and in what areas the sharing and exchange takes place. From this perspective, the companies bring in different actors to engage in and manage the coopetitive interactions in a relationship. The two big players and also coopeting partners IBM and SAP have specific teams on all levels (global, continental, local) that deal with this relationship as the manager of SAP emphasizes

“We have an exclusive partnership that goes high into the management chain. It is globally recognized. There are teams involved that deal with this relationship.”

This statement underlines the recognition and importance of the coopetitive relationship between IBM and SAP and that this relationship takes place on a global level down to a local level, which requires a proper team being responsible for mainly handling the interactions of this specific relationship. Redloop also has a team being responsible for the coopetitive relationship; however it is always the respective project team of the respective coopetitive project that deals with this relationships and its interaction. However, not all companies have specific teams that are responsible for the coopetitive relationships and their interactions. The companies Acreo Swedish ICT and the MedTech Group clearly state that they do not have any specific and structured team dealing with these kinds of relationships. Instead it is the Line Managers or CEOs of both sides who undertake responsibility for the coopetitive relationships. The same applies to IT-Factory, according to whose CEO, it is the CEOs and additionally the Sales Manager of both sides who handle the coopetitive relationship. Sales Managers or also Key Account Managers are very common actors in coopetitive interactions as the CEO of IT-Factory demonstrates, but also Ericsson says that it is those managers that interact in these kinds of relationships. The quotes of both (1) the CEO of IT-Factory and (2) the manager of Ericsson verify that:

(1) “The actors involved are mostly the CEO’s and our Sales Managers.”

(2) “In these cases, it is normally the Key Account Managers that oversee this coopetition and the organization around it. The key stakeholder, the key decision-maker, the key initiator is the Key Account Manager for the specific customer.”
When it comes to how the interaction with the coopeting partner takes place, the majority of the companies agrees on the frequency of meetings and engagements. IBM and SAP, Acreo Swedish ICT, IT-Factory, Revenues, Redloop, and Ericsson state that meetings with the coopetitive partner should take place on a regular basis both monthly and weekly to keep everyone updated, which further implies to meet at least once a month but preferably weekly. However, depending on the type of coopetitive relationship, they should sometimes also take place on a daily basis as the manager of Ericsson states. Besides the frequency of meetings, the companies also seem to agree on the format of meeting, which means if the interactions should take place on a personal face-to-face level or via the use of different media (e.g. telephone, skype, email), as the manager of Redloop verifies with the following statement:

"We work together through all mediums; with face-to-face project meetings, phone calls as well as Skype conferences. We meet weekly then when we work on a project with a competitor."

Almost all of the participating companies start the coopetitive relationships with face-to-face interactions and then proceed with the use of different media, ranging from email to telephone to Skype. However, the MedTech Group stressed that they always mainly engage into face-to-face meetings, whereas Acreo Swedish ICT prefers and has regular face-to-face meetings due to the close geographical location with their coopeting partner, which however does not exclude other media.

However, interaction does not only occur in form of meetings and communication, but particularly in the sharing and exchange of resources. IBM and SAP, Acreo Swedish ICT, IT-Factory, Revenues and Redloop clearly state that interaction occurs in the exchange of both knowledge and resources, which they have also previously mentioned as main reasons for coopeting. However, whereas for example the managers of both IBM and SAP emphasize high levels of knowledge-sharing and resource exchange in their coopetitive relationship, the CEO of IT-Factory explains that both sides mainly bring in the expertise and resources needed, and the manager of Redloop highlights that

"We only exchange as much as we need to get the project going. I think they tried to cover their parts as we tried to cover ours, as when you are forced to work together you share the knowledge that is necessary for the project and nothing else."

She makes clear that they only share knowledge and resources that are needed for the project and does not go beyond this, particularly since the relationship is based on force and not on Redloop’s own free will. She emphasizes that this is the case for both sides Redloop and the coopeting partner of Redloop. Ericsson can prove that with its own coopetitive relationship that is also based on force rather than own free will by explaining that they do not share that much of knowledge and resources.

5.2.4. Managing Coopetitive Relationships

The companies have all experienced different exciting but also many different challenging aspects, both which require proper management to result in successful rather than unsuccessful coopetition. The majority of our participants describe their coopetitive relationships with one specific partner as successful, whereas a minority
perceives them as unsuccessful (Table 4). The coopetitive partners IBM and SAP provide a two-sided perspective on their stable and successful long-term coopetitive relationship that has been lasting for 30 years now. Both argue that IBM and SAP have frameworks for managing their coopetitive relationships as the following statement by the manager of IBM underlines

“There are indeed set frameworks that guide both IBM and SAP as to how they interact with one another.”

The managers of both sides further add that these frameworks include educations in form of trainings and workshops for the employees. Furthermore, both sides try to have an open and transparent approach when managing the relationship; however, they also state that this often becomes the challenging part of the relationship. The excitement about developing and finding a joint solution for the customers outweighs challenges.

Table 4. Success of Coopetitive Relationships

<table>
<thead>
<tr>
<th>Company</th>
<th>Successful</th>
<th>Unsuccessful</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBM *</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>SAP *</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Acreo Swedish ICT</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>MedTech Group</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>IT-Factory</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Algoryx Simulation</td>
<td>(X)</td>
<td></td>
</tr>
<tr>
<td>Vitec Software Group</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Redloop</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Ericsson</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

* Two-sided perspective: Coopete with each other

Other companies, such as Acreo Swedish ICT, the MedTech Group, Revenues, and Algoryx Simulation manage their coopetitive relationships with their partners through specific frameworks. These frameworks are often of a legal nature as in case of Acreo Swedish ICT, the MedTech Group, or Algoryx; and sometimes these frameworks are specifically focused on the relationship as in the case of Revenues, which implies that the same framework is not applicable to another coopetitive relationship. As the manager of Acreo Swedish ICT explains

“We have a certain legal framework that works as a partner agreement that regulates interactions between the two firms.”

However, such management and legal frameworks do not provide a guarantee for success. Admittedly, Acreo Swedish ICT has a successful and stable coopetitive relationship with its partnering firm as well as does Revenues. In both cases the excitement of gaining new insights and entering new networks outweigh the challenges of coordinating the relationship and accepting that the partner did not necessarily enter.
the relationship with the same perspectives as oneself. However, in case of the MedTech Group, the coopetitive relationship is unstable and unsuccessful as it failed in the early stage already due the challenges outweighing the excitements and not even a legal framework is able to turn the tables. This is due to the patent environment which creates such strong sense of competition that it is difficult to collaborate as every company tries to protect its patents of infringements. The manager of the MedTech Group comments it as

“There is a degree of stinginess with regards to patents as owners want to keep it to keep out the competitors.”

Compared to the previous firms, IT-Factory and Redloop provide a less formal approach of managing their respective coopetitive relationships. IT-Factory has a stable and successful relationship which follows a management approach focusing on openness and transparency as the argues that

“The most difficult aspect of the relationship, I think, it is to maintain transparency and to keep the information up to date, and preventing any asymmetrical information.”

The CEO of IT-Factory highlights this aspect several times throughout the interview, namely that openness and transparency in discussions is very important to keep the relationship stable and successful. An even less formal approach than IT-Factory's approach to manage the coopetitive relationship is the one that Redloop’s follows in managing its one-time collaboration with its competitor, namely behaving with the right attitude. The manager of Redloop argues that the biggest challenge that needs to be managed in the coopetitive relationship is to keep the employees in a good spirit. Therefore, the right way to manage it is to behave with the right and best possible attitude. Ultimately, the manager of Ericsson makes a valid point regarding management challenges by explaining that

“We started to want to go in a common area and our approach was completely different. It was different in corporate culture, how we run things, everything was different.”

Ericsson and its coopetitive partner have a rather unsuccessful though stable coopetitive relationship as they have not managed to find the right management approach yet. However, the manager of Ericsson points out that the differences in several areas of both companies create the greatest challenges and thus need to be managed in order to turn the tables towards success.

5.3. Requirements for Effective Coopetitive Interactions

We wanted to know what other factors are important besides proper management in order to have a successful coopetitive relationship. All the participating companies mention a broad range of elements that they perceive as needed to obtain advantages and minimize or avoid risks and disadvantages, some of them overlap. According to the managers of IBM, SAP, IT-Factory, the MedTech Group, and Revenues, effective coopetitive interactions require both tangible and intangible elements. As such, these
five companies agree on the fact that both sides of the coopetitive relationship need to provide the necessary knowledge, skills, resources, capabilities and sometimes also experiences. However, besides these tangible things, intangible things are of great if not even greater importance. The manager of Acreo Swedish ICT makes a point saying that

“In order to obtain the key benefits from such a relationship it is important for each party to have an open minded approach. It is key to respect the other party’s competency and added value, their willingness to cooperate, and trust.”

The manager of Acreo Swedish ICT emphasizes that the cooperation with a competitor should not be taken for granted but instead the two coopeting partners should respect and appreciate each other for this decision to work together and particularly for the value added by both. Furthermore, he makes a point that IBM and SAP, as well as the MedTech Group, IT-Factory, and Redloop make, namely that both sides have to be open-minded in discussions but also in general. Redloop explains this further by saying that both sides have to suppress the thought and feeling that they are normally competitors. This further implies transparency from both sides as stated by IBM and SAP as well as by IT-Factory. Ultimately, honesty and trust in the relationship are perceived as requirements to have a successful relationship as the manager of Ericsson highlights

“I mean it is important to play honestly as without that you cannot get anywhere, and building trust.”

Also the coopeting partners IBM and SAP, and Acreo Swedish ICT believe that honesty and trust are important in the relationship in order to have a smooth interaction that results in benefits rather than drawbacks. With regard to this, the CEO of IT-Factory adds that none of the coopeting partners should try to dominate and change the balance of the relationship and none of them should enter other partnerships of this nature.

5.4. Coopetition Outcomes

All companies provide a very broad range of coopetition outcomes considering both sides of the coopetitive relationship. We wanted to know how they perceive the outcomes of this specific coopetitive relationship for both themselves and their partners, which further means if they perceive a difference in outcomes. Most of the companies, for example the coopetitive partners IBM and SAP, Acreo Swedish ICT, IT-Factory, and Revenues do not perceive any differences in the outcomes, which means that they believe that both sides gain similar or the same benefits and also similar or the same drawbacks. Looking at the coopetitive relationship of IBM and SAP, we have a two-sided perspective. The manager of IBM mentions with regard to positive outcomes that both sides have access to new knowledge and resources, both transform their product portfolios by adding new product lines, and both are able to approach a new and bigger network of clients that both would have not been able to approach on their own before. With regard to disadvantages, he further lists that the coopetitive relationship might cause confusion in both the teams of both (internally) and the customers (externally) as well as the management is challenging. The manager of SAP seems to share this view on the positive outcomes; however with regard to the negative outcomes he says that
“There are no major drawbacks with regard to knowledge leakage and so forth; on this level you only make a mistake once and if you do you are gone. Therefore, neither of the firms can afford this, and it is really important.”

He refers to the stable long-term coopetitive relationship between IBM and SAP, which should have learned from mistakes and thus should not make them anymore. Thus, he believes that there are no drawbacks on this level of the relationship and that both sides benefit from this relationship.

Besides IBM and SAP, Acreo Swedish ICT perceives that both sides benefit from the positive outcomes, which are identified new areas, an improved and thus better reputation due to the coopeting efforts, and the sharing of funding due to a joint application for funding the mutual coopetition project. Furthermore, he finds it hard to mention any negative outcomes resulting of this coopetitive relationship as he perceives that both sides mainly gain from it and none of them loses anything. This is also the case for Revenues, whose CEO perceives that both sides gain access to new business, to a new and greater network, and to new knowledge and resources; however none of them really suffers a disadvantage. Ultimately, also IT-Factory thinks that both sides benefit from similar positive outcomes out of the coopetitive interactions. He argues that

“Benefits include shared contacts and share reputation; both companies have very good financial records.”

This statement underlines that both parties of this coopetitive relationship benefit from the same positive outcomes, namely their mutually created value and thus mutual benefits. However, he lacks to mention negative outcomes. Therefore, Redloop speaks of mutual value creation in terms of both positive and negative outcomes. The manager of Redloop lists three benefits that apply to the mutual value creation by both sides, namely a mutually created better end product, a satisfied customer, and the personal and professional development of people from both teams. Furthermore, she explains that drawbacks for both sides are the facts that it is very time consuming as well as energy consuming. Ultimately, two companies, the MedTech Group and Ericsson, perceive a difference in outcomes with regard to their respective coopetitive relationships. The manager of the MedTech Group mentions that positive outcomes are efficiency due to improved manufacturing processes, improved products for the end consumer, and lower costs. Negative outcomes are tensions that arise, to some extent knowledge leakage and resource exploitation. He perceives that these negative outcomes are the advantages for the coopeting partner. This is also the case for Ericsson, whose participant says that positive outcomes for Ericsson are that it can prove itself towards the customer and enter new areas of business. However, a negative outcome for Ericsson is a huge financial loss, which is perceived as a positive outcome for the other side that experiences financial gains probably due to the access to more customers that Ericsson provides them. With regard to negative outcomes for the coopeting partner, the manager of Ericsson says

“It is hard for me to say that the partner had any drawbacks as they gained more than we have in the long-run. Currently, it is easy to see that they are profitable in this segment and we are not.”
Ericsson clearly states that it represents the disadvantageous side and its coopeting partner represents the advantageous side of this coopetitive relationship, which means that one side benefits from this coopetitive relationship while the other side does not. The manager of Ericsson attributes this ill success to the fact that the coopetitive relationship is based on force and to the many issues that the companies are facing in this relationship, which has led to competition.

5.5. Influencing Factors in Coopetition

As in every relationship, there are factors that affect coopetitive relationships and their interactions as well as the resulting outcomes. Considering this, we were interested in how the participants perceive that commitment, the degree of reciprocity, cognitive and emotional tensions, trust and distrust, and the protection of key knowledge and competencies affect their coopetitive interactions and thus the outcomes. As such, all companies agree that a high degree and particularly an equal degree of commitment from both sides of the coopetitive relationship are important. The coopetition partners IBM and SAP both perceive that both sides are highly committed in their interactions; however, the manager of SAP explains that

“The degree of commitment is indeed high and we are both very committed. However, there are situations where one or the other may feel more committed at one stage or the other.”

This says that even though both sides are highly committed and they also perceive it like this, there might still sometimes be a perceived imbalance in commitment in certain situations. However, they both agree that the high levels of commitment are important as they affect the relationship positively with regard to benefits. Like IBM and SAP, the companies Acreo Swedish ICT, IT-Factory, and Redloop also state that they perceive that the degree of commitment in their respective coopetitive relationships is high and quite equal from both sides. IT-Factory even adds that the commitment has increased over the time. Furthermore, they all agree on the importance of high and equal degrees of commitment from both sides for the coopetitive relationship and indirectly indicate that it has a positive effect on their interactions and the resulting outcomes. However, Revenues perceives that the commitment of both sides in its coopetitive relationship exists but it is not always equal between the two of them. This means that one side is sometimes more committed than the other one and this has the negative effect that it leads to frustrations in the relationship. Ultimately, Ericsson even states that commitment is lacking from both sides in its coopetitive relationship and thereby also indicates frustration and conflict, which also applies to the MedTech Group.

With regard to the degree of reciprocity, which we define as the coopetition intensity, the companies have different perceptions. IBM and SAP state that the degree of reciprocity is important and it is high in their coopetitive relationship; however, sometimes it depends highly on the degree of cooperation and competition. The CEO of IT-Factory agrees on that with regard to his own coopetitive relationship. If the cooperation dominates, then reciprocity will be higher, whereas if competition dominates, the reciprocity is as good as non-existent, which the following statements of (1) the CEO of IT-Factory and (2) the manager of SAP underline
All three companies describe a high degree of reciprocity in their coopetitive relationship as they focus on cooperation rather than competition. Furthermore, with his statement the manager of SAP points out the importance of reciprocity in coopetitive relationships as they affect the exchange and sharing in the interactions and thus the outcomes. Also Acreo Swedish ICT, Revenues and Redloop emphasize the importance of reciprocity in coopetitive interactions and Acreo Swedish ICT and Redloop perceive that they have fair degrees of reciprocity in their coopetitive interactions, whereas Revenues perceives different and switching dynamics with regard to the degree of reciprocity in its coopetitive interactions. Ultimately, the manager of the MedTech Group also perceives a high degree of reciprocity as important; however, this degree of reciprocity seems to lack in MedTech Group’s coopetitive relationship.

Another important influencing factor affecting coopetitive interactions is tension, more precisely both cognitive and emotional tension. All of the companies perceive some tension in their respective coopetitive interactions. The coopeting partners IBM and SAP but also Acreo Swedish ICT, IT-Factory, Redloop, and Ericsson explicitly emphasize that tensions exist in their respective coopetitive relationships. Furthermore, IBM and SAP as well as Ericsson refer to people in this context and mention emotional ambivalences and tensions arise on a personal level. However, whereas the tensions in case of IBM and SAP do not have a huge effect on their interactions, the contrary is true for Ericsson whose manager states that

“In the emotional and cognitive tension affected the relationship a lot. At the end of the day many people were very disappointed with the relationship. It turned out to be on a personal level I would say.”

This statement clearly underlines that emotional and cognitive tensions come from a personal level and that they can affect the interactions and thus the outcomes of the relationship. Revenues and Redloop share this perspective as they both say that the emotional and cognitive tensions lead to a negative energy and frustration in their respective coopetitive relationships. IT-Factory even perceives that the tensions in his coopetitive relationship affected a drifting apparat from each other to some extent.

Besides, commitment, degree of reciprocity, and tensions, trust is a highly important factor that can affect the coopetitive interactions in a relationship. When it comes to trust all companies perceive trust as generally important with regard to coopetitive interactions. However, some views on the degree of trust and distrust differ to some extent. For example, the manager of IBM perceives that there is a healthy balance of trust and distrust in the coopetitive relationship between IBM and SAP and he further explains more generally that

“It is really important to trust each other in a partnership, to an extent it can be equally important to distrust. (…) You need to have a healthy amount
of trust and distrust to make sure that you understand that what you are being told is feasible.”

Whereas he argues that trust is an important factor as well as is distrust, namely the healthy balance between the two, the manager of the MedTech Group believes that

“Trust is always important, but in the end it doesn’t matter. You must always have contracts in place in a written format.”

This statement emphasizes that trust is a relevant factor that can affect a coopetitive relationship; however, only to a certain degree. In addition and of even greater importance is the protection through written agreements. Nevertheless, the other companies perceive that a certain level of trust is necessary to have positive coopetitive interactions. For example, Redloop perceives that the level of trust exists in its coopetitive relationship; however, it is limited to a degree needed to affect the interactions and thus the outcomes of it positively. Also the manager of Ericsson indicates the importance of a healthy amount of trust in coopetitive relationship, although in case of Ericsson’s coopetitive relationship the trust is lacking or even outweighed by distrust. He explains that

“It was more that it was asking for trust than giving it, which negatively affected these interactions. The distrust started at the top management.”

His statement makes clear that both sides cannot solely require and ask for task, but the trust must be there and given from both sides in order to affect the interactions and thus the outcomes positively. Furthermore, he points out that the trust must start at the top level and move on the lower levels of management.

Closely related to trust and distrust is the degree to which one side or both sides of a coopetitive relationship protect their key knowledge and unique competencies or technologies. It is particularly the two companies that have their focus on R&D, Acreo Swedish ICT and the MedTech Group, that emphasize the importance of protecting some of the knowledge and resources in order to prevent negative effects such as knowledge leakage and exploitation of resources. This further means that the protection of key knowledge and competencies can have effect on coopetitive interactions. The manager of the MedTech Group rounds this up by highlighting that

“One of the most important things is to protect our knowledge and competencies to do collaboration. You expect to get insight knowledge, which can be negative and that is why you have to be very upfront and clear on what you are going to explore.”
6. Analysis

This chapter will provide an in-depth interpretation, analysis, and synthesis of the empirical findings that have been presented in the previous chapter. This further means that the findings will be interpreted, analyzed, and synthesized in the light of the study’s research question and theoretical frame of reference with the aim to realize the objectives of the study in the best way. Ultimately, theory will be developed from the ground and propositions will derive from it as well as a conceptual model.

6.1. Dyadic Coopetitive Relationships and Coopetitive Interactions

The nature of coopetitive relationships and their interactions seems to be affected by customers who, according to the findings, play a central role in forming dyadic coopetitive relationships with a specific partner both horizontally and vertically. This further means that it seems that the customer influences the decision of two companies to engage in coopetition and thus to form this dyadic coopetitive relationship. The customer also seems to influence the degree of competition and cooperation in a coopetitive relationship. Besides, it seems that such dyadic coopetitive relationships require some degree of management to guide the interactions towards success.

6.1.1. The Role of the Customer: Mutual Consent versus Force

In reviewing the previous findings it becomes apparent that all companies either indirectly or directly indicate that the customer plays a central role in the decision to engage in coopetition in general but also to engage in coopetition with a specific competitor. For example IBM and SAP, Acreo Swedish ICT, IT-Factory, and Revenues are companies that decide to coopete in order to access a broader and new range of customers as well as to be able to offer the customer better services and products. This can be interpreted as that these companies want to create an advantage not only for themselves but also and particularly for their customers, which supports the view of Walley (2007, p. 16) who claims that coopetition is not only advantageous for companies but also for their customers. Furthermore, the fact that these companies engage in coopetition for the purpose of creating an advantage for both themselves and their customers must imply that they enter the coopetitive relationship out of their own free will. Therefore, we call it indirectly because the customer has an indirect influence on the decision to coopete.

On the contrary, we have the companies Redloop, Ericsson, and the Vitec Software Group who all state that the only reason that they enter a coopetitive relationship with a competitor (or customer in case of the Vitec Software Group) is the customer who insists them to do so for their own advantage. This must further imply that these companies enter the coopetitive relationship out of force rather than out of their own free will. Therefore, we call it direct as the customer directly influences the decision of the company to engage in coopetition, which further means that companies coopete kind of based on force. Considering that both Ericsson and Redloop are engaging in horizontal coopetition might support Bengtsson’s and Kock’s (2000, p. 414) claim that horizontal coopetition is based on force, while vertical coopetition is based on mutual consent. However, in fact this assertion contradicts with our findings since on the one
hand IBM and SAP, IT-Factory, and Revenues which are engaging in horizontal coopetition do it out of their own free will and mutual consent, and not because they are forced by customers insisting it. On the other hand, for example, the Vitec Software Group which is engaging in vertical coopetition does it based on force. As such, it seems that even though the customer plays a central role in the decision to coopete, he does not seem to influence whether a company specifically engages in horizontal or in vertical coopetition. Therefore, we claim that

**Proposition 1:** The customer is a basis for the decision to enter both horizontal and vertical dyadic coopetitive relationships.

Besides playing a central role in the decision to coopete, the customer seems to also influence the degree of competition or cooperation in the interactions in a coopetitive relationship. This seems to add to a new insight to the research of Bengtsson and Kock (2000) and Bengtsson et al. (2010) who all claim that coopetitive relationships and their interactions can differ in their degrees of cooperation and competition. However, they have not examined how the customer is a base for the decision to engage in coopetition and furthermore that the customer has an influence on the degree of cooperation and competition, where our findings seem to provide a contribution. The findings show a clear pattern that in dyadic coopetitive relationships in which the customer indirectly influences the decision to engage in coopetition, which means that he is a main reason for the decision to cooperate with a specific competitor without insisting it, the degree of cooperation is higher. For example, in our findings IBM and SAP, IT-Factory, or Revenues describe their respective coopetitive relationships based on mutual consent and furthermore as cooperation-dominated. We assume that the reason behind is the fact that the companies engage in coopetition and particularly enter a dyadic coopetitive relationship with one specific partner based on mutual consent, which might facilitate putting aside the thought of being competitors and think in terms of being partners as cooperation both have a common goal. This supports Bengtsson’s and Kock’s (2000, p. 416) assertion that participating in a mutual activity with a mutual goal is a precondition for cooperation.

On the contrary, we have, for example, Redloop and Ericsson that state that their respective coopetitive relationships are based on force and one of them claims that the relationship is competition-dominated, while the other one claims that the relationship is admittedly balanced but with a strong degree in both cooperation and particularly competition. We assume that the reason behind the fact that the companies engage in coopetition and particularly enter a dyadic coopetitive relationship with one specific partner based on force hampers the thought of being partners rather than competitors. This further means that the companies still perceive each other as competitors outside of this one specific activity and thus try to maximize their own interest rather than the mutual interest, which supports Bengtsson’s and Kock’s (2000, p. 415) assertion that a company will not participate in a mutual action due to the focus on the company’s self-interest.

In sum, the customer is often a primary reason or starting point for companies to engage in coopetition and furthermore to enter a coopetitive relationship with one specific partner. In addition, the customer seems to either indirectly or directly, so depending on whether he insisted it or not, affect the degree of cooperation and competition in the interactions in the dyadic coopetitive relationship. Therefore, we claim that
Proposition 2a: If the customer has an unsought influence on the decision to engage in coopetition the interactions of the dyadic coopetitive relationship tend to be strong in cooperation.

Proposition 2b: If the customer has a forcing influence on the decision to engage in coopetition the interactions of the dyadic coopetitive relationship tend to be strong in competition.

6.1.2. The Need for a Combination of Proactive Management and Social Capabilities

It becomes apparent in the findings that a dyadic coopetitive relationship and its interactions require a mix of managerial and social capabilities in order to be successful. On the one hand, the majority of companies in our findings, for example the coopetitive partners IBM and SAP, Acreo Swedish ICT, the MedTech Group, Revenues, all have specific management frameworks that set guidelines for the interactions with the coopetitive partners already before the coopetitive interactions start. The long-term coopetitive partners IBM and SAP even have specific management teams, which seem to enable them to have a cooperation-dominated relationship. This means that the companies all have proactive approaches with regard to engaging in coopetition, which however does not seem to be a guarantor for success as in case of the MedTech Group. However, in case of MedTech legal constraints due to patents seem to hamper coopetitive interactions and thus building an effective management framework for coopetition might be more difficult, which might further explain why building a cooperation-dominated relationship might be difficult. On the other hand, Ericsson, which lacks a managerial framework for its currently competition-dominated coopetitive relationship, mentions that both companies are different and have different approaches due to different company cultures or management styles. This might be an indication that companies that engage in coopetition and aim for a successful coopetitive relationship need to find one common base, which a managerial framework could facilitate (Dr. M.K. Srivastava, personal communication, March 15, 2016). A management framework could guide the coopetitive interactions by stating for example who the responsible actors are, how and how often to communicate, in what areas to cooperate and in what areas to compete, or what and how much knowledge and resources to share and exchange. This seems to correspond with and even deepen the findings of Chin et al. (2008) who have examined how coopetition could be managed strategically.

The companies that are successful combine managerial capabilities with social capabilities by aligning management frameworks and management teams with factors such as transparency, openness, trust and honesty. This deepens the interpretations of Chin et al. (2008) who emphasize throughout their study that management commitment, relationships development, and communication management are important factors in strategically managing coopetitive relationships. Furthermore, transparency and openness seem to be critical success factors that enable companies to manage their coopetitive relationships without necessarily having formal management frameworks as the companies IT-Factory and Redloop in our study seem to prove. Transparency and openness appear as key success factors in managing coopetitive relationships as they might positively influence the communication between the coopeting partners. This means that transparency and openness are important factors of effective communication management, which is essential in every type of relationship.
In sum, effective management frameworks seem useful with regard to managing coopetitive relationships; however management frameworks alone do not enable effective coopetitive interactions. These frameworks need to be aligned with or include social capabilities, which are important in all types of relationships. Furthermore, transparency and openness seem particularly important. Therefore, we claim that

Proposition 3: Dyadic coopetitive relationships require a combination of management capabilities and social capabilities in order to enable effective coopetitive interactions.

6.2. Coopetitive Interactions and Performance Outcomes

The coopetitive interactions in a dyadic coopetitive relationship seem to be affected by the degree of trust and the degree of commitment, as well as the degree of reciprocity in the relationship, particularly with regard to the performance outcomes, when looking at the empirical findings and considering the importance of social capabilities mentioned in the previous section. The empirical findings clearly show that a high degree of all three elements (commitment, trust, reciprocity) from both sides is crucial in order to have positive coopetitive interactions and positive mutual outcomes. Furthermore, the findings also illustrate the effects of tension, which is an inevitable factor in dyadic coopetitive relationships and influences the interactions and thus the resulting outcomes.

6.2.1. The Importance of Commitment and Trust

Commitment seems to have a substantial influence on coopetitive interactions. The companies IBM and SAP, IT-Factory, Acreo Swedish ICT for example all perceive their relationships as cooperation-dominated with high degrees of commitment and particularly an equal amount of commitment from both sides. They also say their relationships are successful. This must mean that in coopetitive relationships in which the degree of commitment is high from both sides cooperation is the dominant extreme, which supports the views of authors such as Bengtsson et al. (2010, pp. 206-207), Park et al. (2014, p. 212), and Tidström (2014, p. 270). Furthermore, this would also imply that a high degree of commitment from both sides in a dyadic coopetitive relationship positively influences the interactions of the coopetitive relationships, which further leads to a successful relationship. This reinforces Chin et al.’s (2008, pp. 443, 451) who argue that commitment is a critical success factor for successful coopetitive relationships. We further assume that this successful dyadic coopetitive relationship should then lead to mutually created value leading to equally positive outcomes for both sides, which is in accordance with the findings of Bouncken and Fredrich (2012, p. 20), Morris et al. (2007, pp. 51-52), and Park et al. (2014, p. 219) who argue that high levels of commitment can positively influence coopetition outcomes.

However, on the other hand, we have the example of the company Revenues which also describes a cooperation-dominated and successful dyadic coopetitive relationship, however with an unequal degree of commitment, which leads to frustration. Thus, if one side is more committed than the other side then coopetitive interactions are negatively influences as evidenced by the resulting frustration in case of Revenues. This contradicts with the previous interpretation that a high degree of commitment from both
sides is related to cooperation dominance in interactions since Revenues describes its coopetitive relationship as cooperation-dominated with a somewhat lower and particularly unequal degree of commitment. Nevertheless, it also supports the other interpretation that a high degree of commitment from both sides in a dyadic coopetitive relationship positively influences the interactions of the coopetitive relationships since in case of Revenues the somewhat lower and particularly unequal degree of commitment influences the interactions to some extent negatively in form of frustrations; however, without a negative influence on the success of the coopetition. Ultimately, the cases of Ericsson and the MedTech Group provide evidence for our interpretations as both describe competition-dominated and unsuccessful relationships with low degrees of commitment. This further means that the low degrees of commitment from both sides in the respective coopetitive relationships negatively influence the interactions and thus lead to ill success. This could imply rather negative outcomes and particularly a difference in outcomes for both sides.

In sum, we see the single case of Revenues as an exception, and assume that companies in cooperation-dominated coopetitive relationships encounter higher degrees of commitment from both sides than competition-dominated coopetitive relationships. Furthermore, the high levels of commitment from both sides positively influence the coopetitive interactions and thus the performance outcomes and success. Therefore, we claim that

Proposition 4a: Commitment is high in cooperation-dominated dyadic coopetitive relationships and low in competition-dominated dyadic coopetitive relationships.

Proposition 4b: The degree of commitment from both sides in a dyadic coopetitive relationship affects the coopetitive interactions and the resulting performance outcomes.

Also trust is perceived as important with regard to dyadic coopetitive relationships and their interactions. In the findings it becomes apparent that the degree of trust should be at least moderate but preferably high and come equally from both sides of the dyadic coopetitive relationship if companies aim for positive dynamic interactions and mutual positive outcomes. For example, IBM and SAP, IT-Factory, or Acreo Swedish ICT engage in cooperation-dominated coopetitive relationships that are successful and, according to them, they are based on high degrees of trust coming from both sides; while for example the competition-dominated coopetitive relationship of Ericsson or the MedTech Group are unsuccessful and, according to them, trust is lacking and distrust seems dominant. From this we deduce that cooperation in related to trust and competition is related to lack of trust or distrust, which supports Bengtsson et al. (2010, pp. 206-207), Park et al. (2014, p. 212), and Tidström (2014, p. 270) who all argue exactly this. In addition, a lack of trust seems visible in the degree of protection of key knowledge, resources and capabilities by firms. As in case of the MedTech Group, which operates in an innovative and thus sensitive industry, the high degree of protection of key knowledge and resources as well as written agreements seem to reduce the levels of trust. This lack of trust seems to hamper or negatively influence the interactions and thus leads to an ill success of the coopetitive relationship. Therefore, it seems that companies need to try to find a healthy balance between protecting key
knowledge, resources, and capabilities, and trust. As it appears trust must not be underestimated with regard to coopetitive relationships.

Furthermore, since the cooperation-dominated relationships in our study are successful, it seems that trust affects the coopetitive interactions positively and thus also the performance outcomes. Chin et al. (2008, pp. 443, 451) argues that trust is a critical success factor for coopetitive relationships to be successful, which seems also evident in our findings. On the contrary, a lack of trust or the existence of distrust respectively affects the coopetitive interactions rather negatively and thus the outcomes negatively. In addition, Redloop provides evidence that even an only moderate degree of trust, which means the degree necessary to keep the coopetitive relationship going leads to rather negative interactions due to a negative energy. However, it seems not to significantly affect the outcomes in this case. Nevertheless, trust seems to be an important moderator in dyadic coopetitive relationships and their interactions with regard to performance outcomes, which affirms the findings of Bouncken and Fredrich (2012, p. 20), Morris et al. (2007, pp. 51-52), and Park et al. (2014, p. 219).

In sum, we believe that companies in cooperation-dominated coopetitive relationships encounter higher degrees of trust from both sides than competition-dominated coopetitive relationships. Furthermore, the high levels of commitment from both sides positively influence the coopetitive interactions and thus the performance outcomes and success. Therefore, we claim that

Proposition 5a: Trust is high in cooperation-dominated dyadic coopetitive relationships and low in competition-dominated dyadic coopetitive relationships.

Proposition 5b: The degree of trust from both sides in a dyadic coopetitive relationship affects the coopetitive interactions and the resulting performance outcomes.

6.2.2. The Importance of Reciprocity

Reciprocity seems also to be a substantial factor influencing coopetitive interactions. The coopetitive partners IBM and SAP clearly state that reciprocity, so the coopetition intensity or exchange dynamics, is higher with cooperation and lower or non-existent with competition. Not only IBM and SAP, but also IT-Factory or Acreo Swedish ICT are good examples that prove this assertion as they all engage in cooperation-dominated relationships and experience high degrees of reciprocity from both sides in the relationship. Furthermore, they all have successful relationships with mutual positive outcomes. This must imply that the higher the degree of cooperation in a dyadic coopetitive relationship, the higher the degree of reciprocity in interactions. A high degree of reciprocity means that the exchange dynamics are high, which further means that the companies have a high exchange of knowledge or resources taking place. This high exchange of knowledge and resources could then lead to better performance outcomes. However, this seems to slightly contradict with Bengtsson et al. (2010, p. 207) who argue that cooperation-dominated coopetitive relationships are related to limited interaction dynamics only, which we interpret as a limited degree of reciprocity.
Besides, Ericsson or the MedTech Group are in competition-dominated coopetitive relationships with almost no exchange of knowledge and resources taking place, which means a low degree of reciprocity, and they are unsuccessful. Thus, it can be assumed that the higher the degree of competition in a dyadic coopetitive relationship, the lower the degree of reciprocity in interactions, which supports Bengtsson et al. (2010, p. 206) who argue that competition-dominated coopetitive relationships are related to lower interaction dynamics. Furthermore, the low exchange of resources and knowledge can rather not lead to fruitful performance outcomes. Ultimately, Redloop represents a balanced (equal) coopetitive relationship with strong cooperation but also strong competition and argues that they only exchange what is needed, which we interpret as limited dynamics. However, this contradicts with Bengtsson et al. (2010, pp. 204-206) who argue that balanced or equal relationships respectively have no interactions dynamics due to the extremes destroying them. The dynamics probably exist due to some extent of cooperation, however the same extent of competition limits the dynamics, and therefore Redloop encounters limited dynamics or a limited degree of reciprocity that is needed.

In sum, we assume based on what IBM and SAP have stated and what the examples have underlined, namely that in cooperation-dominated coopetitive relationships the degree of reciprocity is higher than in competition-dominated coopetitive relationships. Furthermore, the degree of reciprocity seems to affect the coopetitive interactions and the resulting performance outcomes. Therefore, we assert that

Proposition 6a: Reciprocity is high in cooperation-dominated dyadic coopetitive relationships and low in competition-dominated dyadic coopetitive relationships.

Proposition 6b: The degree of reciprocity in a dyadic coopetitive relationship affects the coopetitive interactions and the resulting performance outcomes.

6.2.3. The Effects of Inevitable Tension

Tension seems to be an inevitable and substantial element in dyadic coopetitive relationships when looking at our findings. All the coopeting companies are acquainted with tension to some degree, which means that tensions are not avoidable and a healthy degree of both cognitive and emotional tensions seems even normal in dyadic coopetitive relationships, which corresponds with Tidström’s (2014, p. 270) assertion that tension a certain degree of tension is acceptable. Furthermore, from the findings it becomes apparent that tensions are related to individuals and their emotional ambivalences in a company, which might explain why tension is inevitable in coopetitive relationships. Hence, tensions are created internally because of communication problems and emotional reactions of the people involved, as the manager of IBM explains. As such, it seems that tensions derive from the coopetitive interactions rather than affect the interactions, which supports the findings of Bengtsson et al. (2010, p. 200). In the competition-dominated coopetitive relationships, such as Ericsson or the MedTech Group, and the balanced/equal (strong cooperation/strong competition) coopetitive relationship Redloop, tensions are somewhat higher and cause frustrations and conflicts among the employees involved. Furthermore, higher tensions can affect a drifting away from each other as IT-Factory explains due to tensions
increasing, which might be a first indication for IT-Factory to move from a cooperation-dominated to either a balanced/equal (strong cooperation/strong competition) or competition-dominated coopetitive relationship even though IT-Factory has not implied anything regarding this. This deepens the interpretations of Gnyawali et al. (2016, pp. 8-9) who argues that tensions are related to strain/discomfort and conflict/friction. In the cooperation-dominated coopetitive relationships, such as IBM and SAP, or Acreo Swedish ICT tensions exist but are rather low and thus do not cause any frustrations or conflicts. Thus, higher degrees of cooperation seem to be related to lower tensions and higher degrees of competition seem to be related to higher tensions, which corresponds to Bengtsson and Kock (2000, pp. 206-207) arguing exactly the same.

However, even though tensions seem to create a negative energy in a coopetitive relationship, it does not necessarily have to impact the performance outcomes negatively, which the cases of Redloop or Revenues prove. Admittedly, the competition-dominated coopetitive relationships in our study are related to higher degrees of tensions and thus to ill success due to negative and unequal performance outcomes. The opposite is the case for the cooperation-dominated coopetitive relationships in this study. However, in case of Redloop and Revenues the coopetitive relationships are successful even though they face somewhat higher degrees of tension, which causes negative energies in their relationships. These somewhat higher tensions seem to be moderate tensions rather, which might be a reason why their coopetitive relationships are successful with positive performance outcomes even though negative energies are surrounding them. This deepens Tidström’s (2014, p. 270) interpretations that tensions do not necessarily have to lead to negative outcomes. Redloop’s and Revenues key to success seems to be managing with social capabilities rather than managerial capabilities as both argue that you have to have the right attitude and remain level-headed on the outside even though the inside feels frustrated, annoyed and competitive. This might further imply that a certain degree of emotional or social intelligence is needed to cope with tensions in coopetitive relationships. This deepens the interpretations of Chin et al. (2008, p. 451), Morris et al. (2007, p. 51), and Osarenkhoe (2010, p. 353) who assert that trust and commitment in a coopetitive relationship are the best ways to reduce tensions. Our findings seem to confirm this as, for example, the dyadic coopetitive relationships of IBM and SAP, IT-Factory, or Acreo Swedish ICT demonstrate high degrees of commitment from both sides and also high degrees of trust from both sides and thus tensions are on a lower level which positively influences the performance outcomes of both. On the contrary, Ericsson and the MedTech Group show low levels of commitment from both sides and low or lacking levels of trust from both sides and thus tensions are higher, which ultimately negatively affects the performance outcomes.

In sum, tension arises internally and seems to be influenced by the degree of coopetition and competition in a dyadic coopetitive relationship. As such, tension seems inevitable in coopetitive relationships and therefore rather mediates coopetitive interactions and the resulting performance outcomes than moderates them. Furthermore, trust and commitment affect the degree of tensions. Therefore we claim that

Proposition 7a: Tension is low in cooperation-dominated dyadic coopetitive relationships and high in competition-dominated dyadic coopetitive relationships.
Proposition 7b: Tensions can be affected by trust and commitment, and influences the coopetitive interactions and the resulting outcomes.

6.3. Dyadic Coopetitive Relationships, Interactions and Performance Outcomes

The interpretations, analysis, and synthesis of the empirical findings above show clear patterns and connections. It appears that the majority of dyadic coopetitive relationships are either cooperation-dominated or competition-dominated, and seldom equal and balanced, which might be due fact that two companies decide to engage in coopetition together either out of their own free wills, which means a mutual consent, or out of force. This decision is often traced back to the customer as the customer is often a reason for companies to engage in coopetition. Besides, it appears that cooperation-dominated coopetitive relationships and competition-dominated coopetitive relationships differ with regard to their managerial and social capabilities as well as the degree of tensions, which ultimately leads to different performance outcomes. As such, it can be presumed that cooperation-dominated coopetitive relationship follow a more proactive and mutual management approach aligned with high degrees of transparency, openness, commitment, trust and reciprocity, and thus lower degrees of tension. The contrary applies to competition-dominated coopetitive relationships as is clearly illustrated in Table 5.

<table>
<thead>
<tr>
<th>Dyadic Coopetitive Relationship</th>
<th>Cooperation-dominated</th>
<th>Competition-dominated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role of Customer</td>
<td>Mutual Consent</td>
<td>Force</td>
</tr>
<tr>
<td>(For Customer)</td>
<td>(Customer insisted)</td>
<td></td>
</tr>
<tr>
<td>Managerial Capabilities</td>
<td>Proactivity</td>
<td>No mutual management framework</td>
</tr>
<tr>
<td>- One mutual management framework</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social &amp; Dynamic Capabilities</td>
<td>High degree of Commitment</td>
<td>Low degree of Commitment</td>
</tr>
<tr>
<td>- High degree of Trust</td>
<td>Low degree of Trust</td>
<td></td>
</tr>
<tr>
<td>- High degree of Reciprocity</td>
<td>Low degree of Reciprocity</td>
<td></td>
</tr>
<tr>
<td>- High degree of Transparency</td>
<td>Low degree of Transparency</td>
<td></td>
</tr>
<tr>
<td>- High degree of Openness</td>
<td>Low degree of Openness</td>
<td></td>
</tr>
<tr>
<td>Tension</td>
<td>Low degree of Tension</td>
<td>High degree of Tension</td>
</tr>
<tr>
<td>Performance Outcome(s)</td>
<td>Successful</td>
<td>Unsuccessful</td>
</tr>
<tr>
<td>- Mutual performance outcomes</td>
<td>- No mutual performance outcomes</td>
<td>- difference</td>
</tr>
<tr>
<td> no difference</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 5. Dyadic Coopetitive Relationships, Influencing Factors, and Performance Outcomes
These patterns and connections can be further connected into a conceptual model, which we have developed to not only summarize our findings and to display how all the different variables are connected to each other. We particularly want to demonstrate and explain the nature of dyadic coopeitive relationships and their interactions with regard to how these interactions influence the performance outcomes of both sides as perceived by one side of a specific dyadic coopeitive relationship. Hence, as can be seen in the conceptual model (Figure 6), two companies decide to engage in coopetition with each other either because a specific customer insists them to do so, or because they want to access a new and bigger range of customers and provide them better products and services. The former probably leads to a competition-dominated coopetitive relationship, while the latter probably leads to a cooperation-dominated relationship. We see the customer as a moderator rather than a driver here since he seems to affect the degree of cooperation and competitor and since other reasons that drive coopetition exist. Howsoever, once a dyadic coopetitive relationship is formed and interactions begin, tensions start to arise. The degree of tensions can be affected by managerial capabilities, which we term a proactive management approach, and social capabilities, which are commitment, trust, openness and transparency. As such, managerial capabilities and social capabilities are moderating variables here. The degree of tensions then influences the degree of reciprocity, which means the degree of sharing knowledge and exchanging resources, which ultimately affects the performance outcomes. As such, tension and degree are both mediating variables here. The performance outcomes can be positive or negative depending on the coopetitive interactions. If the coopetitive relationship, interactions, and thus the outcomes are rather negative, the probability that the outcomes differ for both sides seems higher. In more detail, it seems to be the case that one company gains benefits, while the other one does not.

![Figure 6. Conceptual Model based on Grounded Theory](image-url)
7. Conclusion and Implications

This chapter aims to answer the problem definition of this thesis. We will first and foremost identify the key incentives as to why and how one side of a dyadic coopetitive relationship perceives the relationship with regards to its interactions and the resulting performance outcomes. Thereafter we will present and discuss how the connection of companies’ perceptions to the negative outcomes of coopetition may increase the value creation and capture of the focal firm. We will also go on to present the theoretical contribution, managerial implication, and societal implications for the study, mention limitations of this study and provide recommendations for future research.

7.1. General Conclusion

Throughout our analysis, several interesting themes have emerged. It is has become apparent that not all our participant firms have engaged in strong coopetition, while others had. This is due to the size of the industry, as well as the industry itself and whether or not the firms are involved in vertical or horizontal integration or both. We have identified the relevant reasons as to why firms would choose to coopete with a specific competitor, how the coopetitive interaction process looks like and how it can be influenced, and the positive and negative side of coopetition between firms.

The purpose of this thesis has been to gain a deeper understanding of the coopetitive interactions in a dyadic coopetitive relationship and how these affect the performance outcomes of both partners in a coopetitive relationship. The purpose of the thesis is to investigate how a dyadic relationship between two companies affects how they engage with one another in this coopetitive relationship. In order to fulfill such a purpose, we have conducted a qualitative study with eleven interviews from experts in both the practical and theoretical side of coopetition; these include participants with various managerial roles within the participating firms as well as the assistance of researchers in the field of coopetition. We have explored the various perspectives of the coopetitive relationships through the experiences, knowledge and research previously done on the topic. Through the conduction of the qualitative study we have been able to gain an extensive understanding of the subject from diverse perspectives and answered the research question, which is:

“How do coopetitive interactions in a dyadic coopetitive relationship affect the performance outcomes of both partners in this relationship?”

The findings from the qualitative interviews show that coopetition is indeed a complex process to grasp for many firms as well as taking the time to implement it in order for it to be successful. It became clear that the process of coopetition is not yet standardizable, therefore there is no set framework that exists for firms to coopete. Attempting to formalize the process may still result in an unknown result, the extent of coopetitive relationships is dependent on the context of the firms involved, the value that they wish to create and receive. The companies interviewed represented all types of coopetition through dyadic relationships; the relationships discussed include horizontal coopetitive relationships from their own perspectives and with their own perceptions, companies that described horizontal coopetitive relationships include direct competitors. The companies that describe vertical coopetitive relationships included indirect competitors.
such as customers and complementary associations. Mostly they provide a one-sided perspective for both sides in the coopetitive relationship; however, IBM and SAP have provided us with a two-sided perspective.

Companies have different reasons to cooperate with a competitor, both in general as well as when choosing a specific competitor. The firms are often similar or may overlap, as many of them coopete with direct competitors. This is due to competitors possessing specific capabilities that are desirable, resulting in a complementary partnership in creating value for the end customer. We wanted to know what other factors are important besides proper management in order to have a successful coopetitive relationship. All the participating companies mention a broad range of elements that they perceive as needed to obtain advantages and minimize or avoid risks and disadvantages. According to the participants, effective coopetitive interactions require both tangible and intangible elements.

Customers play a central role in the formation of dyadic relationships; both horizontally and vertically. They affect the nature of coopetitive relationships, resulting in the customer influencing the firm’s engagement in dyadic coopetitive relationships. This includes the degree of competition (competition-dominated relationships) and cooperation (cooperation-dominated relationships). Firms however require a certain degree of management to guide these interactions for them to be successful. The customer is a basis for the decision to enter both horizontal and vertical dyadic coopetitive relationships. If the customer has an unsought influence on the decision to engage in coopetition the interactions of the dyadic coopetitive relationship tend to be strong in cooperation, however if the customer has a forcing influence on the decision to engage in coopetition the interactions of the dyadic coopetitive relationship tend to be strong in competition. It becomes apparent in the findings that a dyadic coopetitive relationship and its interactions require a mix of managerial and social capabilities in order to be successful. The companies that are successful combine managerial capabilities with social capabilities by aligning management frameworks and management teams with factors such as transparency, openness, trust and honesty. Thus, dyadic coopetitive relationships require a combination of management capabilities and social capabilities in order to enable effective coopetitive interactions.

As such, the companies agree on the fact that both sides of the coopetitive relationship need to provide the necessary knowledge, skills, resources, capabilities and sometimes also experiences. In order to obtain these key benefits from such a relationship it is important for each party to have an open-minded approach. It is key to respect the other party’s competency and added value, their willingness to cooperate, and trust. It is of utmost importance to be transparent at all times, as firms in coopetitive relationships cannot get anywhere without building trust. It is important for firms to trust one another in a partnership, yet at the same time it can be equally important to distrust and make sure that the focal firm’s interests are taken care of. This means that a healthy balance of trust and distrust is key here. Trust is always important, but in the end there must always be legal contracts in place for protection purposes. A firm cannot merely ask for trust. This creates a trickle-down effect of the most important aspects of coopetition, which is to protect key knowledge and competencies in order to collaborate. In a coopetitive relationship, firms expect to get key insights and knowledge, when this does not occur this can turn negative and that is why a firm has to be very upfront and clear on what you are going to explore and at what steps you are willing to disclose such information.
in the coopetitive relationship. All companies provided a very broad range of coopetition outcomes considering both sides of the coopetitive relationship.

We wanted to know how they perceive the outcomes of this specific coopetitive relationship for both themselves and their partners, which further means if they perceive a difference in outcomes. This includes the degree of commitment and reciprocity with regard to coopetition, which needs to be high in order to collaborate. However when competition occurs, the competition is indeed high and there is no exchange going on between the two firms. This may lead to emotional and cognitive tensions, which results in the relationship being affected, resulting in disappointment within the relationship which may become personal due to lack of reciprocity. Commitment is high in cooperation-dominated dyadic coopetitive relationships and low in competition-dominated dyadic coopetitive relationships. The degree of commitment from both sides in a dyadic coopetitive relationship affects the coopetitive interactions and the resulting performance outcomes. Trust is high in cooperation-dominated dyadic coopetitive relationships and low in competition-dominated dyadic coopetitive relationships. The degree of trust from both sides in a dyadic coopetitive relationship affects the coopetitive interactions and the resulting performance outcomes. Reciprocity is high in cooperation-dominated dyadic coopetitive relationships and low in competition-dominated dyadic coopetitive relationships. Therefore the degree of reciprocity in a dyadic coopetitive relationship affects the coopetitive interactions and the resulting performance outcomes of the firms involved.

We see the customer as a moderator rather than a definitive driver, since this affects the degree of cooperation and competition. Various reasons for coopetition exist and therefore it cannot be a driver alone. However it is evident that once coopetition does start to take place, these interactions may lead to tensions if ill managed. These tensions can be affected by managerial capabilities through a proactive management approach and social capabilities. As such, managerial capabilities and social capabilities are moderating variables here. The degree of tensions then influences the degree of reciprocity, which means the degree of sharing knowledge and exchanging resources, which ultimately affects the performance outcomes. As such, tension and degree are both mediating variables here. The performance outcomes can be positive or negative depending on the coopetitive interactions. If the coopetitive relationship, interactions, and thus the outcomes are rather negative, the probability that the outcomes differ for both sides seems higher. In more detail, it seems to be the case that one company gains benefits, while the other one does not.

7.2. Concluding Remarks

The connection between coopetition in dyadic relationships was to some extent not that clear in the theoretical framework. Therefore the question of “How do coopetitive interactions in a dyadic coopetitive relationship affect the performance outcomes of both partners in this relationship?” was unclear as it aims to establish new theory within the discipline which does not only focus on the positive aspects of coopetition but rather highlight the concerns that come along with such relationships. Through the connection established in the theoretical framework and the empirical findings, previous literature and newly established perspectives on dyadic relationships can be integrated into how competitive and cooperative components of coopetition interact with one
another and what these implications entail, whether they may be positive or negative outcomes. We can see that the integration between competition and cooperation can create a balance that can have positive influence on a firm's value creation, the delivery of their services, products and resulting competencies. Positive coopetition positively affects a firm's overall value delivery demanded by customers. It aids a firm in gaining internal access to additional resources and capabilities through various networks that were not present before. If the firm's capabilities are managed well, it will contribute to trustworthy and transparent guidelines that are developed for coopetition practices between partners in order to delimit risk and negative results from coopetition building on when, why and how the managerial benefits and guidelines of coopetition can bring benefits to a focal firm.

Ultimately, we can say that we have largely filled our research gaps, realized the research objectives to a large extent and thus could answer the research question. As such, we have gathered interesting insights about the nature of dyadic coopetitive relationships and their interactions, gained an understanding of how these affect the performance outcomes, investigated both positive and negative performance outcomes thereby figuring out that they can differ for both sides, and lastly found out what factors affect such differences. This has led us fill the gaps by providing some research insights on coopetitive interactions and their effects and by examining one two-sided perspective and several one-sided perspective that considered both sides, and extended research on performance outcomes in coopetition.

7.3. Quality Criteria

There are three indicators of quality in a qualitative research paper, these criteria indicators include the dependability, transferability and the credibility of the research done. These very same indicators are in relation to the most common quality indicators of quantitative research which include reliability, generalizability and validity. Although the same terms may be used in quantitative research for discussing the quality in qualitative research, we will adopt the terms credibility, transferability and dependability for the indicators. We have judged the three quality indicators mentioned to be important for use in this study with the addition of confirmability. Credibility, transferability and dependability cover whether the results of the study are more likely to be applicable to similar situations and studies and whether or not the results are believable. Confirmability on the other hand is important as it addresses to what degree our values may have or may have not influenced the study (Bryman & Bell, 2011, p. 43).

7.3.1. Credibility

As is evident, we have chosen to do qualitative research as it allows the social context of the study to be taken into account. Due to there being several plausible views of the social reality, it is of utmost importance to achieve a level of credibility which may determine the acceptability of the findings in the study that has been conducted (Bryman & Bell, 2011, p. 396). As researchers we have taken into account and studied industry-specific terms and jargon in great detail, these also include other actions which have been described in chapter 4 of Practical methodology. This has ensured that we have understood the social reality of the participants involved. There is of course the
risk that the participants that have been involved in the study may have an additional view of reality since they are in that specific industry and may possess a deeper and thorough knowledge about the industry and the dealings of their respective firms. In order to achieve credibility of the findings, all research must be carried out with regards to good practice and that the findings that have been gathered through the research should be truthful and correct in the sense that the researchers have understood the social context and surroundings of their participants to the best of their capabilities (Bryman & Bell, 2011, p. 369). The link between the participants’ construction of their social constructs and that of the researchers’ representation of these constructs is what ultimately determines the credibility of the findings (Halldórsson & Aastrup, 2003, p. 327). Halldórsson & Aastrup (2003, p. 327) go on to elaborate on the fact that the participants can have the most important role in correcting any misconceptions of the reality drawn by the researchers. Prior to this research paper being published, all participants were contacted in order to give them the opportunity to read and correct any misunderstandings they may have come across. This form of double-checking the transcribed material established a sense of transparency and a higher level of credibility as the participants are able to confirm the findings and that the social context of the study has not been misconstrued but interpreted correctly.

7.3.2. Transferability
Transferability in research deals with the matter whether the found results can be transferred and applied to another study or similar situations and contexts or not (Carson et al., 2001, p. 29). Transferability also applies to what extent the study that has been conducted is able to make generalized asserts about the world around it (Halldórsson & Aastrup, 2003, p. 327). With regards to this particular study, the results and the findings may have the ability to be transferred to other firms within a similar industry as the participating firms may have had similar experiences where cooperation and coopetition are apparent. In order to improve the transferability of research that has been conducted, the researchers of qualitative studies are expected to provide detailed and a substantial amount of information of how the research was conducted and the methodology used. This allows the audience to make an informed judgement on the degree of the studies transferability to similar situations (Bryman & Bell, 2011, p. 398; Carson et al., 2001, p. 30). Carson et al. (2001, p. 69) clarify that transferability can be used and increased by using various respondents. Due to the variety of the different firms that have been interviewed, the degree of transferability increases but may be lacking to some extent from the limited number of participants and industries. Such limitations are seen as drawbacks that we as researchers are aware of, however due to the time constraints and the lack of certain resources there is little more that can be done. On the other hand with the rich amount of resourceful information that has been gathered throughout the research process, the aim would be to allow the readers to make a rational judgment of the end results which may be transferable or not.

7.3.3. Dependability
Bryman & Bell (2011, p. 43) argue that the dependability of research refers to the study possibly being applied at other occasions. The dependability of a study is achieved through the documentation of the process and the method that decisions are made by (Halldórsson & Aastrup, 2003, p. 328). It is of key importance that the researchers must keep complete information and records of all phases of the research process, this
information must be accessible if it is to be requested by the grading committee (Bryman & Bell, 2011, p. 398). Therefore to ensure the dependability of the research conducted we have made sure to archive all recordings and the transcriptions thereof, as well as the interview guide used throughout the research process. This establishes a coherent and transparent flow of information that is dependable and similar to studies of the same kind. This transparency is one of the most important quality criteria for research since it establishes a sense of reliability to the study to see how the data has been collected, what relevant choices the researchers have made, what problems may have occurred during the research process as well as the theories that have been highlighted to support the study. Throughout the research we have done our utmost to describe and elaborate on the theoretical choices that we have made and the practical procedures that were adopted during the empirical data collection period. The analysis was done in a separate method chapter which follows in a logical order for the audience to understand and follow so that they may connect it to the concerned chapters. By narrating the criteria and the actions that have been taken into account when choosing the participants for the empirical data collection, and by narrating the steps that we have taken in coding and in the analysis of the empirical data such as establishing and showcasing the categories it ensures that the study can be executed in a similar way again. By following the interview guide and categorizing and coding the empirical data in sticking to a systematic work order throughout the study increases its dependability. This has been declared in chapter 4 under the Practical method.

7.3.4. Confirmability

Confirmability ensures that the findings represent the results of the empirical research that has been conducted and not that of the researcher's biases (Halldórsson & Aastrup, 2003, p. 328). In Bryman & Bell (2011, p. 43) they define the criteria as to what extent the researcher's values may have influenced the study. Throughout the study we have worked towards ensuring confirmability by clearly stating the possible preconceptions that we as researchers might have that would influence confirmability. By doing this we have facilitated an understanding for the audience that allows them to gain a clear and concise understanding as to how our values may have affected parts of the study. More information on our preconceptions can be found in Chapter 2 on the Scientific Methodology. There are of course certain parts of the study where we may have been unable to avoid our values influencing the results of the research, however to our knowledge and understanding we worked to avoid this predicament to the best of our capabilities. In the field of business administration, complete objectivity is impossible, but researchers can present that their findings are in good faith and that they have not allowed personal values or bias to sway their research or findings in any way possible (Bryman & Bell, p. 398). Since we are well aware of the preconceptions that may have influenced our research study in anyway, we are able to say that we have been capable of working in good faith and therefore avoiding any values that may or may not have interfered with the results of the study, eliminating as much bias as we could. Confirmability increases if it is made easier to trace the results of the study back to the original source (Halldórsson & Aastrup, 2003, p. 328). Therefore all original recording material has been saved as a compliment to the transcribed material, this makes it possible for the audience to be able to make a valid and rational judgement on the interpretations of the results found and whether or not it has been in anyway biased.
7.4. Contributions and Implications

This research study has contributed theoretically both to the academic literature on coopetition and that of coopetitive dyadic relationships and their interactions. The study has highlighted the implication of coopetition both positively and addressed the more negative side of coopetition which is an undeveloped field. Therefore, we will discuss the theoretical contributions as well as managerial and societal implications of the study in more detail.

7.4.1. Theoretical Contributions

This thesis develops the theoretical knowledge in the research area of coopetition by advancing the conceptualization and increasing the understanding of dyadic coopetitive relationships and their interactions and how they affect the performance outcomes of both partners in the relationship. More precisely, we contribute with a conceptual framework model that explains the process from two companies forming a coopetitive relationship to their coopetitive interactions that can be affected by several factors to ultimately the performance outcomes for both firms that result from it. Furthermore, we provide one two-sided perspective and beyond that one-sided perspectives in which still the outcomes for both sides are considered and perceived, which contributes to an extent as this is the first study to look at coopetition from a two-sided perspective. Besides, our theoretical contributions are aligned with the research objectives stated in the purpose as the following will depict:

Firstly, with regard to the nature of dyadic coopetitive relationships and their interactions, we make one contribution that previous research has not figured out so far, namely that the customer plays a central role in the decision for two firms to form a coopetitive relationship and thus engage in coopetition. We have figured out that the customer is an instrument affecting companies to form a coopetitive relationship either out of mutual consent or out of force, and further it seems to determine whether the relationship and its interactions will be rather cooperation- or competition-dominated. This contributes to some extent to the study of Bengtsson and Kock (2000) and Bengtsson et al. (2010) who have started examining on the degree of competition and cooperation in coopetitive interactions in such relationships, namely by adding one reason – the customer – affecting this degree.

Secondly, with regard to how these interactions affect the performance outcomes of both parties engaged in this dyadic coopetitive relationship as well as if and how the outcomes differ for both parties, we contribute in a sense that we support and also deepen the findings of Tidström (2014) and Rodrigues et al. (2009) who assume that the outcomes do not necessarily have to be the same for both parties and that one side can gain more than the other side. We have figured out that depending on the degree of cooperation and competition and factors influencing the coopetitive interactions, the outcomes for two partners in a dyadic coopetitive relationship can differ.

Thirdly, with regard to reasons for why outcomes can differ, we contribute as we advance the understanding for factors influencing the coopetitive interactions and through that the resulting outcomes. The influencing factors are both mediating (tension and reciprocity) and moderating (managerial capabilities and social capabilities) the coopetitive interactions. Tidström (2014, p. 270) calls for an investigation of how the
different outcomes can be turned into mutual positive ones, in more detail what companies require to make this happen. Our study can provide an answer to this, as we have detected that it needs both managerial (proactivity and management frameworks) and social capabilities (commitment, trust, transparency, and openness) to reduce tensions that mostly arise internally in both companies and thus enhance the degree of reciprocity which in the end affects the mutual outcomes. Furthermore, with this we support and also advance the study of Chin et al. (2008) by adding factors on how to strategically manage coopetitive relationships and their interactions. We also make a contribution that is quite novel in research, namely the incurrence of internal tensions.

7.4.2. Managerial Implications

The findings of the thesis also provide some managerial implications. This study aids companies in understanding the complexity of coopetitive relationships and their interactions, and how these can affect the mutual value creation of or performance outcomes for both partners respectively. This understanding enables the companies with their responsible managers or management teams that plan to engage in coopetition to approach the formation of coopetitive relationships with a specific partner with more consciousness and proactivity. The managers or management teams of the companies will now understand that it is important to consider both perspectives already before the formation of a coopetitive relationship, which further means not only considering what benefits the company itself can get from the relationship but also what benefits the other company can get from it in order to create a win-win situation. Furthermore, by understanding how coopetitive relationships and their interactions work, what factors have an effect or influence on them, and what is required to create mutual positive value, companies can proactively develop management frameworks that set guidelines for how to deal with the coopetitive partner and how to manage the interactions towards gaining mutual positive outcomes and thus creating a win-win situation. Ultimately, being able to have successful coopetitive relationships, companies will be able to improve, strengthen, or sustain their competitive advantage. Furthermore, the failure rate of coopetitive alliances will probably decrease.

7.4.3. Societal Implications

Coopetition and the knowledge as to how to deal with coopetitive relationships together will have more positive implications than negative ones on the sustainable relationship among coopeting firms over time. The results of the study can be used in order to improve and open up new research on the negative aspects of coopetition and how to prevent this dilemma from arising. By engaging in coopetition and establishing structures as to how to coopete so that all stakeholders may benefit can together develop more sustainable solutions for businesses at a lower risk. The more relevant this knowledge becomes and the processes as to how to implement effective coopetitive relationships, the more efficient business practices and products can become, this in turn will benefit society at large and it is evident from the findings that firms see the benefits of coopetition but are unsure as to how to address and go about the obstacles thereof.
7.5. Limitations

There are some limitations in this study that need to be acknowledged. Firstly, the study as most was affected by the limited time scope and constraints associated with a Master Thesis research paper. This of course affects the quantity of the interviews that can be conducted, leading to a small to moderate sample size. The research paper initially started with the intention to look at a two-sided dyadic coopetitive relationship and the negative aspects of this coopetition that the companies experienced. The focal firm was selected as previously highlighted by quantitative research that had been conducted in 2015. The intention was then to contact their coopeting partner firm to gain valuable insights from the other side in order to gain a valuable two-sided perspective. However, due to the limited time frame, the conflicting schedule of the firms, and sensitive information dispersed by the companies to be interviewed, the research drifted further away from the initial topic and we only managed to get one two-sided perspective and beyond that a few one-sided perspective on dyadic coopetitive relationships and their interactions, and how these interactions affected the outcomes of both sides. Besides, one of the companies in the sample has not experienced coopetition yet, but explained that plans to coopete vertically with the customers have started. The samples, the sample size and the fact that we only have on two-sided perspective limit a generalization of our results.

Secondly, we have limited the study to the investigation of dyadic coopetitive relationships only as it is easier to examine dyads in research, however it should be noted that dyadic relationships are embedded in a larger network context. Thus, dyadic relationships are part of a network and therefore both are interdependent (Dr. M.K. Srivastava, personal communication, March 15, 2016). They continuously impact other relationships in a network it can affect a whole network either positively or negatively considering the outcomes of the relationship. Hence we focus on a small part only, which leads to the study being limited in this regard.

Thirdly, considering the nature of qualitative studies, we have to consider the limitations related to it as well. As such, the study can to some extent imply a lack of objectivity as the results in qualitative studies can be easily influenced by the biases of both of us as researchers since the results are based on our own descriptions and interpretations of data. Hence, the objectivity is to some extent limited.

7.6. Future Research

This explorative study on coopetitive relationships and the effect of their interactions on performance outcomes can serve as a base for future studies. The limitations underline that it was possible to depict only one two-sided perspective on dyadic coopetitive relationship, its interactions and the resulting outcomes for both partners, while the other dyadic coopetitive relationships, their interactions, and the resulting coopetition outcomes for both sides have been depicted from one-side of the two partners only. Therefore, future research should in qualitative studies further explore more two-sided perspectives on dyadic coopetitive relationships, their interactions and the resulting outcomes for both sides, which means investigating how both sides perceive the same coopetitive relationship, particularly with regard to the performance outcomes. It seems important to further investigate if and how the outcomes differ for both sides as we only
managed to get two negative relationships for this study. Thereafter, it would be interesting to conduct qualitative studies on how the dyadic coopetitive relationship affects other relationships within its network context or how it affects the whole network respectively. Furthermore, future research could go one step further and conduct qualitative studies that focus on multi-sided perspectives by also examining coopetitive relationship on a triadic and network level.

The small sample size of our study makes a generalizability of the findings rather impossible. As we have derived with propositions and a conceptual model from the grounded theory in this study, we suggest that future research should in quantitative studies with larger samples test the significance of both the propositions and the conceptual model. We further suggest that the sample will then be comprised of all the actors in involved in a dyadic coopetitive relationship, which means the respective managers and employees involved. Furthermore, as little has been done empirically to address the negative aspect of coopetition and as we have not managed to collect enough data on negative coopetition outcomes, future research should conduct some quantitative studies on negative performance outcomes in coopetition to validate existing conceptual findings on it.

Besides, only two studies seem to have studied how coopetition or coopetitive relationships could be managed, namely Bengtsson and Johansson (2014) and Chin et al. (2008), and we have additionally examined a bit on how companies manage dyadic coopetitive relationships with regard to their interactions and the resulting outcomes. Therefore, future research could further explore and describe how coopetitive relationships are managed on all levels (dyad, triad, and network) in order to enable managers to develop management frameworks for dealing with such relationships and create win-win situations. It would also be interesting to explore the reasoning and decision-making process behind coopetition and how firms configure these interactions. These studies can lead to increased relationships between firms that are sustainable through convergence and within the rapidly changing business environment.
References


**Personal Communication**

Appendix 1

Interview Guide – Dr. Manish K. Srivastava

We are doing research to prepare our Master thesis within the field of Business Administration. Our specific interest is why and how companies cooperate with their current and potential competitors (or engage in coopetition) and how coopetition impacts the outcomes of both sides. We are exploring the impact of coopetitive interactions on performance outcomes from the perceptual perspective of one side of a dyadic coopetitive relationship in order to set a base for future two-sided studies.

We want to use the opportunity of your visit and interview you with regard to coopetition. We are interested in your perspectives on coopetition and hope to get some valuable insights on this field before we start our research process. Please note that some questions might overlap a bit.

We really thank you for your time and insights!

**Introduction**

1. Can you talk about yourself for a bit, what research fields have you focused on and why coopetition?

**Coopetition**

2. How do you define and position coopetition in today’s complex business environment?

3. What is the objective of coopetition in your opinion?

4. How do you see coopetition moving forward in the next decade?

5. What are the motivations behind coopetition?

6. Do you see coopetition as beneficial, if so why?

7. What are the negative aspects of coopetition that you have come across?

8. Do you have any worries or doubts about coopetition?

9. What characteristics/features do you think firms that are coopeting need to possess to create a win-win situation?

10. Do you think coopetition is based on more what coopeting firms do rather than who the coopeting firm is?
**Influencing Factors in Coopetition**

11. What do you think are factors that can affect the coopetitive relationship and thus the resulting outcomes? (*referring to “contingency factors”*)

12. How do you see tensions in coopetition? What do you think creates tensions in coopetition?

13. Could you elaborate on trust and mistrust in coopetition?

14. Could you elaborate on the extent of coopetition performance and how this may result in various outcomes?

15. How do coopeting firms may choose to protect themselves while coopeting?

**Other**

16. Why do you think the negative aspects of coopetition have not yet been explored in depth?

17. Do you think that dyadic relationships can exist exclusively in coopetition?

**Closure**

18. Do you have any final comments or thoughts on this topic that you would like to share?
Appendix 2

Interview Guide - Companies

We are doing research to prepare our Master thesis within the field of Business Administration. Our specific interest is why and how companies cooperate with their current and potential competitors (or engage in coopetition) and how coopetition impacts the outcomes of both sides. We are exploring the impact of coopetitive interactions on performance outcomes from the perceptual perspective of one side of a dyadic coopetitive relationship in order to set a base for future two-sided studies.

We really thank you for your time and insights. You can discontinue the interview at any stage if you feel uncomfortable with answering any of the questions. Before we proceed with questions related to research, we want to ask you some general questions:

- The study will be published online, which means it will be available for the public. Can the company’s name (and your name) be used?
- Can we record the interview?

We really thank you for your time and insights!

Introductory Information on the Company & Respondent’s Background

- Name of company
- Type of industry
- Short description of company’s business
- Name of respondent
- Name of function / position in the organization / main task-responsibility
- Number of years of experience in this specific position
- Total experience in any managerial position

Nature of Coopetitive Interactions In a Dyadic Relationship

1. What are three key reasons for your decision to cooperate with a competitor (more generally with any competitor)?

2. What was the primary reason for your decision to cooperate with this specific competitor?

3. Next few questions are about how the coopetition between your company and your competitor-partner looked like:
Are there any other actors/companies involved?
In what area(s) did you compete and in what areas did you cooperate?
How did you interact with your partner (face to face, phone, email)?
How often did you meet or engage in interactions with our partner?
What specific areas of sharing and exchange took place with your partner (e.g. sharing of knowledge, sharing of other resources, etc.)?
How did you manage the coopetitive relationship?
What were the most exciting aspects of this relationship?
What were the most difficult or challenging aspects in this coopetitive interaction?
Has this relationship remained fairly stable over the years or changed? If changed, what are the areas of change and why?
Would you consider this coopetition as successful or unsuccessful? Why yes, why not?

4. What is in your opinion regarding the degree of cooperation and competition within this specific relationship? Is the relationship dominated by competition, by cooperation, or an equal degree of cooperation and competition? Why?

**Effect of Coopetitive Interactions on Performance Outcomes**

5. Please explain three key things (e.g. resources, skill, capability) you need in order to obtain gains/advantages.

6. Please explain three key things you need to do in order to avoid or minimize the negative outcomes.

**Positive and Negative Performance Outcomes (Both Sides)**

7. What were three major benefits/positive outcomes to you provided by this relationship and how were they advantages (e.g. gaining knowledge, developing new technologies, etc.)?

8. What were three major drawbacks/negative outcomes to you and why they are disadvantages (e.g. tensions, difficulty in managing, knowledge leakage)?

9. What were in your opinion three major benefits/positive outcomes to your partner by this relationship?

10. What were in your opinion three major drawbacks/negative outcomes to your partner by this relationship?
Influencing Factors: Potential Reasons for Different Outcomes

11. How did the degree of commitment affect your coopetitive interactions?

12. How did the degree of reciprocity (= coopetition intensity) affect your coopetitive interactions?

13. How did both cognitive and emotional tension affect your coopetitive interactions?

14. How did the degree of both trust and distrust affect your coopetitive interactions?

15. How did the degree of protection of key knowledge, unique competencies and technology affect your coopetitive interactions?

Closure of the interview

16. Do you have any additional comments or thoughts on this matter you would like to share?

We thank you for your time to talk with us!
# Appendix 3

## Grounded Theory: Qualitative Coding

<table>
<thead>
<tr>
<th>Open Codes</th>
<th>Axial Codes</th>
<th>Selective Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>the competitor; specific relationship; cooperate with a competitor (3x); work with a competitor (2x); engage in coopetition with a competitor</td>
<td>Dyadic Coopetitive Relationships and Interactions</td>
<td>➢ Customer</td>
</tr>
<tr>
<td></td>
<td>➢ The Role of the Customer: Mutual Consent vs. Force</td>
<td>➢ Management Capabilities</td>
</tr>
<tr>
<td></td>
<td>➢ The Need for a Combination of Proactive Management and Social Capabilities</td>
<td>➢ Social Capabilities</td>
</tr>
<tr>
<td>Main-Category: Dyadic Coopetitive Relationship</td>
<td></td>
<td>➢ Tension</td>
</tr>
<tr>
<td>a big reason would be; decision to; a reason is; the main purpose is; if client wants us to; most common reason for; if the customer insisted us to;</td>
<td></td>
<td>➢ Reciprocity</td>
</tr>
<tr>
<td>Sub-Category: Reasons behind Coopetition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instances where we work together; in terms of competition; cooperation more related to; competition may be more related to; built around a project; compete in most areas; where to compete and cooperate; area we will cooperate; ones to compete on; division of;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Category: Cooperation vs. Competition: Division of Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interaction with; actors involved; engage; interactions; interact face-to-face; interact with; share; meetings; communication is; exchange; work together through; we interacted;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Category: Interaction process</td>
<td></td>
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</tbody>
</table>
### Sub-Category: Managing Coopetitive Relationships

**Effects of:** Skills that are needed; good understanding; good communication; transparency; important to have open-minded approach; respect other parties’ competencies and added value; trust; you need knowledge, experience, capabilities; be open-minded; things to maintain is resources, knowledge, and shared contacts; minimize differences; have an open discussion; be transparent; be honest; play honestly; building trust;

### Main-Category: Requirements for Effective Coopetitive Relationships

- major positive outcomes; drawbacks; major benefits were; certain disadvantages; benefit; disadvantages; benefits include; takes up a lot…; if there was any benefit; biggest loss we experienced;

### Main-Category: Coopetition Outcomes

- be committed; certain level of reciprocity is important; emotions tend to run high; emotions and misunderstanding of teams lead to negative impacts and outcomes; important to trust each other; healthy amount of trust and distrust; protecting your unique capabilities is important; high

### Coopetitive Interactions and Performance Outcomes

- The Importance of Commitment & Trust
- The Importance of Reciprocity
- The Effects of Inevitable Tensions
degree of commitment from both firms; emotional tensions; most important to protect our knowledge and competencies; not always equal degree of commitment; lack of enthusiasm which affects us; commitment from both sides; fair degree of reciprocity; emotional and cognitive issues led to negative energy; where one or other feel more committed; people emotionally angry and disappointed; commitment was lacking; asking for trust than giving it which negatively affected these interactions;

**Main-Category:**
Influencing Factors in Coopetitive Relationships