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Faculty of Business Economics

Master of Management

Master's thesis

What growth strategies are pursued, when entering a coopetition? What are the challenges and success factors of coopetition?

Rudolf Sarkisyan

Thesis presented in fulfillment of the requirements for the degree of Master of Management, specialization Strategy and Innovation Management

SUPERVISOR :

dr. Relinde COLEN

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Disclaimer

This master thesis was written during the COVID-19 crisis in 2020-2021. This global health crisis might have had an impact on the (writing) process, the research activities and the research results that are at the basis of this thesis.

Preface

This thesis in the context of coopetition is the final part of my study Master of Management with a major in Strategy & Innovation at the University of Hasselt. The development of this master thesis demanded a lot of effort, perseverance and time from me. It gave me the opportunity to gain insights into the current trend of coopetitions, which has been a very interesting experience for me.

Further the year 2020-2021 has been very educational in both personal and professional way. I have had the opportunity to collaborate with very talented people and to participate in interesting courses. I am very grateful for all the support I have received from my family, and fellow students at Uhasselt.
I want to thank especially my supervisor dr. Relinde Colen for her continuous support and constructive comments. She has had the patience to listen to my crazy propositions, correct my mistakes and help me to graduate this year.

Rudolf Sarkisyan

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Summary

Research purpose

Coopetition, where firms collaborate with their competitors, is growing as a predominant phenomenon. In contrast to the traditional perspective on competition,, firms nowadays implement new strategies on the belief that *"sometimes it is better to succeed in an ecosystem where others also can benefit from, including the competitors."* While coopetition offers advantages, it also comes with certain risks. Therefore, scientists and researchers are investigating how the probability of success in coopetitions can be increased. The purpose of this study was to find out the challenges and success factors of coopetition and, proceeding on these insights, determine which growth strategies are pursued within a coopetition. This qualitative study utilizes in-depth interviews with various companies to find answers for its research questions.

Literature review

First, I examined all the interesting relevant- and research papers about coopetition and growth strategies. I defined coopetition, looked at its origin and wrote about how to balance coopetitive relationships by examining the challenges and success factors of it.
The literature review gave us certain challenges and success factors related to coopetition. On the one hand the challenges are: Group think, Confronting/distancing, Collusive behavior, Hold-up problem, Time, The not-invented here syndrome Trust issues, Mutual use of resources, Lack of focus Information sharing, Open mindset and Competitivity, while on the other hand the success factors are: Communication, Group identity, Managerial choices, Trust, Respect, Centralization, Economic benefits, Knowledge sharing and a Common goal.
In addition to that I introduced Ansoff's growth matrix and ended with coopetitive examples where every relationship strived a certain growth strategy found in Ansoff's matrix.

Methodology

In order to create links between coopetition and certain growth strategies, I interviewed six high-ranked managers/CEO's of companies that have or experienced coopetitive partnerships. These interviews gave me interesting insights on what growth strategies are pursued in coopetitions and the challenges and success factors that accompany it. Therefore I could generate conclusions and share recommendations for managers that are planning to collaborate with a competitor.

Findings

A remarkable finding is that smaller companies are less prone to opening up and entering a coopetition where a lot of knowledge sharing is present. On the contrary, they prefer growth strategies where less information sharing is needed as market penetration or market development. Diversification and product development need more research & development. Subsequently, a more intense interplay of knowledge arises, leading to a higher risk of knowledge spillovers. This means that larger firms with more capital and legal power will be more prone to such collaborations to minimize the risk of failure in comparison to smaller firms that often undergo informal agreements, which puts them in a vulnerable position.

Further, I noticed a new implementation to realise a certain growth strategy where competitive firms help each other, namely by the principle of sharing employees amongst each other. Moreover, I saw a phenomenon at one of my interviewees which might become more popular, and that is to collaborate with competitive non-profit organizations as their goal is not to outperform other competitors in the industry. Besides that a third novel finding is that coopetition can also exist indirectly whenever an employer hires two competitive firms to work on a specific project. Here it is vital to have good project management to avoid collisions and misunderstandings that might affect both companies in realizing the task.

During the interviews I found additional influential factors in coopetitions. For the challenges: reputation, skill gap, Lack of common goal, and conflict of interest were not touched upon. For the success factors, the interviews indicated that good project management, complementarity, and creative innovation are needed within a coopetition, while they are not mentioned in the current literature. Reputation is a significant factor for 5/6 interviewee's. On the one hand, reputation is hard to build up, but on the other hand, it is easy to lose it again. Reputation should be carefully managed and maintained to create the opportunities to undergo coopetitions.

In addition to these, I found out that employee behavior was not much affected in any of the cases discussed. The non-invented-here syndrome that we see a lot with scientists was not mentioned during the interviews.

Value of the study

My research has value for the present coopetition literature. I propose a theoretical framework supported by empirical results. The framework gives a view on what growth strategy is perceived based on the size of the firm. Out of the results from my empirical results accompanied with the examples of coopetition that I found in the literature, I noticed that small-medium-sized firms are more prone to market penetration and market development within their coopetitions. In contrast, large firms prefer to use coopetition for market development and diversification. However, due to the small sample size of the research, the framework requests additional investigation.

Additionally, this study offers valuable and interesting information that serves as preliminary research. First, it offers a new look at the success factors and challenges and builds on the existing ones. Second, it showcases a new type of implementation for the realisation of a coopetitive relationship. Third, it gives us a potential insight on the preference of choosing a certain growth strategy when entering a coopetitive relationship. Finally, there might be a future where start-ups will collaborate more with non-profit organizations out of fear for the larger firms. A lot of additional research can strengthen these themes, giving interesting findings in the evolving economies we face today.

Research limitations

This research is subject to some limitations. In this study, there might be some gaps as there has been no research about growth strategies in coopetitive relationships. However, we do see a trend in coopetitions which makes it worthful to do this research. The subject I handled is quite sensitive as companies speak about the relation they face with competitors. This might affect some interviews, where some secret information was not given, influencing the empirical results. Further, I suffered interviewing larger companies due to the present covid-19 times. Therefore I contacted my network, which consisted of smaller firms. Therefore it might affect the generalizability of my research. Nonetheless, I want to add that my goal was not to generalize the research findings to a particular industry but to build on the

existing theory and see if there might be a specific relation across different industries. Although the sample size is small, my findings show that there might be a distinct difference between the strategy of small-medium and large-sized firms. It is interesting to find out if this trend stays the same if the sample size increases.

Practical implications

This study adds value by making managers aware of the potential growth strategies when entering coopetitions. Overall coopetitive relationships should be appropriately managed by knowing what the risks and challenges might be. In addition to that, the gained knowledge to make the right choice and go with the proper growth strategy will lessen the chance of failure and increase the odds for success in the coopetitive relationship. Managers should be aware of the coopetition trend and how it becomes more normal to open up and collaborate with the competitors. It is not taboo anymore.

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1 Introduction

Michael Corleone once said "Keep your friends close and your enemies closer". In this research paper, the quote refers to Coopetitive relationships. While coopetition is favourable, a coopetitive relationship is strenuous to experience and balance (Tidström, 2014).

Coopetition exists out of two words Competition and Cooperation. Coopetition is mentioned as a dyadic and paradoxical relationship generated when two companies collaborate, for example, a strategic alliance, while simultaneously competing in other operations (Bengtsson, M., & Kock, S. 2000). On the one hand, competition exists through the striving war for innovations and strong market positions (Gnyawali et al.,2018). It invigorates the search for contemporary rent-generating mixtures of assets, human capital and operations (Yami et al., 2010). On the other hand, there is cooperation, where through the creation of voluntary agreements, new technological development, and complementary capabilities occur. (Gnyawali et al.,2018). It grants entry to rare and interdependent assets. Combining both makes it possible to find new horizons for companies who want to innovate or strive to get both types of advantages.

Research in coopetition has reached its milestone with implementing the Global Coopetition Research Network (GCRN) and the first EIASM workshop based on Coopetition strategy in 2004 (Bengtsson et al., 2016). After these events, the development and research in coopetition have increased. While many researchers explained coopetition in various ways, there is, to my knowledge, no earlier research about Ansoff's growth strategies: market penetration, market development, product development and diversification, that gives us indecisive documentation in terms of the effects of a particular strategy in a coopetitive relationship, implying both benefits and disadvantages. A certain strategy is an important factor for companies to decide what growth strategy to choose when entering a coopetition.

There is still this social dilemma where firms do not want to open up and collaborate with competitors to protect their knowledge. Indeed, sometimes coopetition can go wrong as in the Symbian example, which will be reflected later in the text. So it is interesting to find out what the challenges and success factors are in a coopetition and try to link it to a certain strategy taken. As an answer to the increasing use of coopetition in the current literature my aim of this research is to find out which growth strategy a firm pursues when entering a coopetition. Out of that, it is interesting to see if there are effects on challenges and success factors in relation to the growth strategies that are undergone in a coopetition.

Therefore I will outline this topic choice and show why it is important to have a more broadened view of it. I will reflect on this within the business world, by finding out **What growth strategies are pursued, when entering a coopetition? What are the challenges and success factors of coopetition?** In addition to that, we will have a closer look at the challenges and drivers of success. First, we will define the term "coopetition" and why this concept seems to have become increasingly important for researchers and managers. We will discuss the theoretical rooting of the term Coopetition. Second, we will clarify the differences in the literature with regard to how to define different types of growth strategies related to the Ansoff matrix. Third, we will review different cases to illustrate the range of strategic and business challenges that competitive partners undergo when having a coopetition. Finally, after thorough qualitative research, we will deepen our understanding of this topic and link the relations to see if a particular strategy is taken in a coopetition. This research style will offer us more detailed answers to find certain relationships between growth strategies, challenges and success factors. I will use

primary data from a well-devised interview guide and conduct semi-structured interviews with six high-ranked managers or CEO's from firms that partnered with their competitors. The interviews with the managers will provide novel evidence on the conditions, if coopetition is successful or not following a particular growth strategy. This evidence will be accompanied by additional research and results on the success factors and challenges in various coopetitions. Therefore, high-ranked managers / CEOs can minimize the risk of failure when entering a coopetition with this information.

In summary, this paper will bring together the recent literature on coopetition and growth strategies. After the found literature, we will conduct the interviews with employees to see if we can state a specific relationship between these terms.

2 Literature review

2.1 Coopetition definition

In research, coopetition is mentioned as a dyadic and paradoxical relationship generated when two companies collaborate, for example, a strategic alliance, while simultaneously competing in other operations (Bengtsson, M., & Kock, S. 2000). Jorde et al., (1989) saw coopetition more as a strategic alliance that could be defined as a bilateral relationship, described by the devotion of two or more partner firms to get to a common goal, and which necessitates the pooling of peculiar resources and competencies. In contrast, M&As stand for joint activities between two separate companies that are merged into one. The difference with acquisitions is that in this case, one company procures majority ownership over another company (Hagedoorn & Duysters 2002). In a coopetition, alliances are not allowed to be involved in another's firm resources. A coopetition is mostly founded by dual agreements, contracts that lead to equity holdings, consortia, or joint ventures (Jorde et al., 1989).

Here, an interesting remark is that we still need to look at the exact difference between an exchange transaction and cooperation. An exchange transaction as a licensing agreement with certain fees is given by the licensor to the licensee for a specific price. This makes exchange transactions unilateral instead of bilateral. Coopetition is never unilateral because definition wise one side cannot receive money only—the same counts for acquisitions and mergers (Jorde et al., 1989).

This duality was also expressed by the creators of the game theory, Nalebuff and Brandenburger (1995). They noticed from the game theory that coopetition encloses complementary interests and targets, which takes place when competition and cooperation are performed at the same time (Yami et al., 2010). I mean that coopetition is a game of choices, as is game theory itself, where coopetition is only the outcome of 1 possible game. Both actors will collide with the internal dilemma to choose to defect or not. 100% transparency is hard to find and both participants of a coopetition do not know what the other player will do (Zeng & Chen, 2003). In a coopetition it is crucial to find the balance, which leads to an effective relationship and not to destroy it.

When talking about strategic alliances, we will look more towards the technological side of the story. The strategic technology alliances are the modus operandi where they set up an agreement where there are at least combined innovative activities or a trade-off of technologies present. The goal of such agreements is to achieve an impact on the product market. As the article in Fountainebleau (2016) mentioned: "Sometimes the best way to stay competitive is not to compete. It may be less risky than you think." Companies are gradually doing less scientific research by themselves for the pursuance of competitive advantage. The shift to a more open approach in specific industries leads companies to collaborate more and outsource their literature research or split it with their competitors. On the contrary, they will engage with their competition by using the hybrid strategy where they will cooperate with its competition, or in other words, 'coopetition'. This will bring an essential task that the management team should carefully fulfill.

In any coopetition, we do see two general processes: value creation and value appropriation. Value creation first is based on as long as the competitive logic and market of the alliance is set off, and then on the efficacy on which the two partners amalgamate their interdependent skills and assets, leading to the success of their coopetition (Zeng & Chen, 2003). Simply said it is the effect of the relationship on

the cooperative economic accomplishment of both firms (Holm et al., 1999). Each actor then appropriates value as financial or other benefits. Both viewpoints give a clear understanding of the motives of coopetitive firms. There are two known ways for the extraction of value in a coopetition. The first is through bargaining to reap the stream of economic benefits realised by the coopetition. The stronger the bargaining power, the more benefits you will encounter. Second, the internalisation of the external knowledge plays a vital role in the inflow of knowledge that will give you long-term benefits in the industry (Zeng & Chen, 2003).

2.2 Coopetition origin

Is Coopetition just another new trending term or a reliable revolution in strategic decision-making? Did coopetition erupt from its widespread existence in different industries, along with the paradoxical nature of the term (Bengtsson et al., 2016)? In the 1990s, we had a shift in external strategies that companies practiced. Strategic alliances and mergers & acquisitions (M&As) were increasingly practiced. Finally, companies saw the chance to ameliorate their capabilities, enter new markets and increase their market power (Hagedoorn & Duysters 2002).

We jump back to the year 1442 to see how the competitive market has evolved until today. Filippo Brunelleschini took a patent on his industrial invention, which gave him a three-year monopoly. At this moment, competitors realised to be innovative, and the emergence of great inventions followed (Lotha, 2019). Schumpeter further concluded that this development of intense rivalry is crucial for firms to innovate and realise competitive advantage through the innovative approach. This specific environment of competitors will act as a pressure tool for companies not to lose their competitive edge and stay ahead of the competition.

Further, it is interesting to see that in 1997 coopetition already appeared but under a different name, namely 'syncretic rent-seeking behaviour' (Lado et al., 1997). Competition and cooperation were not anymore treated as two edges of a continuum. The team of Lado et al. (1997) created a four-cell typology of rent-seeking strategic behaviours.

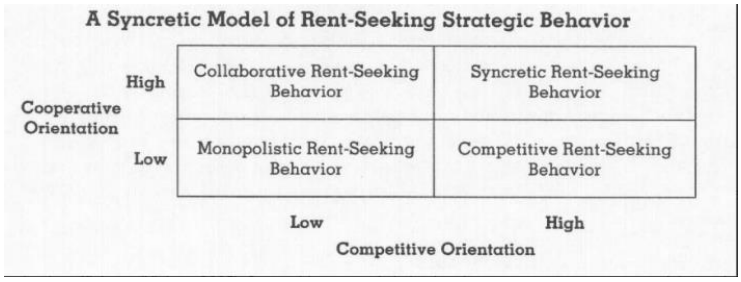

Figure 1: A syncretic Model of rent-Seeking Strategic Behavior (Lado et al., 1997).

We can see here four different types of strategic behaviours. The Monopolistic Rent-Seeking Behavior is neither an aggressive nor cooperative approach. In this approach, it is vital to avoid any other behaviour. In the Collaborative/Cooperative Rent-Seeking Behavior, we focus on collaborating and sacrificing competitive behaviour. On the contrary, the Competitive Rent-Seeking Behavior promotes a competitive situation where no collaboration/cooperation will occur; the firms will behave aggressively towards the rest. The last and the most interesting one for us is the Syncretic Rent-Seeking Behavior. This one is without hesitation about the coopetition concept (Lado et al., 1997).

Now Coopetition is booming. The term has become more critical than ever before because, in this new millennium, we are more than before exposed to this new paradoxical strategic behaviour known as Coopetition (Dagnino & Rocco (2009). In the current evolving economy, companies need to collaborate to survive. It gets increasingly expensive to be innovative and develop new products (Dicevska et al., 2016). When putting the forces together, new innovations are possible, where both actors of the coopetition can benefit from (Bengtsson et al., 2010). Gradationally open innovation led to more interaction between competitors amongst themselves. There was a trend in more partnerships between firms that would have never worked together if the closed innovation funnel was not evolved into an open one (Laursen & Salter, 2016). Some of these partnerships even enter a coopetition. When company A lacks specific knowledge or skills to innovate its current offering, it may solve this problem by cooperating with a direct competitor, company B. Instead of shelving particular inventions; they might get a new life. Entering a coopetition can be linked to the theory of the closed and open funnel approach. The funnel is called closed when there are only openings in the beginning and in the end, no holes in the middle, while an open funnel has holes in the middle. A closed innovation model has no holes where failed projects can be transformed into spinoffs or licensed out. Instead, all technology and science go through a closed funnel; therefore, many projects do not result in actual projects because they fail technology-wise. So if a firm decides to open up more and implement the open funnel approach, the funnel will get holes that represent the fact that external technology can flow in during the R&D process to complement it. Therefore, coopetition can be realised, which will lead to new inventions if the relationship is appropriately managed. Firms still do R&D but complement this with external technology, not only from other firms but also from universities and research institutes.

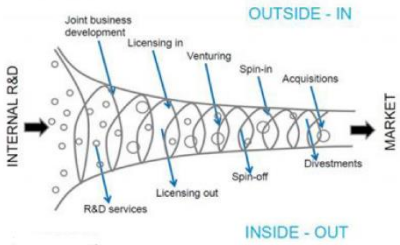

Figure 2: Open funnel approach (Chesbrough, 2007)

Further, there is also knowledge flowing out. Suppose firms have developed technology that is not applicable in their market. In that case, they will look for ways to monetise these technologies by licensing them out to firms interested in this technology and are willing to pay for this. By doing this, the firm is creating an additional revenue source that otherwise would have been lost (De Jong, 2007).

There is a downside to this, of course. Without proper management, increasing the number of external sources will be harmful to the company. This can lead to decreasing returns, where at one point, all the additional external knowledge that flows in the company becomes ineffective. Laursen and Salter (2006) did research based on a statistical analysis of the U.K. innovation survey. The survey has a more in-depth look at the innovation process inside firms, and it has a sample of 2707 manufacturing firms. In the figure below, you can see the result. The dependent variable is innovative performance. We can link that to the firm's external strategy, a certain amount of control variables (market orientation and size), and Research and development concentration. The independent variable is the number of external sources used. So the findings aligned with the explanation that firms that are more prone to external knowledge or search channels will have a higher chance of a higher level of innovative performance.

This goes well with what Chesbrough implied, that internally focused firms will miss on opportunities due to the lack of essential knowledge that can only be found outside the company. A comprehensive and in-depth search across a diverse base of companies can give you the spark to implement an innovation/invention. On the contrary, innovation-search is not. Oversearch in innovation can hinder innovation performance, which is time-consuming, costly, and arduous.

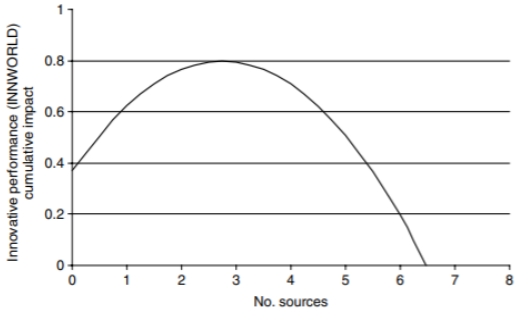

Figure 3:Predicted relationship between innovative performance and the depth of search through external sources of innovation (Chesbrough, 2007)

Not all the companies wanted to shift their company in this way, but they had to as development times were getting shorter, and the costs of research more expensive (Chesbrough, 2007). A famous example is Xerox. In the 70s, all parts (lens, toner, feeding systems, and even paper) were developed, designed by Xerox. The reason they did this was value capture: they could earn margins on all components. Some parts were made out of necessity; they could not find a reliable provider for paper with the right characteristics. This is a closed model because they did not rely on external entities to be innovative, they wanted to capture all value, plus it was a necessary (Chesbrough, 2003).

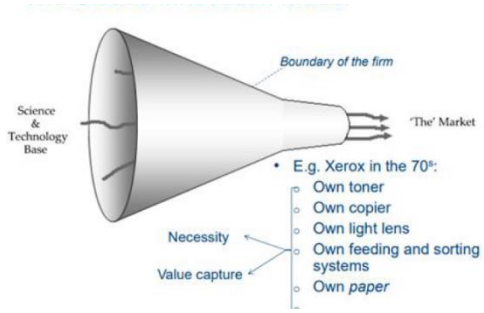

Figure 4: Closed funnel - XEROX example (Chesbrough, 2003)

Summarised, the shift from closed to an open innovation funnel has been realised by licensing out technologies, creating spin-offs, joint ventures and skilled labor mobility and availability (Chesbrough, 2003).

This makes a clear link to the rise of innovative concepts that have enriched strategic management. The exuberance of different concepts and definitions shows the increasing complexity of the context in which firms operate. At the same time, it reveals the new difficulties that firms experience in their decision-making strategy in new unknown environments (Daidj & Nabyla, 2017).

We will have a clearer understanding of coopetition if we look at it from different perspectives, from competition to cooperation theory. Most of the time, it is just easily classified as an extra extension to competition or cooperation theory (Yami et al., 2010). This means that before coopetition was introduced in the competitive paradigm, research was focused on internal rivalry between firms in the industry. This was realised by price wars, targeting each other, etc. The main goal was always to limit the other's profit potential. Most of the time, this led to a reduction of profit in the whole industry and not only to one single firm (Porter, 1980). The actual origin of the word is still not found. Many scholars link the word to Ray Noorda, founder of Novell society, who used the term in the 1980s (Daidj & Nabyla, 2017).

The traditional view that we have is that firms compete with some and cooperate with others. Hunt (1997) states that competitors have the opportunity to maintain a cooperative and competitive relationship at the same time, while the mutual benefit is created for both. Competitive relationships have the possibility to ameliorate. Cooperation does not destroy competitiveness.
Some coopetition-based relationships do not thwart competitiveness but, on the contrary, even enhance it. In order to have a healthy coopetitive relationship in place, it is vital that competitiveness stays active and does not decrease or disappear. A decrease in competitiveness will lead to no urge for innovation, therefore no information will be exchanged and the cooperation will fail (Bengtsson et al., 2010). When we look at the case of Toyota and Subaru, which will be explained later in detail, we see that their strong competitiveness has led to solid results for both companies. Porter made an interesting finding that in the attendance of competitors in a particular industry, the competitors will look at who comes up with an innovation first and copy that innovation or invention. Only minor improvements are made to a new product. It becomes a game of moves and countermoves. Competitiveness increases the continuous fight for innovations in the industry (Porter, 1990). Here I see that coopetition can be seen as an option to not only come up with small innovations, but it can lead to prominent innovations or even inventions and disrupt a whole industry.

In theory, we see that firms do benefit from partnering up. On the contrary, this is not the reality. A lot of other coopetitions have been afflicted by disappointing collaboration and indigent performance. As claimed by some researchers, around 60% of coopetitions have failed. Further Coopetitions are shown to have a worse success rate than single firms (Das, T. K., & Teng, B.-S., 2003). A coopetitive relationship is very delicate. It needs a lot of attention, trust, and alignment, in order to succeed. Companies find themself in a relationship where on the one hand, hostility is present due to the danger of sharing knowledge, and on the other hand, amiability because of the common willingness to achieve something better and having the same shared interests. Researchers agree that the paradoxical relationship creates coopetitive agitations, increasing the potential risk of destabilising the relationship and disintegrating partnerships (Bengtsson et al., 2016). This means that many factors play a part in maintaining the relationship in a coopetition to not lose the opportunities that can be achieved.

Several studies have shown different variables that have been reasons for failing coopetitions. One of them is the cultural aspect between firms (Doz, Y. L. 1996). Another variable is the inter-partner conflict. Having too many direct competitors in a coopetition creates a disputable relationship that is easy to fall apart. The danger lies in being overconfident and not maintaining personal relationships with each unique competitor, which will weaken the initial collaboration (Kogut, 1989). Another interesting factor is that it can lead to disagreements in the coopetition if there is a limited goal overlap between the two partners. Further, the participating partners must handle the pursuit of mutual benefit in the coopetition instead of acting individually (Li, J. (2015).

In addition to all these reasons, we also have politics playing a significant role here. Firms that are active in political activities before and during a coopetition, will therefore affect the performance negatively. In the US, supporting democrats or republicans can give a large shockwave and demotivate the other actor to further collaborate, if there are opposed attitudes. In Europe, a firm might support a far-right extremist party, which can even harm its reputation and credibility (Hill, C. W. L. (2019).

Further, the network effects play a crucial role in certain reputations that firms have or still need to build to create trust around knowledge spillovers (Das, T. K., & Teng, B.-S., 2003). The network effects can be seen as clusters or small-world networks where each firm is its own cave. People connect with people from outside their firm or cave in this example. This will, of course, lead to an outflow of essential, relevant work-related knowledge. The question here is to know how significant the outflow of information will be and how to minimize it when entering a coopetition. If knowledge cannot be protected, it will be harder to negotiate information that has not yet spilled over to other competitors. American psychologist Milgram performed a famous experiment that suggested that human networks are characterized by short social distances, which leads to fast information dispersion (Travers & Milgram , 1969).

We have three types of small-world network effects: connected caveman or a random small-world network. The Connected Caveman graph resembles how society looked like in prehistoric ages when people lived with their tribe in caves, wherein a few kilometers there was another tribe in a cave. However, it is not the case that all the people of cave 1 knew the people of cave 2. The clustering is high in such a network, which means that your friends' friends are probably also friends. The local clustering in the cave will be high as they all know each other, but the distance will be too long to go from one cave to the other. We also have a random graph where people just randomly know each other. So there is no clustering as it occurs in the first example of the caveman. From this, we can conclude that Each firm is like its own cave. People connect with people from outside their firm, and these people are exchanging work-related knowledge. Managers need to ensure that the inflow of increased creativity in the network transcends the outbound spillovers (Watts, D. J. 1999). If there will be too many outbound spillovers in the coopetition, this collaboration will not hold for long.

2.3 Coopetition Balancing

Most of the scientific papers' theories about relationships between competitors are one-sided and focused only on cooperation or competition. The combination of both is minimal. It does not mean that these papers are not worth reading as they can offer us certain understandings about the challenges in a competition.

Where is the balance? What should companies look at? In this paper, I will highlight some challenges that will occur in a coopetition. As illustrated later, I first apply the model of Bengtsson et al. (2010) to have a deeper understanding of the different dynamics that occur in a coopetition. With the theory given, I will be able to better categorise the challenges my interviewees had when their company underwent a coopetitive relationship. This theory on the challenges will impart an extensive perspective, and better apprehension of the challenges allies face in balancing their relationship.

Coopetititve relationships are created when there is the possibility for value creation through sharing knowledge and combining forces with the competitors. This means that valuable information and proprietary knowledge have the risk of being exposed to your competitor. Hazards will occur because actors incline to pursue self-interests (Zeng & Chen 2003). Even if the coopetitive relationship is

challenging to maintain and stabilize, it is beneficial (Tidström, 2014). It is interesting to have a deeper understanding of the inevitable challenges that might occur to prevent them.

Coopetition does face particular challenges, forbye a mixed postulation amongst different sources mentions that competition has positive effects for the community, in addition to that it also strengthens firms. Conversely, coopetition gives coordinative benefits but is still primarily observed as potentially suppressing free competition (Bengtsson et al., 2010). Nowadays, it is still a social dilemma. If one actor makes decisions in the coopetition that gives a larger payoff, then the risk increases in the other party repeating the same action, risking the coopetition to fail (Zeng & Chen 2003). Therefore firms in a coopetition face constant tension. Even worse, European managers in alliances with Japanese partners were evolving from naiveté to paranoia.

It is hard to prove in coopetition with a competitor that there are no cherished competitive intentions. This can lead to greed and fear as sunken investments are made in alliance-specific assets (Hamel, 1991). Fear can worsen the relationship if leakage is a real threat, which creates overprotection, not letting their proprietary knowledge be used against them. In the joint venture of GE and SNECMA for the production of aircraft engines, a lot of greed and fear was present. GE even protected their sensitive technology by sealing the engine core before it was shipped to SNECMA (Zeng & Chen 2003).

Every participant in a coopetition will have the rational internal dilemma of individuality and collectivism. These two are also the main characteristics. In this dilemma, there are two principles. First, individuals get more satisfaction for a defecting decision than for a cooperative decision, whatever the other does, but it would have been more beneficial for all actors if they all cooperate instead of defecting. In the context of coopetition, the dilemma indicates itself in the sense that participants of a coopetition have the conflict of maximizing their self-interest, which means that they will defect to have a larger share of the pie. This can be done through concealing essential information or sending less knowledgeable employees to the partner in order to enhance the interest of the other party in its whole to cooperate more. In general, defecting is more profitable, but the whole competitive relationship will suffer if both parties do it. Profitable short-term decisions will lead to long-term relationship failures (Zeng & Chen, 2003). Here we clearly see the inherent tension that plays a huge role in the success of a coopetition.

A classic example is the reciprocity principle known as the tit-for-tat (TFT) strategy. It has been shown that in a two-person dilemma, it was the most beneficial in causing collaboration between various competing strategies covering the always defecting or cooperating approaches (Zeng & Chen, 2003). Acknowledging the tensions, companies should be aware of certain aspects that could worsen the relationship. In the past, researchers spoke of stormy open marriages, learning races, or cooperative specialisation. When cooperating with a company that has opposed attitudes, more effort needs to control this precarious balance. On the one hand, be aware not to be too complaisant as this will lower the guard, and the competitor might gain too much information. On the other hand, it should also not be too protective as this might imperil the cooperation. For this reason, both companies should create teams that are responsible for separate approaches. These teams will handle the cooperative and competitive details of this synergy (Fontainebleau (2016). It is even adduced that the best ally in a partnership is a vigorous competitor (Lado et al., 1997).

2.3.1 Coopetition challenges

In the following sections, I first analysed the four types of challenges faced in coopetition dynamics from the perspective of Bengtsson et al., 2010. Further, I will add additional challenges that I found in the literature. This overview will be used for the interviews to draw conclusions on the problems faced in the company and if they are linked to a specific strategy.

I collected several challenges that might occur when entering a coopetition. Recognising these threats or challenges will give an outlook on how to improve the chances to enter a coopetition. Bengtsson et al. (2010) found four types of challenges that need to be considered when entering a coopetition. They realised a framework based on cooperation and competition on a scale that goes from weak to strong, both ways. We can distinguish four types of challenges in the framework presented by Bengtsson et al. (2010).

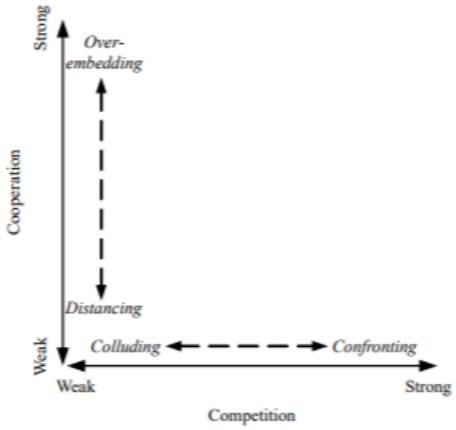

Figure 5:Forces towards static and destructive dynamics in coopetition (Bengtsson et al., 2010)

We can conclude from the four types of challenges that if the cooperation or competition has gone too far or extreme, failure will be followed, as seen in the figure beneath, where a mixture of moderate competition and cooperation is most appropriate for a coopetition. There will always be an imbalance present, but firms need to focus more on the cooperative aspect of the story. This will minimize the risk of an imbalance and keep it as small as possible.

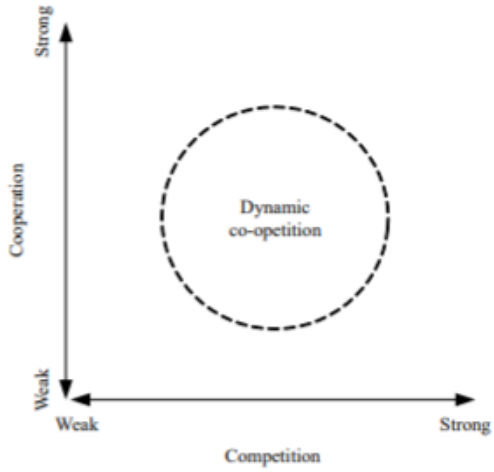

Figure 6:The arena for dynamic coopetition (Bengtsson et al., 2010)

2.3.1.1 Group-think/ Over-embedding

Bengtsson et al. (2010) stated that strong cooperation with rigorous competition in the industry would lead to strong ties and trust. Both actors will not suffer from tension nor opportunism. This will lead to lower prices, an improvement of efficiency and innovativeness because hostility is low. There will be an exchange of knowledge; however, there will be no natural urge to innovate and exchange information due to limited market competition. So the rivalry can not be too low, but if the rivalry is too high it can lead to over-or under-exploitation. Therefore over-embeddedness will invigorate groupthink. Groupthink relates to the event where scientists, researchers, or employees agree on a particular solution without a critical discussion. A dynamic occurs where individuality and creativity are prone to be withheld to fight shy of conflict (Kenton, 2020). The vital point here remains when both actors will not consider each other as competitors anymore. This also means that the coopetitive relationship will be shattered.

2.3.1.2 Confronting/Distancing

The nightmare of every coopetition is to become destructive/confronting or distancing (Bengtsson et al., 2010). Strong agitation is a result of weak collaboration and intense competition. There is no opportunity to build up trust, therefore information exchange will not be done in an efficient manner. Here opportunities for successful collaboration are lost. On the one hand, we have low trust, while there is high hostility on the other hand. This zealous rivalry will lead to a confronting type of coopetition. This weak collaboration will also cause difficulties in communications due to a lack of transparency in the relationship. The future for this type of collaboration is not exceptionally bright. It is highly short-lived, and ruled by competition, distinctly when trust and collaboration are low. There will not even be an attempt for collaboration (Bengtsson et al., 2010).

2.3.1.3 Collusive behaviour

At worst, a coopetition can ascend into collusion and eminent dysfunctions, where firms will operate as cartels. Collusive behaviour will occur when participants of a coopetition suffer from weak competition in the industry and weak collaboration in the partnership. Success will not be reached; on the contrary, demotivation will soar, therefore no competitive advantage will be realised (Bengtsson et al., 2010). Collusive behaviour can lead to illegal agreements between the participants of a coopetition. Instead of collaborating and inventing, they will disrupt the market with secret trading deals. Here all the other players in the market will suffer. It is often done in duopolies (Young, 2020). Once a collusive behaviour is in use, it will be very hard, maybe impossible, to break this behaviour as both actors do not want to leave the 'enjoyable' competitive situation. Collusive behaviour with monopoly intentions is chosen over an honest approach where more innovations and development could be realised. The lack of interest in each other's knowledge base will not give the prospect to build up trust. This will bring no exchange of information (Bengtsson et al., 2010).

Out of the four challenges described above by Bengtsson et al., further literature research offered us additional challenges.

2.3.1.4 Hold-up problem

A hold-up problem can occur when each member of a coopetition stresses the fact of being forced to undergo disadvantageous phases later, after the irreversible investment or sunk costs, or agonizes that certain investments might get devalued by the steps of others (Koss & Eaton 1997). In a coopetition this step is crucial to build trust as soon as possible.

2.3.1.5 Time

Another important factor that can be seen as a challenge is time. Establishing and maintaining a cooperative relationship is not a fixed process. Previous research on coopetition has proven that extremely dynamic situations are much harder to maintain over a prolonged period of time (Bengtsson, 2010). It brings certain intangible costs with it. These costs are associated with non-collaborative conduct, namely reputation loss or future partnership loss. Besides, employees are more prone to defecting when they are aware the coopetition is near to its end date (Zeng & Chen, 2003).

Further, a shift in the market or environment can be fatal for one actor. It brings the risk of devaluing the input of one actor and revalue the input of the other. Prompt changes in technology bring the risk of de-evaluating external knowledge and ending the coopetition (Hamel, 1991).

2.3.1.6 The non-invented-here syndrome/Arduous Substitution effect

Arduous Substitution effect will make the employees feel substituted by their own company. In other words, the not-invented-here syndrome.

Takahashi & Inamizu (2012) referred to the research of Katz and Allen where the not-invented-here syndrome is described as the 'the tendency of a project group of stable composition to believe it possesses a monopoly of knowledge of its field', with the consequence to 'reject new ideas from outsiders to the likely detriment of its performance'. No matter what, the company may lack specific knowledge to further innovate on an invention. The fact that makes it harder for the employees, particularly the Research and Development department, is that they need to admit that the employees who delivered them that external knowledge are smarter than them. This brings the risk of internal revolt to oppose such input of knowledge (Lüttgens, 2014).

2.3.2 Success factors

Every challenge has a different approach to reach its solution. We deepen ourselves in certain approaches that lessen the failure rate in coopetitions.

A recurring phenomenon is a social dilemma that every company struggles with within any coopetition (Zeng & Chen, 2003). Finding the right balance is crucial. We have two types of solutions: a structural and a motivational one. Structural solutions look at technical parameters of the dilemma on individual behaviour. It goes from a change in the payoff matrix to introducing sanction systems, reducing group size, or changing the allocation rules. Motivational solutions, moreover, influence more the viewpoints of the other party (Zeng & Chen, 2003). I will focus more on trust, communication, managerial choices, and group cohesion. In the following parts, I will discuss success factors that I found in the literature.

2.3.2.1 Communication

A proposed success factor in coopetition is improving communication among partners. Compared to structural solutions, communication is a cost-effective solution. The main idea is to have a more positive viewpoint on the partner's motivation for cooperation. This can be realised by having close face-to-face interactions and deciding what the long-term goals will be for both parties, ameliorating the bond, and reducing the tension (Zeng & Chen, 2003). This statement was proven in the study done by Dawes et al. (1977), where researchers found out that groups who collaborated face-to-face had a 70% collaboration rate in comparison to groups without discussions, where the collaboration rate was just 30%.

Furthermore, it is crucial, to be honest and briefly discuss the adverse outcomes of defective actions. Entering a coopetition has to be advantageous for both parties, but a mindset of winning the learning race will not be as successful with a mindset to create a win-win situation, which is beneficial for both parties (Zeng & Chen, 2003).

Further, Zeng & Chen (2003) agree on the fact that coopetition can be improved by a better briefing among the employees about the benefits of collaborating and the disadvantages of defective steps. Close contact is vital in not having the coopetition involved in collusion. Through regular contact, engagement can be promoted, which will lead to an exchange of information and knowledge. Therefore collusion is avoided.

Communication is vital to minimize the risk of the hold-up problem (Koss & Eaton 1997). Koss & Eaton (1997) bring up the 'hostage model', where realisation of self-enforcing agreements promises trustworthy accords. Mutual relation reliance is created through these agreements. Zeng & Chen (2003) refer to them as 'universal hostages', where both actors are forced to make determined investments in the coopetition. These hostages 'tie their hands to each other" and in this way equipoises the opportunistic perils. There will be no tit-for-tat issues as loyalty is perceived through the self-enforcing agreements. Communication is an undeviating indication of this effect for successful coopetitions.

2.3.2.2 Group identity

A speciic group atmosphere, where there is room for discussion, will instigate positive attitudes in the group. This positive atmosphere will improve the solidarity in the group, therefore team members will be less individualistic in making their choices. Another way of increasing the group identity between the actors of a coopetition is by making it clear that there is a common competitor in the market, and by combating it together, a larger market share will be realised, by sharing the same providence (Zeng & Chen, 2003).

The group identity decreases the willingness to defect. Further, both actors can make the promises public, which instigates the group feeling (Zeng & Chen, 2003).

2.3.2.3 Managerial choices

The right managerial choices can adequately handle the not-invented-here syndrome. It can avoid the downwards trend. As Küttgens et al. (2014) discovered, creating a separate role of 'promoter' can increase the chance of successfully implementing external knowledge. Creating organizational routines where the promoter takes part will benefit the company, instead of looking for external knowledge when running out of ideas.

Further, the managers can agree on unilateral agreements, which stimulates further development of the coopetitive relationship. I refer to a case where one actor handed 50 résumés of its development engineers, from which the other counterpart could decide which engineer he would like to employ in its business as part of the agreement. This type of action stimulates further trust amongst the two parties (Zeng & Chen, 2003).

As a manager, it is vital to opt for long-term collaborations with competitors as they emanate in long-term thinking, where a shared goal stands to realise and prolong the coopetitive relationship. Parkhe (1993) proved that long-lasting time scopes, combined with recurrent interplay, decrease opportunistic conduct between actors and revamp the efficacy of the coopetition.

Joint research findings have proven that the relationship between the two competitors amends after the first introduction. Hereby the actors start to understand the unpleasant consequences of defection when they shift from a short- to long-term coopetitive partnership. The employees will be able to discern the benefits and cons of collaborating or defecting (Zeng & Chen, 2003). It is just a matter of time to be aware of the different outcomes, depending on the specific actions. The awareness of the different outcomes is substantiated from a concatenation of interplays between the two parties, which reveals the intentions and objectives (Boyle & Bonacich, 1970).

2.3.2.4 Trust

After examining various papers, Research has proven that trust appears to play an important factor in all of the cases where coopetition leads to success. It is essential in reducing tensions in coopetitive relationships (Tidström, 2014). In the communication part trust is vital, as employees need to trust their supervisors in order to participate successfully in the coopetition. Second, trust plays the binding role between two groups from different companies in developing the group identity. Third, employees should trust the managers' choices and follow them instead of resisting out of jealousy (not-invented-here syndrome).

Without trust, cooperation will fail, although we need to be careful not to over-trust the alliance partner, as this will be punished by over-exploitation. Moreover, as the partner of the coopetition is very competitive, this will be felt in the long term as more information is exploited on one side(Zeng & Chen, 2003).

Shortly said, trust will prosper where there is active continuous two-sided communication and long-term agreements, which may lead to a curtailment of fear and greed during the coopetition.

2.4 Growth strategies

2.4.1 Ansoff matrix

The Ansoff matrix is created by the Russian born, US-based 'father of strategy' Igor Ansoff. He concluded in his article 'strategies for diversification' that a firm must continuously grow and change. (Ansoff, 1957) This tool assesses the risks of strategic options. It gives a view of the relationships between new and existing products and markets. This matrix exists out of 4 growth strategies for a product or service based on two axes. These zones are split up between existing or new products/markets. Further, the risk increases along the x=y line. This means introducing a new product into the market carries the highest risk, and an existing product in an existing market has the least risk (Capstone, 2003). Capstone relates it more to an assessment tool for assessing risks of strategic options, but Meldrum and Macdonald saw it as a two-by-two depiction of the options open to organisations if they wish to improve revenue or profitability. It can even be looked at as a planning tool that judges firm growth through product and market extension networks (Hassad et al., 2013).

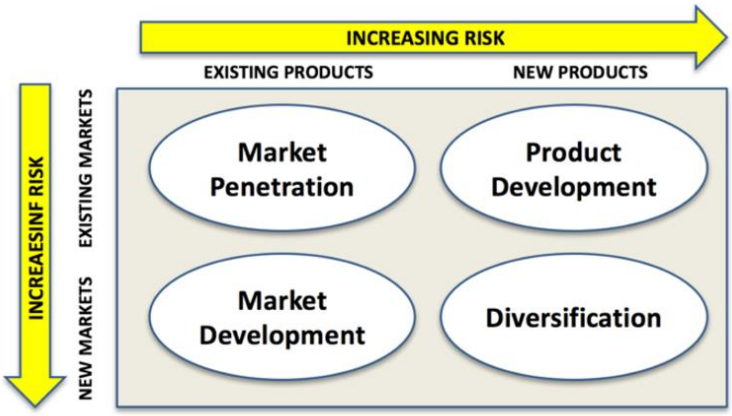

Figure 7:Ansoff matrix (Poarch, 2018)

The Ansoff matrix plays a vital role in creating growth for a company. It offers opportunities that we would have missed otherwise. It answers the questions on how to increase the profit for a firm or how to attract new customers. This matrix gives an overview of what growth strategy a firm is taking. It is excellent to look at the growth strategies that are possible for firms. This will allow us to find out which strategies will suit in alignment with the firm's objectives. In my paper, I look at the growth strategies taken in coopetitions. Poarch (2018) even sees coopetition as a fifth growth strategy. I cannot entirely agree with that statement as with the term coopetition no information is given over the market or product chosen in this 'strategy'.

2.4.1.1 Growth strategies

2.4.1.1.1 Market penetration

Here the focus is on the existing products or services. The strategy is to increase the output to existing markets to generate growth and gain market share. We need to ameliorate the position of current products. (Loredana, 2017). We can realise this by decreasing the price, investing in the team, or increasing the marketing budget. Out of that, we can look at this strategy as the least risky one as we know how the current customers look at products. This market is not new for.
Example: giving a 20% discount
Risk level: Low risk

2.4.1.1.2 Market Development

Here the focus is on introducing existing products or services into new markets and segments (Loredana, 2017). This strategy is realised by selling your product to another customer segment, another country, or to look for other types of stores. It is even allowed to sell products online, instead of offline.
Example: Apple that wants to sell products to Windows users
Risk level: Moderate risk

2.4.1.1.3 Product development

Here the focus is on developing new products or services for the markets that you are already active in, but not necessarily for consumers (Loredana, 2017). You will start to offer new products/services next to your current product/services line that you have already in the same market. We can also talk here about product innovations or product variations. It is key that the introduced services or products do have new unique features.
Example: If you sell Ketchup, you will start to sell also Mayonnaise
Risk level: Medium risk

2.4.1.1.4 Diversification

Here, the focus is on developing and introducing new products/services into new markets (Loredana, 2017). This is a risky strategy because the market is unexplored, and the product is not introduced yet. So there has not been any feedback from customers on the product yet. On the contrary, diversification can give a competitive advantage in the industry, especially when it is successful in the new market.
Example: Apple watch in the Watch industry
Risk level: highest risk

These strategies set up a clear path; businesses can implement on their road to future success. We must highlight that in most cases, firms follow several strategies simultaneously. I underline that having following more strategies (market penetration, product development, and product development) simultaneously shows that a business is an innovative, well-structured firm with a larger chance of survival and competitive advantage over the competitors. The diversification strategy has a different approach than the other three. The other three go together with the same resources technically and financially that is used to produce the products/services.

On the contrary, Diversification needs a whole new set of skills, facilities, and techniques. This will result without exception in architectural changes in the firm's structure. It has not much to do with former business experiences. (Ansoff, 1957)

In the paper of Loredana (2017) is the example of Mcdonalds given. We will go over this example to give a clear understanding of the Ansoff model.

Figure 8:Mcdonalds Ansoff matrix (Loredana, 2017)

As showed, Mcdonalds has been active in all the segments of the matrix. If we look at:

- Market penetration

Mcdonalds is a leading example in the optimization of a fast service. With their well-thought and researched movements that are developed for the employees to work as efficiently as possible, they can deliver quality and are low in errors. Further, they attracted a clear customer group with the happy meal, namely children. Mcdonalds is a happy space, and when children know they will get presents when ordering a happy meal, they will feel an inner satisfaction when receiving the toy with the happy meal. Further, there is clear communication which, makes it easy for the customers to check the prices

- Product development

McDonalds is key in adapting its offering to the local culture. We see clearly what they have done in India by adapting their offerings to the local culture and taste. In India many people do not eat beef, so Mcdonalds adapted its offerings and created more vegetarian options. They further enlarged their offerings by adding other options such as Mcspaghetti, McAloo Tikki, and McPizza. A clear example of introducing a new product into a new market.

- Market development

Mcdonalds is a large success and has expanded its business over 121 countries. Every time entering a new country brings a lot of risks with it, but Mcdonalds stays to be successful by constantly looking at the local culture and making sure that it can adapt its offerings to the local population.

- Diversification

Mcdonalds is not afraid of disrupting different industries. One of their moves was to open a hotel in Switzerland. A new industry to Mcdonalds and a concept/product they have not worked with before. Large firms are most of the time hungry for experimentation as failures are not financially hurting them.

Based on Mcdonalds' information, we notice that Mcdonalds wisely adapted all four risk strategies to minimise the risk. Geographically we see that every time they open a new story, they can satisfy the needs of the current customers in that certain market. In the case of Mcdonalds, the Ansoff Matrix has been the key to the success of a business (Loredana, 2017)

2.5 Coopetition cases or examples

Coopetition is not a new phenomenon. There have already been several successful and not so successful cases of it. In this part, we will go over the different industries where coopetition might take place. There might be a certain link if we can compare the industries from the examples to the industry where the interviewee operates in.

2.5.1 Automobile industry

An enthralling example is stated in the "Business mirror" (2016) where coopetition was used in high-speed car races, where different drivers were able to collaborate without the sacrifice of the victory at the end. This was possible through the cooperation of car manufacturers Subaru BRZ and the Toyota 86. They shared research and development costs to create the ultimate sports car, which they both put on the market and vent it separately as their car. Here we can draw a line from sports to business to see how coopetition authorised the mutual use of resources, simultaneously respecting the competitor's value to gain mutual benefit. Here we also see a clear example of Product development based on the Ansoff matrix. Both manufacturers worked with new products on the existing car market to realise the ultimate sports car's introduction.

2.5.2 IT industry

Another remarkable example is the collaboration between Nokia, Samsung, Sony Ericsson and other mobile phone firms that united forces to establish an operative system to take on the traditional computer companies in the run for the integration of the internet into the mobile phone. Here the battle was between mobile companies and computer companies to become the leader in this industry. The mobile companies established the consortium Symbian (Bengtsson et al., 2010). This was surprisingly enough one of the largest failures in the tech industry. The android before the android, is the well-known Symbian. Symbian is the inventor of the smartphone category. A mobile phone system that could have implemented an apple store 5-10 years earlier than Apple actually did. The board at Symbian never took the competitors as seriously as Apple and Android and thought they were the benchmark, but they failed to put the touch hardware in harmony with touch interface, which the other brands did. Symbian was looking at less important details that competitors struggled with, but did not focus on questions as: How to get a snackbar from a certain city to appear on the map? Are there useful apps to solve this problem?

Are they for sale? Are they ready to be installed or not (Francis, 2015)? Here we notice that mobile phone firms dived into a new market and created new products, leading to diversification following the Ansoff matrix.

2.5.3 Service industry

Coopetition is not related to one particular industry. It can even appear in service industries. Often we find examples in the food or hotel sector. Hotels, for instance, are localised in certain hotspots that become frequently visited destinations. The hotels collaborate to attract customers and offer unique experiences but offer different products and services, making them competitive again. Comparably restaurants do the same thing. They work together in food courts by sharing services like cleaning. By the cooperation of centralising their restaurants at one place, it will definitely attract customers in the benefit of all the present firms. Still, they will compete between themselves by offering various products (Bengtsson et al., 2010). These examples clearly show market penetration where existing markets and products are used to attract customers through the coopetition.

2.5.4 Supermarket industry

The British retailers gave us a learnful example of how competitive supermarkets collaborated during the Covid-19 pandemic. The supermarkets engaged in coopetition strategies where they would share data about the product inventory, systematize the closure times, reach out and offer supply chain networks and lend employees to the competitors who might get in trouble, because of absence of their employees. Here it was proven that retailers that could share resources and capabilities were more efficient and benefited more than standing on their own during this crisis. This coopetition realised to manage the unusually high demand for goods from panicking customers (Crick, J. M., & Crick, D., 2020). The different firms don't create a certain product here together. Although the market position gets stronger, I would speak of a weakened market penetration in this case. This example is more about helping each other out for the benefit of the whole ecosystem. Therefore your position in the market will also become stronger.

2.5.5 Pharmaceutical industry

Nowadays, an industry under pressure has been a clear example of certain coopetitions formed amongst enterprises, out of fear that the United States or China would take a monopoly on the vaccine for the COVID-19 virus. Several European firms collaborated to prevent that from happening. These competitors shared knowledge as experiments and results from clinical trials (Sanger et al., 2020). This coopetition’s mutual benefit is that the market is not entirely monopolised and can cure people with reliable vaccines. This also led to economic benefits where it was easier for the European firms to get European government contracts too (Crick, J. M., & Crick, D., 2020). The growth strategy linked to this example is product development as the firms stay in the same pharmaceutical market, but they need to develop a new vaccine/product.

2.5.6 Technological industry

The technological industry is well-known for intense rivalry. That does not mean that a coopetition can not be established on the contrary competitive technology businesses such as Microsoft and Amazon and many more. In total, 400 participants from rival firms joint forces to battle cyber insecurity. The urge for this coopetition came from the fact that more people had to work from home due to COVID-19. This led to an enormous increase in phishing emails, which heightened the uncertainty of the employees' safety at all different companies that they worked. The rival firms did realise that through knowledge sharing, they could achieve a mutual benefit, which is that their own employees will be less affected by cybercrimes. Together, more could be realised than acting alone on this topic. Here it was vital to have the open mindset to collaborate on this large project (Crick, J. M., & Crick, D., 2020). The different firms don't create a certain product here together. Although the market position gets stronger, I would speak of a weakened market penetration in this case. This example is more about helping each other out for the benefit of the whole ecosystem. Therefore your position in the market will also become stronger. The same result as in the supermarket industry example..

2.5.7 Construction industry

The construction industry is characterised by its fierce personality. Construction firms repeatedly compete with each other in several areas. They compete in the sector in general and on individual level on projects. This is followed by unenviable operations (Dorée et al., 2003). For instance the cooperation between Caterpillar and Mitsubishi, which led to Shin Caterpillar Mitsubishi. In the starting phase some issues occured, since both firms had independent hydraulic excavator businesses that were each other's competition. After merging the two separate departments, Shin Caterpillar Mitsubishi took responsibility in production, branding, and design of the hydraulic excavators (Zeng & Chen, 2003). I notice here that this example is linked to product development as both firms collaborate together in the same industry to introduce a new excavator/product.

In the following part I will take six interviews with high-ranked managers/CEOs from different companies and industries. I will try to see if a certain growth strategy is more dominant than another and align my results with the examples aforementioned.

3 Empirical study

3.1 Data collection

Data exists out of two main categories: primary and secondary data. Primary data is unhackneyed, solely collected for the purpose of a specific study. Secondary data has already been gathered before for other purposes, thus it can be re-used and analysed for another study. Another interesting differentiation is that primary data comes from people as managers, leaders, employees, while the latter is found in different types of documents (Bickman, L., & Rog, D. J. 1998). Primary data is definitely more labour intensive than secondary data as all the interviews and transcribing has to be done by the researcher itself, while secondary sources all the information can be found online. This does not mean that secondary research results can be used, as they are made on a different basis (Saunders, M., Lewis, P., & Thornhill, A. 2009).

In my study I will use primary data. I have found limited research regarding coopetitive relationships. Solely the secondary information that I found will not be enough to conclude what growth strategies are pursued in these cooperative partnerships. Therefore the subjectivity and interpretation of the participants of this research will be advantageous for this study with regard to scrutinising the data through interviews (Saunders, M., Lewis, P., & Thornhill, A. 2012).

The qualitative data will be collected through unstructured interviews. There will be a standardised guide to start from, but the deeper I will go with unstructured questions, the more deep and vital information I will get from my participant. It is not my intention to create findings, which will be hypothesized over a wide population. Therefore I confirm that I will take semi-structured interviews. A semi-structured interview is delineated as a non-standardized or informal interview (Saunders, M., Lewis, P., & Thornhill, A. 2012).

3.2 Sampling technique

A research question determines the sampling technique for a certain study (Patton, M. Q. 1980). My ontological viewpoint on my topic thrives for the exploration of the participants' subjective rationale and thinking towards the growth strategies in a coopetition. In the selection of my sample, I opted for a non-probability sampling technique (Saunders, M., Lewis, P., & Thornhill, A. 2012). If we deepen ourselves in the sampling technique, I distinguish it as purposive sampling. The explanation for this choice is found in the fact that the participant's subjective belief will fit the most, in order to find the answer to my research (Silverman, D. 2015). According to Barada & Tracy (2003) the aim of purposive sampling is to choose a sample population of interest with specific idiosyncrasies, which lead to rejoinder of my research (Barada & Tracy, 2013). My focus is on companies from different sectors, in order to find out if there is a common strategy across different sectors.

My goal was to interview managers/CEOs/founders from different industries that engage or engaged in coopetition. It is salient to underline the difficulty of finding data, due to the shortage of time and limited resources. Another difficulty was to enter the companies for the research, due to the sensitive nature of the topic. Brymann and Bell (2011) warned that it is a real pain to schedule interviews with senior level managers. Therefore I adapted my first choice of only one industry and looked for senior-level managers, CEOs from different industries. Further I mailed the participants with an interview request, where my

supervisor could be contacted too, in order to confirm the authenticity and establish trust. Whenever I had a positive response, I had a small discussion to make sure they were a righteous participant for this research, afterwards I set up the appointments.

3.3 Interview guide

For my semi-structured interviews, I created an interview guide. An interview guide is a less official list of questions, which adapts in the context of the interview. It applies a more flexible use during the interview, which might offer other, new interesting findings. Further new questions can appear, depending on the type of answers the participant gives (Barada & Tracy, 2013).

I created my interview guide contingent on my research and framework. First, I choose certain themes, which guides us with answers to a response of my research. Further additional open-ended questions will complete my interview. Saunders et al. (2012) suggests that questions should be completely neutral and not guide the participant towards a certain direction. I ensure there is neutrality achieved. The themes I choose in my interview guide are coopetition, growth strategies and Employee behaviour. Additionally I also added background and final thought questions.

3.4 Taking interviews

The interviews were taken over a time range of one month. All of my interviews are taken online through Google-Meet. Online interviews are acceptable when ingress is not possible due to certain barriers, nowadays COVID-19 barriers (Bryman and Bell 2011). It is proven that there are no differences in responses between face-to-face and phone surveys. Researchers discover the same results, no matter how the environment is (Abascal et al. 2012). Further I also observed the voice, and did not notice any emotional cues as an uncomfortable or hesitative stance towards the interview or during sensitive issues. Thus the collected data is not contrived by any potential factor (Barada & Tracy, 2013). Bearing that in mind, I strongly assure that my data is unaffected.

I assured to offer a comfortable interview setting to make my participants feel a sense of well-being. I also ensured to be updated by their company, so they know I am aware of what kind of company they work for. Another important factor is to overcome as a trustworthy researcher (Saunders et al. 2012). Before the interview starts I made room for a small conversation to familiarize with the participant and to make sure he/she is relaxed. Saunders et al.(2012) remark that interviewing is a time absorbing process. Through the interviews I was sure to have asked the main questions, followed by the probing ones. An interview also establishes the possibility to debate answers and fathom certain meanings out. The interviews I took varied from 25-45 minutes.

Further I documented all my interviews through recordings. In the opinion of Daymon and Holloway (2002), recording is convenient as it allows to document all the words said in the interview. This adds to the fact and ease that you will later not fail to remember salient answers and words afterwards. This together with respect to the freedom of choice of the participant, that any request will be followed. All my participants requested to stay anonymous and their names and company names should remain anonymous as well. Saunders et al. (2009) explains that promising the anonymity of the participants is useful as in that way I could guarantee that my participants could speak freely and feel convenient.

Subsequently I transcribed the interviews. Barada & Tracy, (2013) explain that transcribing recordings eases the scrutiny of data, which plays a vital role in the elucidation of it. After the interviews I described my interviews, in order to not forget the main findings of the interview.

3.5 Data analysis

Qualitative data is formed on the essence of words, thus the outcome of non-standardised data gathering, must be categorised into different groups. Further analysis is managed by conceptualisation (Saunders et al., 2003).

I went for a thematic analysis in my research. Braun & Clarke (2006) describe it as: "identifying, analyzing and reporting patterns (themes) within data". The fact I choose this method is the pliability of the use in various themes. It can "provide a rich, detailed, yet complex, account of data" (Braun & Clarke, 2006). Subsequently there are 6 stages described in the Table .. by Braun and Clarke (2006)

Phase	Description of the process
1. Familiarizing yourself with your data	Transcribing data (if necessary), reading and re-reading the data, noting down ideas.
2. Generating initial codes	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code
3. Searching for themes	Collating codes into potential themes, gathering all data relevant to each potential theme.
4. Reviewing themes	Checking if the themes work in relation to the coded extracts (level 1) and the entire data set (level 2), generating a thematic map of the analysis
5. Defining and naming the themes	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme.
6. Producing the report	The final opportunity for analysis, selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis.

Figure 9:Table number: Stages of thematic analysis (Braun & Clarke, 2006)

3.5.1 Step 1 - Acquainting with data

It is vital to transcribe the collected data , in order to put it together for analysis. Whilst transcribing is known as a slow process, it is a very efficient way to understand the data that can be found in the interviews (Howitt & Cramer, 2008,). Bird (2005) states that transcribing is a vital step in data analysis qualitative research. Further I wrote down every word from the interview, in order to create a rigorous understanding of the data. Second, I went through my collected data to gain interesting findings which can be used in the next step. I further have the opinion to not neglect the fact where the interviewees work as it gives a better understanding of the whole picture when examples are given.

3.5.2 Step 2 - Creating initial codes and categories

The primary codings are more prone to a general overview, in contrast to a worldly analysis (Howitt & Cramer, 2008). Boyatzis (1998) states that codes are the "the most basic segment, or element, of the raw data or information that can be assessed in a meaningful way regarding the phenomenon". Other crucial steps are to name the different segments and put them into various categories (Creswell, 2003). As my categories were ready before I had taken the interviews, my results will be a clean representation of answers to the questions of my interview guide. These categories are based on coopetition, growth strategies and employee behaviour. The new ideas and cognizance will be fitted with the various categories following the interview guide. Further some subcategories will be added to have a more clear representative view on the results. For example, the category of coopetition includes two subcategories: type of coopetition and selection criteria for collaboration.

Coding can be done in two ways: manually or by implementation of a software. As a matter of fact I have only 6 participants in my research, I did my coding manually. This also gave more flexibility in the execution of it. Vogt et al. (2014) mentioned that students do not fully exploit Excel for coding purposes in qualitative research. A screenshot of coding is added in the Appendix.

3.5.3 Step 3 - Searching for themes

After I coded and categorised the data, I will distinguish several themes from the various codes (Braun & Clarke, 2006). Braun & Clarke (2006) mention that a theme expresses vital ideas, which offer answers to the research question. Further themes in quantitative analysis are linked to the author's discernment rather than 'quantifiable measures' (Braun & Clarke, 2006). In this step we developed a comprehensive view on the collected data. It is accepted that certain growth strategies are taken with particular reasons. Various factors play a large role in the selection process. The themes will be abridged in step 4.

3.5.4 Step 4 - Reviewing themes

After step 3, I managed to collect a certain group of potential themes and subthemes. These are only considered if enough data has been gathered to support these themes. There are two degrees of reviewing the themes. First the coded data followed by the whole data set. It is crucial that there will be a "coherent pattern" in the themes (Braun & Clarke, 2006). The intention of step 4 is to corroborate the relation between the current theme and the data set. Additionally data can be added later on too (Braun & Clarke, 2006). This step also leads to a thematic map with a main aim of "what the different themes are, how they fit together, and the overall story they tell about the data" (Braun & Clarke, 2006). The figure below shows the themes and subthemes I produced in this step.

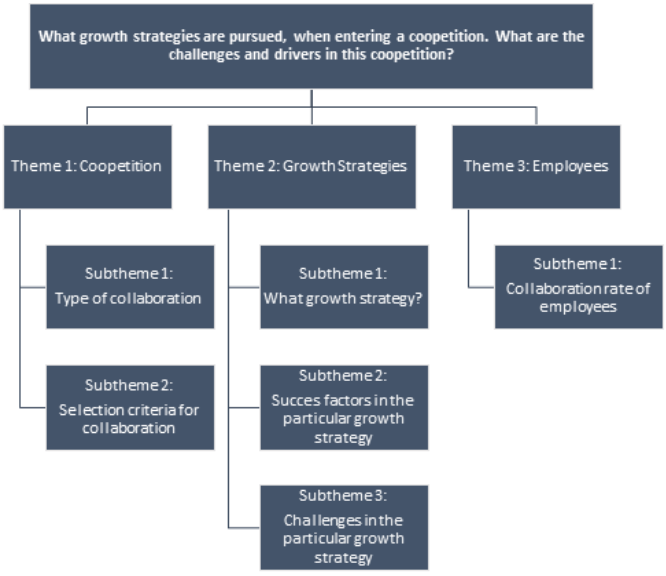

Figure 10: List of themes and subthemes

3.5.5 Step 5 - Defining and naming themes

In this step we will recognise the primary content of each category and "determine what aspect of the data each theme captures" (Braun & Clarke, 2006). It is important to remark that Braun and Clarke (2006) state that we should not paraphrase the collected data but try to identify vital insights. A detailed examination of each particular theme is written in the empirical research part. All the themes and subthemes from figure 10 are supported with data from the interviews, except for theme 3, where in some cases there were not enough employees to receive interesting insights.

3.5.6 Step 6 - Producing the report

In the last stage, my goal is to create "a concise, coherent, logical, non-repetitive and interesting account of the story the data tell", by the selection of evocative quotes that are linked to the themes (Braun & Clarke, 2006). The next chapter will showcase my work, after all the previous steps are done. The selection of vivid examples will be quoted in that part. An additional framework will be added to summarize the findings of the interviews.

4 Empirical results

The research is of exploratory nature, as no previous research about the difference in effect from the growth strategies on the not-invented-here syndrome in a coopetition exists. Followed up by the difference in the growth strategy in that coopetition has been made before. To receive a better understanding of the research question. I choose a qualitative study approach.

4.1 Company profile & key capabilities

As stated by Braun and Clarke (2006, p. 87). First, in thematic analysis, we need to get familiar with the information we have. I first wrote down the interviews. The goal is to get a clear overview of what sector the employee is working in and have all the needed background information. Second, I go deeper to understand how the employees look at coopetition and what their opinion is about it. Further, I will look at what growth strategies were realised and what the challenges and success factors were in the coopetition. Additionally I will also have a short look at the employee behaviour in these coopetitions and if I can find the non-invented-here syndrome in the coopetitive relationships. The table below shows the companies we interviewed:

Table 1: Overview of companies studied

Code of interviewees	Industry	interviewee function	Country	Mode of interview
E1	Educational technology	CEO + founder	Belgium	Google Meet
E2	SAP analytics	Consultant	Belgium	Google Meet
E3	Game design	CEO + founder	Belgium	Google Meet
E4	Fashion	Purchase manager	Belgium	Google Meet
E5	IT consulting	CEO + founder	Belgium	Google Meet
E6	Construction	Project manager	Belgium	Google Meet

Further, we refer to the employees by the codes assigned to them in the table in the first column. I used this code, owing to the fact that the interviewed employees wanted to be anonymous.

4.1.1 Company E1

Company E1 educates children with technological classes The company is based in Belgium. I interviewed the CEO and founder of this relatively young company. He has worked with the company for three years. He is still involved in all the roles of the company. He started his career after he left a current competitor. Therefore he will be able to provide me the necessary information for this research

Company E1's main capabilities are technological knowledge to teach technological knowledge. Further the company manages the knowhow in the industry, which makes it a worthy competitor.

4.1.2 Company E2

Company E2 is specialised in SAP analytics. The company is based in Belgium. I interviewed a SAP analytics consultant that has been involved in functional and technical consulting for their clients. In some projects the interviewee got in touch with competitive firms as they were both booked to work on a certain project. He has worked for three years in this company.

Company E2's capabilities are mainly focused on SAP analytics. Most of the time the company gets hired to go work on different projects in different companies. Their client base is Flanders. This will lead to a small range of clients to work with, therefore it is more common to get in touch with competitors.

4.1.3 Company E3

Company E3 creates online escape rooms and escape boxes. Further they also design escape rooms. The company saw a big opportunity during the COVID-19 times, therefore they were founded 2 years ago. They created online escape rooms which can be played until 1000 players. I interviewed the CEO and Founder of this company. The Escape room community is not very large, but that does not mean there is no communication amongst them. He got in touch with competitors during the phases of conceptual design and physically building the escape rooms.

Company's E3's main capabilities are designing the escape rooms as they have a large amount of experience in this field. Creativity and being innovative is crucial in this industry, therefore they are worthy competitors in the Belgian industry

4.1.4 Company E4

Company E4 is a large established player in the Belgian fashion market. The company was founded many years ago. I interviewed an important purchase manager/consultant, who is responsible for what clothing collections will come to the store. As the Belgian market is not so large, they still managed to set up some coopetitions with indirect competitors.

Company E4's capabilities is the long existence in the industry and reputation that they built up. So entering a coopetition is not common for them and not particularly needed, that is why it is interesting to examine the coopetiiton this company had to do.

4.1.5 Company E5

E5 is a fast growing IT consulting company that has established a staff of 11 employees in a duration of four years. They differentiate themselves by writing separate custom software for different types of customers. The customers exist out of large enterprises, KMO's and start-ups. Their field of focus is Belgium

E5's main capabilities are the honesty and openness it operates in its collaborations with other firms and competitors. This company has all the time different types of collaborations with the competitors. Therefore it is interesting to have a deeper look on these collaborations.

4.1.6 Company E6

Company E6 belongs to one of the largest construction companies in the world. Many projects in and out of Belgium are part of the daily activities. I interviewed the project manager for projects in Belgium and went deeper in a particular project that is going on in Belgium. As a large player it is important to stay dominant in the home market and coopetitions are needed to finish projects that were not possible otherwise.

Company E6 possesses strong capabilities in different fields related to construction.

4.2 Type of coopetitive relationship and selection criteria for competitors

As touched upon in the company selection, to gain practical insights about our topic, it was essential for us to interview the employees who are engaged in cooperation with competitors. The general guidelines are imparted in our interview invitation. In this way, the participants know if they are fit or not. We need to fathom how the participants reacted in the coopetition according to the strategy taken here. The questions of this interview will assist us in collecting the needed information to answer the research question. Furthermore, this part explains and gives examples of the companies that directly worked with their competitors.

4.2.1 Company E1

The participant of this firm was an employee of the main competitor he faces now.

"I worked at x and now they see me as their competitor, first they did not even care or mention me, but now when I grew they are not threatened but they notice me now. I just know that they check me often and are afraid that I dont steal their IP, so they start to see me more as a threat and want me to get out of business."

E1 collaborates with its competitors with the aim of sharing potential clients. As educational IT has different perspectives, there is a large set of offerings. E1 found that both companies in the coopetition can benefit if they forward the right customers towards each other. Following the interviewee I understood that the knowledge given to their customer base is limited and referring customers to each other has become common. They act complementary towards each other:

"If people came that I could not give the knowledge they needed, I would forward them to my competitors and the same happened in the opposite way. They send people to me that want to learn more and I send people that are not admissible to the fees that I ask, or people that want to explore just and not become too serious."

E1 did mention in the case of collaboration with a competitor, he would definitely choose for non-profit organisations in the same field. Definitely an interesting finding, which I did not find in the explanation of the other industries.

"I am still open to collaborate with others. I would be able to work with a nonprofit company, but when I see direct competition from firms, then I am more careful as they have different intentions, that's how I

feel about it at the moment. Since I am too small to mostly be a real threat and they don't want to really collaborate with me, they will not engage me either. I want to avoid a red ocean strategy."

"Even If you think about it, the term rent dissipation effect. So overtime companies will evolve together with the knowledge they received from you and you will lose a competitive edge. That also happened with patents when you work with a company closely they will learn the new technology and then benefit themselves with it. When you don't have the capital or resource to go on with your plan and the competitor takes that competitive advantage from you, there is no way anymore to survive. It is important to look out for the bigger fish."

After all, the coopetition benefitted E1. The process of selection is very important in this case.

"We benefited both actually. If people came that I could not give the knowledge they needed, I would forward them to my competitors and the same happened in the opposite way. They send people to me that want to learn more and I send people that are not admissible to the fees that I ask, or people that want to explore just and not become too serious."

4.2.2 Company E2

E2 has a lot of competitors in the field, especially as they focus mostly in Belgium. The main unique value point they offer, which others do not have, is that they are more deeply focused in a certain topic, while their competitors have less specialised people in that specific field (SAP analytics).

An example is given to illustrate the collaboration E2 had with its competitor. The cooperation is a big project where different roles were fulfilled from specialists from different companies.

"At my last project, we actually worked together with X1. But they did more like project management. So they followed up with the functional parts, they went and did all the interviews to get like, as we call that the user stories. And the user stories could be like, in a financial report, I want to have this KPI, this KPI and that KPI and you can get them from these tables in the earpiece system in the source system. And then we were functional, we translated it to what we have to do to get those tables in our system, make all changes, and then create the reports. That's one aspect of the part."

Another interesting phenomenon with E2 is that they got hired separately

"But then on the other side, what I said like that they work on a certain part of the project. And we are also working on another part of the project. But we're actually hired separately by the same company. So one company hires X2, but also hires us for another part. And sometimes it even happens that they hire X2. And they hire us to actually check on what X2 is doing or the other way around. So I think, yes, nowadays, it happens that they hire more companies than one, I think, when you go back 20 years, they would just hire one company and just put all the trust in that company. It's not the case anymore."

As you can see in the above examples and as mentioned by our participant, in some cases, their clients will decide which competitors they will work with. Moreover, they also select competitors to cooperate based on the needs, capabilities and resources to execute specific projects. Our Interviewee mentioned that is definitely a trend that is becoming increasingly popular.

4.2.3 Company E3

The competitors of E3 cross the borders of Belgium. In the Netherlands this concept is more popular, which leads to a larger amount of competition in the Benelux.

"If you type in Google escape room design Nederlands, then you find 10 times the amount of escape room designers that are in Belgium. So in that way, we had a lot of competitors on a Benelux side, but not really on a Belgium side."

E3 did not fully comply to collaborate with competitors but did it more partially as they had built up a large set of knowledge themselves already.

"I think in the conceptual development stage, we mostly work on our own because we have the expertise of playing 850 escape rooms, or the world record at this moment. So and then that way, I think our expertise is definitely good enough to make the escape rooms ourself in a conceptual way, but as well, we are also moving on to escape boxes made the making of escape boxes moving on to real life game concepts in which you are involving with actors and things and in that way we are collaborating So indeed we're more collaborating on the conceptual side because that is a b2b market still."

Further they saw that in Covid-19 a lot of Escape rooms were suffering and they had the tool to help them from suffering.

"Even on a b2c side for online escape rooms we did it more on ourselves making the escape room all the online escape from ourselves fixing marketing fixing all those things, but I also have to say that we also work together but not with competitors we work together with actually the person who was at that moment the most Yeah, let's say weak in the market being the escape rooms, the escape room businesses that didn't have online escape rooms because they didn't have anything their escape rooms physical escape rooms were closed so what we actually did is we work together with them by providing them actually like Commission on the on the bookings and the persons and the market actually that they have and they bring into our online escape room. So in that way, we actually work together with six escape rooms spread over entirely Belgium from Gent, Leuven, Antwerp and even in Hasselt region. And these Yeah, they brought in customers for us because they had the market. They couldn't serve them. We had the service but we didn't have the market. So you see where the things fall in together. And that's actually how we collaborated."

Actually they collaborated with their indirect competitors. It is a clear example of adapting the business model to the current environment and finding new opportunities.

"But we did not collaborate directly with the competitor. Why? Again, because we're providing a totally different service. I'm mentioning service for us, and I'm mentioning product for them. That's really, really good distinction. Why? Because they actually are selling their product being the online escape room, online. So you actually go to their website, you buy the online escape and you can play it whenever you want. So it's to make the distinction already. It's not in a in an interactive way, with a game host who leads you did that entire evening, who helps you, who gives you hints, who solves problems, if necessary, who guides the evening, it's more in an active way and a problem solving way yourself."

Further E3 thinks that the creation of synergy has a vital role in coopetitions. It is also vital to remark that a collaboration with a competitor is not supported for him when you are in problems or are having a hard time.

" I think in my opinion, working together with a competitor shouldn't should not be seen as bad if it gives them a synergetic effect in the end."

"But on the other hand, when feeling desperate, or as you mentioned, or when things are closing or when markets are closing even then I would rather not prefer to work with the competition. Why because then it's actually just postponing your execution, because things are getting worse, things are getting bad. And then you should actually not work with your competition. Because at that moment, working with your competition is putting you in a position that allows you to live a little bit longer."

As what I understand from here is that a coopetition is feasible if there will be synergies created between the two parties, preferably 50-50,60-40. Another important point is to be in a healthy condition in the company.

4.2.4 Company E4

E4 has a lot of competitors on the Belgian market, as Belgium is a small country and the market gets saturated very quickly. When I asked about the cooperation part between them, I received a clear answer that it is definitely not possible. However they managed to do cooperations with independent local fashion designers.

"So far, we haven't cooperated with any of those competitors, because they are a direct competitor. And Belgium is already so small that it wouldn't be smart to cooperate with them. But we have cooperated with other people with mainly celebrities or other designers that have their own label that wouldn't be considered direct competition."

The competition in Belgium is too fierce. It allows no room for collaboration.

"Yes, exactly. Because if you if you look at how small the market already is, it's not that good of an idea to collaborate with, for example, x because that's the only Belgian direct competitor and then when we look at x, x, x, they wouldn't gain anything from our collaboration because they just want to beat us. They don't want to work with us."

The selection criteria of that particular partner, instead of the others was the fact that he invented a whole new character that played well in the vision of the brand. We do see here again an example of a synergetic relationship that is created.

"I think that is the main reason why it was something valuable for x. Otherwise, I wouldn't really see it in any other store. Because our children's collection in general is very happy, very colorful, very cute. So I guess those were the criteria, and the fact that he's a Belgian designer, obviously"

4.2.5 Company E5

E5 is not focused on one specialised branch of IT, but they rather offer custom services to whatever problems their clients have related to IT. My participant literally mentioned that they have a lot of competitors and not only the big ones.

"basically every IT consultancy company out there is my competitor."

Although the competition is fierce, my participant realised that it is better to collaborate and become stronger than to compete.

"Yes, I do. I do work together with two competitors, or even three."

An interesting phenomenon is that with E1 we had the same phenomenon where there was an exchange that kept the coopetition going on. The main difference here is that instead of swapping clients, they deliver IT guys to each other, in order to get the different jobs done.

"For example, one of my competitors is doing exactly the same as I do. But at the same time, they also helped me to grow my own business because it's so for example, I deliver it guys right and my competitive competitor does the same, but when he's running out of it, guys, and he can't help his clients, then he's stuck. And he is also struggling growing his own business. So this way, it's nice to work together."

"So I will deliver my guys to his company, so they can help their clients to grow. And then they also helped me to grow. So it's, in this case, it's not really a competitor and more a partnership, of course, but at the same time, it's still a competitor"

The selection process for my participant is not complicated, but it has three important pillars that he applies in his daily business activities, namely: honesty, Speed of communication and Duration of the relationship.

"Honesty, for me, working together with a competitor, it's very important to have good communication."

"Second thing that is important is the speed of communication. I like it especially in the world of it, everything is going very fast. For me, it's very important to have good fast communication, either like waiting for hours on, on a response, or on a reply. If I call someone I want to have directly. Someone who picks up the phone, I don't want to speak with the first or second Lane, for example, I want to directly stay in touch with account managers, I don't want to talk to recruiters or whatever."

"Third Pillar, for me, which is most important is the relationship we have in Yeah, in time. If I'm working together with a competitor, I prefer to do it for several years, then just for a few months, because this builds also a trust. And I think trust is important too."

4.2.6 Company E6

E6 has a strong brand image. We see here that the negotiations are set in place and everything is ready to be executed. My interviewee definitely did not have the struggle of setting the coopetition up, as both parties are aware beforehand how the collaboration will go and what to expect from both parties.

"For example on a railway project near to Bruges we had a successful collaboration with x. This was due to the application of an integrated approach, we could offer all our qualities combined with the competences of the company x under one roof. It led to cost savings, and execution was much faster than in independent projects."

In contradiction to the smaller companies coopetitive relationships are definitely more formal here.

"As our company has a lot of capital, everything is most of the time well written and prepared in contracts that are signed before the collaboration starts. Both parties are well aware of what information is shared and how deep the interactions will go. Of Course we do a lot of meetings on a daily basis, check-ups and we both separately focus on our specialisation and not interfere with the actions of the other. I often had the feeling that a certain way of doing a routine was ineffective, but there was after all a well thought explanation of."

Not to forget more supervision is also needed to make sure all the rules are followed. That is a downside in this type of coopetition, but after all, it is worth it.

"So what I am trying to say is that additional check ups and frequent inspections are needed and especially in a coopetition."

4.3 Growth strategies

All of the interviewed companies agreed on a certain growth strategy that is linked to a competitive relationship that they undergo/underwent. They realised that they could create a synergy which was not achieved, if they did not cooperate with their competition. It is also important to remark on the factors that played a crucial role in the success or failure of certain competitions.

4.3.1 Company E1

My interviewee did prefer to be closed as he is a small enterprise and is afraid to be overmastered by more financial capital that other businesses possess. Our interviewee gave clear direction that he would be open for the development of new products in new markets as long it is with non-profit organisations. All four growth strategies can be interesting for our interviewee.

"Yes, I would be more prone to doing that. As long as I don't feel that I am losing my competitive advantage in the industry, I am fine with it. "

When we went more in depth, my interviewee was more willing to follow a market development strategy where both parties in the coopetition will strive for new customers. Our interviewee decided to enter this growth strategy with a non-profit organisation as they are reliable and share the same common goal, namely attracting more clients.

"I tried to enter a new market more or less. Because I know that I cannot win when I compete with large tech schools. So I try to find a unique way to offer almost the same product with a small touch to be attractive in the new market."

"Strength in cooperation with the competitor here is to find the right customers that fit for my company and will remain long term in my business. Sharing of customers to each other , is the strength in this coopetition."

4.3.2 Company E2

In this case the interviewee certainly stays in the same market as it executes tasks in his core industry SAP. Due to the fact that they always collaborate on certain projects with their collaborators, we could agree on the fact that market penetration is a perceived strategy here. They focus on this certain growth strategy, because it is their main strength. Companies like Deloitte have many departments and can

enter different sectors with different strategies. But E2 does not diversify its offerings but sticks to the core of its business, which leads to market penetration.

"Yeah, although you can also say that sometimes entering the same market with the same product is not really the same product. But sometimes, like if there is a new version of the product, we just go and say like, Hey, this is a new version, you get this, this and this extra. So I don't know if you can classify that as a new product. But if you can, yeah, then indeed, you're correct. Yeah."

4.3.3 Company E3

E3 has been disruptive in the online escape room sector as it offers an all-in experience, instead of just a product. E3 definitely diversified in the beginning, but they were alone then. Later in their collaboration with competitors they opted for a market development strategy as it will give them the chance to tap in a larger potential crowd. At the same time, their competitors will also get a chance to tap into E3's customer base.

"Yeah, I think what we mostly focus with x on is diversification. "

"the growth strategy with what competitors that I would prefer is actually providing the same services, but to different customer segments. Why, because they have a customer group, which is actually pretty interested in escape rooms itself. And I also have a customer group that is interested in escape rooms itself. "

Based on E3's quotation, I find that both partners can benefit from each other's customer base. This establishes a potential relationship, which makes it possible to tap on a larger customer base.

4.3.4 Company E4

E4 agrees on the fact that the success is just for a short time as long the partnership is active, and purchasing opportunities take place for the customers. It is interesting that they don't strive for market development, but just develop the same collection for the customer base they already have. Of course new customers will appear, but that is not the main goal of the company.

"I think it's mainly market penetration. And I think that it also drew a specific kind of audience that maybe doesn't buy all the other stuff that we offer. So we did gain new clients through this collection, that were big fans of the collection, and therefore bought it each and every time, but it didn't really mean that they necessarily bought all our other children's collections."

"A downside of that is that if you stop the collaboration, you can't retain this customer. So it's only a temporary gain for your company, which is something important to consider, I think."

4.3.5 Company E5

In this case we clearly see market penetration as a growth strategy where no new innovations or inventions are realised after the collaboration. Important and vital knowledge stays sensitive and remains a burden to develop together new products/services.

" I think market penetration. Yeah,"

"No, I would, I would like to stick with the ones I have right now. And what I do now, because it's actually fairly easy. The things I like to do the most is take an existing strategy that works. And just make improvements. Make sure you do it better than your competitors. Because at the end of the day, why would you reinvent the wheel."

Based on this quotation this might be seen also as a personal strategy that my participant is fond of. To look at a competitor, study its strategy and make it better to defeat him/her.

4.3.6 Company E6

Product development and diversification are two interesting findings that we can get from my participant. I believe as they do not fear the competition a lot, they dare to innovate with competitors as it can only benefit them. Out of that they have well written formal agreements, which will not bring the coopetition in any danger, but will offer new opportunities.

"I struggled most with projects which are complex, so I would even dare to diversificate or innovate a certain product that is needed to finish a certain construction. It is normal that we do not know everything. Solving these issues means a lot, as we get the opportunity to finish certain projects. In the past we even developed a certain type of product to finish complex constructions."

As said in the quote with exclusive projects for example in Dubai their goal might be to enter an expensive, much promising market with a competitor. But if we look at the local level, this will not affect their growth strategy.

"The matter of fact that we are such a large company already, we do not have the need to collaborate with a competitor to enter a new market. Our large brand awareness makes people contact us most of the time. Of course for exclusive projects the approach might be different, but I did not stumble upon that yet."

4.4 Success factors and Challenges in a coopetition

We will link success factors or challenges to the growth strategy taken by our participants. My first question was which growth strategy was taken and now we will continue on that certain topic to see what the success factors or challenges were in this coopetitive relationship and particular strategy.

4.4.1 Company E1

Company E1 has a history with its main competitor, which creates certain trust issues. As the market is already pretty small with not much competition, it is hard to differentiate with a lower budget as you are a more obvious and open target to be attacked by the larger players. In the literature review we saw that this can lead to confronting or distancing behaviour. Company E1 struggles with high rivalry.

"The largest factors here were trust issues and competitivity"

"Hearing rumors that they want to outperform us. This type of information will close my willingness to collaborate very fast."

Although the negative experience was large, My interviewee still found a way to collaborate with a competitor through sharing employees with each other.

"We benefited both actually. If people came that I could not give the knowledge they needed, I would forward them to my competitors and the same happened in the opposite way. They send people to me that want to learn more and I send people that are not admissible to the fees that I ask, or people that want to explore just and not become too serious."

4.4.2 Company E2

Company E2 has experienced many projects already and said without any hesitation that good project management is vital to the success of a project. It is comparable to group work we had to do at school. If the division of tasks is well done, consequently with follow-up skills the tasks will get done without any problems. On the contrary if the division of tasks is not good, a lot of mistakes, issues will occur and a bad score will be given. Even though there is a good division of tasks, good project management has to be in place.

"Yeah. A success factor. I think good project management. That's, that's the first thing in our case, good project management, good rules. Also, knowing who does what, so, there, you have to be strict on okay. My job goes until this point, and from that point onwards, it's your responsibility. So you have to separate the responsibilities."

"I noticed that projects where we struggle with are the projects where the project management is not okay."

Clear and good communication plays a vital role in a coopetition where work in certain groups is done.

"So if you have a good understanding with each other, your good friends."

Another challenge is to maintain a strong reputation. In a small market as Belgium, especially in the SAP niche, news travels fast. One large mistake or bad step can let you lose a lot of projects..

"So rumors go around, and if something is very not okay, then everyone knows about it. So I think reputation and previous encounters are two big factors in choosing your competitor to work together with."

4.4.3 Company E3

E3 remarks another interesting fact that I did not come upon yet during my research, "Complementarity". It is key that in a coopetition both companies can benefit from each other. They should help each other, but more important be complementary in the development they undergo.

"Yeah, an important factor in working together with competition is actually making sure that you are pretty complimentary if I'm, if I'm pronouncing that right. which actually means that you should not be about the ones that are pretty good at designing escape rooms, you should be good at designing escape rooms and the other one should be good at selling it right. "

"Because you can make 1000s of escape rooms, but if they all stay in your backpack or on your PC yet and nothing happens or at least not in your bank account. So in that way, you should be complementary and a critical success factor in my opinion is also to know their weaknesses."

On the contrary challenges will arise if this complementarity is not equal. This will therefore lead to a skill gap. If the skill gap will overtake the coopetition, then it will obviously not hold for any longer

"But they also will have weaknesses that you have to fill in, because otherwise you will have a gap, skill gap again. And if you have too many skill gaps, it becomes difficult, of course, but if you have a skill gap, you have to outsource it again, cost money again."

"So the best matches the one that is 100% complementarity doesn't happen that often, but at least it should be a match that is at least 90% or 95%. complementarity. So we're also working together with the competition on a new project, actually, why because the competition was good at."

4.4.4 Company E4

In this example Overall E4 had a good collaboration with the designer as they differentiated themselves and kept innovating to be different from the competitors. A success factor is the creativity and innovation that was present here.

"I think the biggest gain you have in general from collaborating with other brands, even if it's for a different product category, I think it's that you're building your brand. And it's about more than what it initially was. And so you're building this sort of lifestyle"

Later on we see that there was a lack of common goal in the coopetition. It does not mean that the partner had a bad vision, but the customers are always the end goal. They will decide if the product is a success or not.

"So I think the issue with x was really that he's such a visionary. And so he knew what was coming but he was too soon and especially for E4' clients are more conservative, such a bad word, but you know what I mean?"

4.4.5 Company E5

I found a frequently named key factor that plays a crucial role in the success stories of the collaborations, trust. With this participant we can put an emphasis on it.

"yeah, I think trust still, it's still the biggest one."

Digging deeper in the interview I found out terms that are related to trust such as transparency, honesty, as without these, it is not possible to have a reliable collaboration with a competitor.

"I think the one of the success factors with us is first of all, always being honest with you and everybody that you work to put together. And, yeah, transparency, transparency, transparency, I think that's also very important."

A coopetitive relationship is not a one-sided story/relationship. It stays vital to have a listening ear and offer attention to the partner. Too much egoism will endanger the relationship.

"And knowing what your partners want, listen to the partners, don't sell bullshit."

Here I notice a bit of a conflict, because my participants care about trust a lot, but whenever he gets to unpatient, he might break the rules himself.

From my point of view, some things didn't go fast enough. So I go to my competitors, you know, to look for more help. And then yeah, people are not happy. But then again, it's the business.

"Conflict of interest is something you should take care of."

One of the main challenges for my interviewee. The earlier mentioned pillar, communication will avoid any misunderstanding, so that conflict of interest will not arise.

4.4.6 Company E6

So in the industry of E6 it is almost always about team work where different construction workers work together on the project that is envisioned by the management team.

"communication stays crucial. Clear guidelines, clear orders, that will consequently lead to good project management. "

As with many other cases, reputation is even crucial in the business world as in real life cases. Building and maintaining a strong reputational position is something worth the investment.

"news gets spread really quick nowadays with social media etc.. so if there are companies with bad reputation or bad image, which had many on previous projects, therefore we will also not take contact with them."

4.5 Employee- behaviour related questions.

The questions of this part are created to notice a change in the behaviour of the employees in the coopetition. As indicated in the literature review, employees most of the time respond negatively to working in a coopetition if this is not properly managed. In this section, we try to find out how employees react in coopetitions where a certain strategy is followed.

4.5.1 Company E1

An interesting finding which can be compared to when large companies work together with universities and students. Here no hostile environment will take place. This will therefore allow a healthy environment where coopetition can take place.

"A reason why I want to work with non-profit organisations is that they don't fear a loss of revenue.. I want to help people as well but I need some more resources to be able to do it. I am doing this to make a job out of it, which is not the case for the volunteers. For volunteers it does not matter if I have more or less customers."

4.5.2 Company E2

A competitive environment where people definitely do not want to show their weaknesses. Although people from other companies with different perspectives will check on your work and give comments on it. Most of the time it will negatively affect the person in question. My interviewee showed the opposite, that it mostly does not affect them very much.

"the internal politics that's that start to play it and then it's a bit different. But most of the time, I would say No, none of my colleagues have anything against working together with other consultants from other firms. But it's different. If someone has to ask to check your work, then it's a bit different. Because they will say, Okay, why did you do this? And why did you do that? Why did you do it and they start asking questions, and then it can become annoying, although they're also just doing their job. So it depends very much on the situation. But I would say on average, we don't, I wouldn't, we don't have anything against working together with other people, from other companies."

4.5.3 Company E3

In the beginning E3 did not have a lot of credibility, but that all changed after they had established a certain reputation and proved themselves to the outer world.
"when we didn't actually reach the world record, x was also much more considered as a project of two young guys who like escape rooms and that was it."

"Reputation definitely helps and helps you grow as well."

"But when the moment came that we launched the first Belgium escape room championship in Belgium in Antwerp and as well we reached that or we beat that most the record and all the media attention that came with it. That was something different right? Because then we then everybody was like, Oh, am I damn these guys they can do something. And that was actually the moment when when to answer your question people switched from I'd like my own ideas to maybe these guys have some pretty valuable input."

So this might sound a bit hierarchical but people with such reputation, comparable to a sportsman with a full trophy cabinet have the same support and respect from other sporters. The same happened in this sector, where E3 is respected after the realisation of these activities. Employees were even excited to work with them, instead of being stubborn and non-collaborative.

4.5.4 Company E4

In the fashion industry it is all about personal designs and creativity and innovation is accepted and welcomed by designers. At first the designers of E4 were very thrilled at the collaboration ,but still had to stay objective to not lose the focus of the core of the business.

"And I think the collaboration was a success, because the designers like being involved in something that was so different from what they usually do. But obviously, they were always like, is this gonna sell because this is not what we're allowed to design. This is not what we're allowed to sell. And so I think they did have question marks and sometimes even valid suggestions."

Between the Independent designer and E4 were no issues as they were not a direct competitor of each other.

"Well, there's a lot of women working at JBC. So there's always gonna be gossip, but not to a point where it was an issue, I'd say."

On the contrary E4 does remark that if the collaboration was with a direct competitor, who they bought now, there would have been certain issues. Fashion designers do have a little bit of ego in their works

and if they need to develop one product together, while they know they are direct competitors of each other, every individual will support his/her vision.

"And I think now that we took over x you can already see that these people have a very hard time working together, because now you are one team, even though you offer different things between the mother company, but you can already see this sort of there is a gossip kind of atmosphere, especially in the beginning, because you used to be competitors used to look at each other and think, well, how did you do that? And now that you see each other's work methods, and I think it's, it feels more confrontational. So if this would have been the case that we weren't the same company, and they had to work together, I think there would definitely be tensions."

"Yes, because now everyone has to kind of come to one way of working. And you can see that each company wants to hold their own like no, no our ways the best, you've got to follow us and then they think No, no, our ways the best. And then it's it is a debate, and I think, I think in the fashion industry, especially there's so many different ways of how every company works that, you know, I think it's even stranger if they collaborate, and the synergy isn't really there. And I think it's going to get very tense."

4.5.5 Company E5

As in the consulting industry, everyone questions each other. A lot of questions are frequently asked for check-ups or to understand how certain things are approached and not in another way, as every company has its own methods of working.

"When we send out an employee to a client, then sometimes it happens that one of them is an employee of the client directly, and is in conflict with our employees. Because Yeah, it's kind of like this competition?"

Most of the time this will not endanger the relationship as we are not in a pharmaceutical or technological environment where sharing certain secrets can be catastrophic for a company. E5 is more in an ecosystem where they check-up each other and learn from each other.

"I've never really had issues with it myself or the people that I have working for me. Because at the end of the day, if you just talk to the people, I think everything is fine. But yes, it happens sometimes. But then again, you go out, grab a beer, and everything is fine, I guess."

"It never brought collaboration in danger."

Another important remark is the fact that E5 mentions team building activities to take care of the spirit of the competitive firms. It is normal that when two companies suddenly work together, where the employees do not know each other that certain conflicts can arise. So organising team building activities before the actual coopetitve relationship is set up, it will open doors to realise friendship and networking amongst the employees.

"I mean, if a company decides to work together with guys like us, then all the employees that are working for the same company knows that, and the way how the most of the companies solve that, if there is an issue, they start organizing events inside the company itself, to work on the team spirit."

4.5.6 Company E6

The construction industry is definitely not comparable to the one of university and tech companies whose main goals is to take patents, innovative inventions or the pharmaceutical companies that want to produce new medicines. In this industry at the department of construction where project managers operate over several projects, this interest in each other's findings does not really occur a lot.

"In our case we always have construction workers who follow our orders. So when we get a project, firstly I will communicate with the team leader of the other company. With him I will go over the details of the project and how to approach it. Then the next step would be to give clear communication, so with other words "clear orders" to make sure there will be no misunderstandings between our construction workers. That is mostly how it goes in my sector. So I did not really experience any issues yet."

It might be even a positive point to have some change and to learn to know people as our participant saw this as a learning moment instead of a threat.

"And if I look at it from my perspective, for me it also does not really matter, as, I just want to work on different projects and working together with a competitor gives me the chance to learn from the competitor and challenge myself"

5 Analysis and discussion

I will discuss and analyse the data collected from the interviews. Through the illustration of my framework, my goal is to find a certain relationship, contradictions or certain insights by analysing the collected date. This chapter is also the last phase in conformity with thematic analysis presented beforehand.

The goal of this chapter is to give an answer to 'What growth strategy is pursued in a coopetitive relationship?' The answer to this question will be able to make firms aware of what to put more emphasis on whenever entering a coopetitive relationship. In addition to that it will also give them a push to opt for a certain growth strategy when entering the coopetitive collaboration.

Below you can find a short summary of the main findings from the interviews that I took.

Table 2: Main insights from interviews

Company	Industry	Employee function	Size (employees)	Growth strategy	Success factor	Challenge
E1	Educational technology	CEO + founder	1-5	Market penetration	Trust	Competitivity
E2	SAP analytics	Consultant	50-60	Market penetration	Good project management	Reputation
E3	Game design	CEO + founder	2	Market development	Complementarity	Skill gap
E4	Fashion	Purchase manager	-+1300	Market development	Creative innovation	Lack of common goal
E5	IT consulting	CEO + founder	10-15	Market penetration	Trust	Conflict of interest
E6	Construction	Project manager	13000	Diversification/ product development	Communication	Reputation

I felt during the interviews that the smaller companies were less willing to really open up, but were more prone to a closed approach in collaborating with their competitors. Most of the time, fear arises because of capital or competitiveness reasons. Therefore E1 was more prone to collaborate with non-profit organizations, which are active in the same industry and therefore also can be seen as competitors. The main difference is that their goal is not to outperform other players in the industry.

Further I summarized the coopetitions from the literature review in this table to find out if the difference between larger and smaller companies really affects the growth strategy.

Table 3: Coopetition examples from the literature review

Company	Size (employees)	Growth strategy	Success factor	Challenge
Toyota Subaru	Large	Product development	Respect / Trust	Mutual use of resources
Nokia Samsung Sony Eriksson	Large	Diversification	/	Lack of focus
Hotel + restaurant industry	Small-medium sized	Market penetration	Centralisation	/
British supermarkets	Medium-sized	Market penetration	Trust	Information sharing
United States/China	Large	Product development	Economic benefits	Information Sharing
Microsoft Amazon +-400 additional companies	Large	Market penetration	Knowledge sharing	Open mindset
Caterpillar Mitsubishi	Large	Product development	Common goal	Competitivity

I also remark here that large sized companies are more prone to diversification or product development as they have the capital and can afford to have a failure as in the 'Symbian case'. For a small or medium sized company it would be their bankruptcy, but for giant players as Samsung, Nokia and Sony Eriksson it does hurt them, but they will not go bankrupt from it.

In the next part I will explain the main finding with a framework which proposes an interesting finding in selecting a certain growth strategy.

5.1 Proposed framework

Figure 11 offers us an interesting view on what strategies are pursued in coopetitions according to the size of the participating firms. My findings gave an unexpected phenomenon where actually the most interesting finding in my opinion is the fact that there is a certain difference in growth strategy between small-medium sized and large firms. As an answer to my research question it is definitely clear to remark the size of the company as a vital factor.

The presented framework shows that small-medium sized companies are more prone to growth strategies as market development and market penetration, while on the other hand, larger companies diversify more and take care of product development.

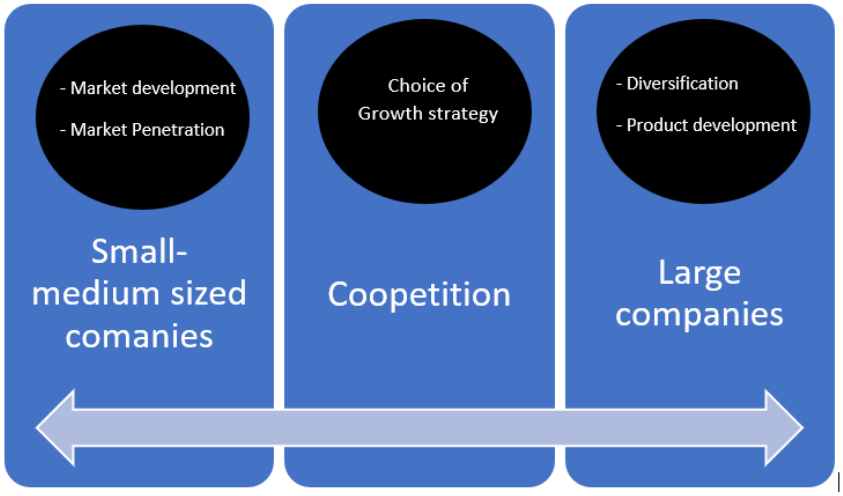

Figure 11:Framework about the growth strategy picked by the firm depending on how large the firm is.

Coopetition brings a very intriguing situation to the foreground where competitive companies will aid each other and push their limits to new heights through their mutual knowledge and understanding of resources. As interesting and beneficial these relationships are, we still need to be cautious and have a deeper look into the interactions between the coopetitive relationships. To realise a proper relationship, it is key to keep these two conflicts separated (Bengtsson, M., & Kock, S., 2000). E5 mentioned that conflict of interest is a challenge that needs to be monitored. It especially arises when you have coopetitions with several partners.

Further I also noticed E5 applied a new manner of market penetration, through the sharing of employees. The sharing principle can also be found at the examples in the supermarket industry. Here the goal is to penetrate the market by benefitting the whole system.

Another interesting finding is that a coopetition can take place in an unexpected setting. E2 experienced that its client did not hire him alone, but also a competitor of E2 to check on its work and to work on other projects. In this way you establish an indirect type of coopetition, which was not mentioned before in the literature.

On the next table I show my findings related to the challenges and success factors of coopetitions. The underlined factors were not found during my literature research. I will further discuss the factors that came up a lot during the interviews.

Table 4: Comparison coopetition challenges and success factors from interview results and literature review

Literature review	
Challenges • **Group think** • **Confronting/distancing** • **Collusive behavior** • **Hold-up problem** • **Time** • **The not-invented here syndrome** • **Trust issues** • **Mutual use of resources** • **Lack of focus** • **Information sharing** • **Open mindset** • **Competitivity**	**Success factors** • **Communication** • **Group identity** • **Managerial choices** • **Trust** • **Respect** • **Centralization** • **Economic benefits** • **Knowledge sharing** • **Common goal**
Empirical results	
Challenges **Competitivity** **<u>Reputation</u>** **<u>Skill gap</u>** **<u>Lack of common goal</u>** **<u>Conflict of interest</u>**	**Success factor** **Trust** **<u>Good project management</u>** **<u>Complementarity</u>** **<u>Creative innovation</u>** **Trust** **Communication**

Based on the success factors and challenges, I cannot draw up a conclusion, as this might be related to the sample size. Overall, trust was a prominent player in the establishment of the relationship between the two actors. This is because trust is even required before the start of any strategic partnership. In the next chapter, I will discuss the most important challenges and success factors that came up a lot during the interviews.

5.2 Challenge

5.2.1 Confronting/distancing

E1 suffered so much from high competitivity that it was pushed to work with non-profit organisations as they were not able to build up trust with their competitor. Bengtsson et al., (2010) described such coopetitions as destructive or confronting. E1 was hearing rumors of how the competitors were planning on defeating them. The zealous rivalry did not allow any chance for establishing a coopetitive relationship as it will only cause troubles in many ways: Bad communication, low transparency and no trust. Therefore we can confirm this factor from our literature review as a true challenge.

5.2.2 Skill gap

I found it remarkable that only 1/6 participants spoke about the skill gap. In 5/6 of the coopetitions both actors had the skills needed. E2 mentioned this factor as a challenge. He does mention that 100% complementarity does not occur often, but it should be at least a 90% match. This might be also due to the market development growth strategy followed by E2. E4 also took this growth strategy but they worked together with a well-known designer, while the industry of E2 is less known and harder to find out who has what type of skills. For E6 we see here a completely different turn, where the skill gap is the reason to enter the coopetition.

5.3 Success factor

5.3.1 Trust

Over all my interviews I noticed how important trust remains in formal and non-formal relationships. 3/6 participants experienced trust as an important factor influencing the growth strategy. E1 was suffering with trust as he was still small, not financially strong and had to find a balance in trust when collaborating with competitors. Therefore E1 was more prone to collaborate with non-profit organisations compared to the other participants. Zeng & Chen (2003) described how intense rivalry can lead to overexploitation, therefore the fear transcends the opportunity to have a potential collaboration. E2 is a more strongly established company in the Belgian market and remarked that trust in one company is not anymore the way to do business. They experienced many times that other companies hire more than one SAP company, which led them to collaborate on certain projects with their competitors. Although the experience of working with competitors they would not go as E1 into product development, diversification or market development out of fear that arises from trust. E2 cannot work with a non-profit, as it will not offer them any advantages, good project management will lead to success and that success will establish the trust in the collaboration with competitors. Tidström (2014) pointed out that it is vital to reduce tensions in coopetitive relationships. E3 did not talk a lot about trust as in their industry it is more about reputation on which we will talk later more about. E4 had the same reasoning where reputation was larger than trust. E5 sees trust in a way of the duration of the coopetition. He wants to enter coopetition and maintain them for a long-term to build up trust. He is larger than E1 but smaller than E2, but has no fear as they help each other to grow by having these coopetitions. This might be to the fact that they share employees, which did not occur in the other examples. First time I heard about this type of coopetition in chapter 2 in the example of the supermarket industry. In this way there is not really information sharing, but rather employee sharing for problem solving. This might be a trend that has

large potential to grow over the following years. Problems are becoming increasingly complex and critical, therefore employee sharing among competitors can improve both firms, although it needs to be monitored. Lack of monitoring may cause overexploitation of information that was not supposed to be shared. E5 mentions that his employees should also trust him in any of his decisions, which was also mentioned as the third point of Tidström (2014). E5 did have some issues in the past, but it always ended positively, so the conflicts were more of short length instead of long length.

According to Bogers (2011), trust can be seen as the main reason which allows the exchange of knowledge. Trust establishes the action of sharing ideas with each other, in order to find out if two competitors can collaborate with each other. Trust gives the feeling of safety, and promises no abuse of shared knowledge, consequently harming the competitive partner. In trust the 'give and take' principle plays a large role. Nguyen, H., & Nafula, K. (2016) remarked that trust is an essential element that positively influences the process of sharing knowledge.

Further literature has proven that trust lessens the need for knowledge protection. This will positively affect the collaboration as less costs will be made. Safeguarding procedures, monitoring costs, detailed agreements and formal agreements will be minimised. The less attention is put on formal modalities, the more can be focused on the core and what needs to be realised (Nguyen, H., & Nafula, K. 2016). Compared to my results 3 of the 6 interviewees had formal agreements, which was linked also to the size of the company. Whenever you collaborate with small-sized competitors and the trust is high, there are not really formal modalities put in place.

In summary, trust can lead to a more existing growth strategy where not much development of new products or markets takes place, therefore there will not be a lot of risk on information sharing and overexploitation of knowledge.

5.3.2 Communication

Surprisingly 2/6 participants spoke about the importance of communication. E5 and E6 put large attention on communication when entering a coopetition. Zeng & Chen (2003) even mentioned that face-to-face discussion will ameliorate the bond and lessen the tension. E5 mentioned that he always wants to be in touch with a high ranked person, not an assistant or intermediary which will delay the speed of communication and extend the tension in some cases. E6 goes more for the physical approach in the coopetition with daily meetings and work visits on the construction sites. Dawes et al., (1977) found out that face-to-face collaborations have a 70% collaboration rate in comparison to groups without discussions. We see that this statement gets confirmed as it is a certain success factor for E6 in its coopetitions. Further the Hold-up problem described in the literature review is avoided by the strict agreements that are made up, before a coopetition sets off. In contrast to E5, E6 works with formal agreements, which gives him the freedom to also develop products, diversify, which is not a prefered strategy of the 5 other participants.

5.3.3 Reputation

A not-before-mentioned factor that came up several times during my interviews. Reputation was a success factor for 5/6 interviewees. E4 did not mention it literally but, the coopetition was established because the other actor had a certain reputation in the fashion industry. E2 even called the reputation a challenge in the context that it is hard to maintain a strong image of delivering continuous solid work

without failure, but if it is done in the right manner it becomes a success factor. Reputation does harm a firm, when it publicly supports a certain political party (Hill, C. W. L. (2019). Luckily that was not the case in any of our interviews. Further another effect that has impact on reputations are the network effects related to knowledge spillovers (Das, T. K., & Teng, B.-S., 2003). There were no issues or cases of knowledge spillovers or risks on it, as 5/6 of my interviewees go for a market penetration/market development growth strategy where no critical information is shared. Although prefer less risky growth strategies, for E2 reputation makes a lot of sense as the Belgian market is small and if there had been previous bad encounters, that would be a potential reason to not enter a coopetition with a certain firm. Same counts for E4, E5 and E6. I noticed that for E2 reputation was the most influential factor for their success. Before they had created a certain reputation in Belgium the competitors were not taking them seriously and did not even think of collaborating with them as it looked like several students were just exercising a hobby.

Further rumors or gossip also play an important role in establishing a certain distinct reputation.

5.4 Employee behaviour

No interviewee had witnessed any struggle amongst employees that could danger their coopetitions.Takahashi & Inamizu (2012) mentioned that employees with the non-invented here syndrome can be seen as rejecting ideas from outsiders. While Lüttgens (2014) discussed it as an internal revolt against input of knowledge. E1 has chosen the safe path to collaborate with a competitive non-profit organisation, where there is no competitivity amongst the employees, they even encourage it. E2 felt some struggles during group work, where sometimes they collaborated with competitors and had to let their work be checked by them. It is not fun but it is part of the job and they are aware of it. The other interviewees shared the same conclusions where no need for internal revolt was found. This might be due to the fact that there the employees of the firms interviewed are not really scientists. Amongst scientists and professors it might be a more delicate issue.

6 Conclusion

In this part I will give an answer to my research question. The collected research and findings will guide us to an answer. Additionally I will impart the recommendations and limitations for future research.

6.1 Research findings

In summary, this research is devoted to a better understanding of what growth strategies are chosen in coopetitions. Reviewing pertinent academic papers about coopetition also offers a look at the challenges and success factors of coopetitions. Based on a qualitative analysis about growth strategies in coopetitions, it can be concluded that small-medium sized firms opt to go for market penetration or market development and larger firms are more prone to product development or diversification.

6.1.1 Key findings of literature review

The literature gives us a clear sign that coopetitions are on the rise. The shift from closed to open innovation brought many opportunities for firms, and entering coopetitions is one of them. Additionally, I learned from the literature that collaborating with the competitor is mandatory to thrive and survive and that coopetition is a game of choices where to defect or not is decided by certain factors mentioned in the next paragraph.

Further in the literature, we found, on the one hand, the success factors: communication, group identity, managerial choices, and trust. On the other hand, we found the Challenges: group think/ over-embedding, confronting/distancing, collusive behaviour, hold-up problem, time, and the not-invented-here syndrome. Here I noticed how to transform the challenges into success factors. It is key to be aware of these factors in order to balance and approach the tensions in coopetitions. If certain factors are not well managed, consequently, the risk to defect will increase on both sides of the coopetitive collaboration.

The literature also offered us insights on the Ansoff matrix with the four growth strategies: market penetration, market development, product development, and diversification, and how to understand it adequately in order to decide what growth strategy is chosen in certain coopetitive relationships. However, there is a gap in the literature on the relationship between growth strategies and coopetitive relationships. Through the coopetitive examples found in the literature, I linked Ansoff's growth strategy to every individual coopetitive collaboration.

6.1.2 Key findings empirical study

The empirical data combined with my conceptual framework will give businesses who want to enter a coopetition an overview of what growth strategies are mostly taken and the reasons.
Firms that do not feel comfortable opening up for a competitor because they are still too small or have precious knowledge, causing them to go for market penetration as this is a safe approach where nothing new is developed, and not much sharing of secret information is needed.
Next is market development, where firms want to extend their target audience. I noticed that this strategy is mostly taken in cases where there is the phenomenon of employee sharing. Larger companies do this by taking over another company, but in coopetitions, I noticed a specific shift where small, insecure companies prefer this strategy to enter a new market or tap into a new audience, where risk is

minimised. Furthermore, product development was not preferred by any small-medium-sized company. This is due to the open approach and knowledge sharing that is needed to develop a new product. Smaller firms are still afraid to dive into deep waters without having the risk of being outperformed at a later stage by the more prominent firm due to a lack of capital and customer base. Another strategy that was not preferred by my sample is diversification. Here I noticed that my participants see this step as a step out of their comfort zone.

Most of the time coopetitions end up in acquisitions (Ritala, P. 2009). Although in my sample size, it only occurred to one participant. This might be due to the difference in size, where larger firms are more prone to acquisitions due to their larger capital.

Further in addition to the found success factors aforementioned. I found out that complementarity and creative innovation are also important factors that were not mentioned in the researched literature. Overall, trust remains the overlapping element for the realisation of coopetitive relationships. On the other side I found out that skill gap, reputation, and conflict of interest can be added to the list of challenges.

Another fascinating insight that I received is the phenomenon of indirect coopetition, where two competitive companies are hired separately to work on a joint project. This might be surprising at first sight, but in my empirical results, E2 explained that good project management leads to success. Further research on this topic is advised. In addition to that, I noticed that coopetitive relationships strive for market penetration by sharing employees/clients so that both firms benefit from each other.

In conclusion, my main discovery is that smaller firms are less willing to open up entirely as they are not financially stronger. The findings show that larger companies can risk more than smaller ones and risk diversifying and developing new products without the certainty of success of that particular product/service.

6.2 Managerial suggestions

Overall coopetitive relationships should be appropriately managed by having prior knowledge of what the risks and challenges might be. In addition to that, the gained knowledge to make the right choice and go with the proper growth strategy will lessen the chance of failure and increase the odds for success in the coopetitive relationship. Managers should be aware of the coopetition trend and become more normal to open up and collaborate with the competitors. It is not taboo anymore. My study will aid managers in leading successful coopetitive relationships by creating awareness for the success factors, challenges, and what growth strategy is pursued. Managers need to be aware of what can go wrong in coopetitions to understand complicated situations and handle them in the right manner, instead of in panic actions, which might deteriorate the relationship of the two actors even more.

6.3 Recommendations and Limitations

Further, the sensitivity of the subject made it hard to get more detailed information from my participants. Thus the subject's sensitivity, luckily the participants were willing to do the interviews anonymously, although I might think in some cases more secret information was hidden. Thereafter, most companies of my sample were small-medium-sized companies as it is much harder to find larger companies willing to do the interview, especially in COVID-19 times. Due to these limitations, I contacted my network. This might affect the generalizability of my research. Nonetheless, I want to add that my goal was not to generalise the research findings to a specific industry but to build on the existing theory and see if there might be a particular relation across different industries.

In addition to that, despite the limitations, there is real tension in coopetitive relationships between competitors. From my findings, I proposed a framework for the long- and short-term coopetitive relationships. The main problem here is that the sample is not large enough and is not focused on one primary industry. However, it is interesting to find out if there are differences across industries or not. This is already a good start as preliminary research, which can offer more exciting findings later on.

Based on this, future research can find more interesting relationships about coopetitions across the different sectors. If the database gets larger, specific findings will be more clearly visible. My findings already showed that there might be a certain difference between the strategy of small- medium-sized and large firms. It is interesting to find out if this trend stays the same if the sample size increases.

Another critical factor is the participant itself. After the findings, I suggest that the participants should be from high-ranked positions who decide on the firm's policy and with whom to work. These high-ranked people benefit from their strong position in the organisation, which allows them to offer solid and objective opinions of how coopetitions affect reality. In future research, I would suggest having respondents with a strong position in the company that gives orders instead of getting them as they will offer more concrete and valuable information.

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8 Appendix

8.1 Interview guideline

Number	QUESTIONS
I	**Background questions**
1	Can you tell us more about yourself, and your role in the company?
2	How long have you been with the company?
II	**General questions about coopetition**
3	Who are the competitors? Have there been any cooperations with them?
4	Can you give an explanation of how you cooperated with a certain competitor?
5	How long has the company collaborated with competitors?
6	Why do you consider to cooperate with your competitors? What criteria do you use to select the competitors to cooperate with?
7	What criteria do you use to select the competitors to cooperate with?
III	**Questions on Growth strategies**
8	How would you consider to work with a competitor? • Enter the same market with the same product (market penetration) • Enter a new market (market development) • Invent (diversification) • Innovate a particular product (product development) (ask further for motivation)
9	What is in your opinion a success factor when entering a coopetition. What factor do you think is very important to put attention on? (ask further for motivation)
10	What do you consider as a challenge not to cooperate..? (ask further for motivation)
IIII	**Employee- behaviour related questions. (more technological, pharmaceutical orientated)**

11	Q: Were the employees/colleagues cooperative to work with another company? Was this coopetition a success? If it is a success, what factors contributed to it.
12	If, yes, Do you think if the firm worked together with another company (maybe a less direct competitor , the employees would be more willing to participate in this collaboration?
13	Did you notice a change of behaviour between your colleagues, when entering this coopetition?
14	If, yes, Do you think if the firm worked together with another company (maybe a less direct competitor , the employees would be more willing to participate in this collaboration?
V	**Ending question**
15	Q: As a nice ending, what are your final thoughts about coopetition like advice or experiences

8.2 Coding screenshot

Q: So can we say that your coopetition partner at the moment or in the beginning was more an indirect competitor and the more successful you become they become a direct competitor? Yes, I definitely noticed that, I worked at E2 and now they see me as their competitor, first they did not even care or mention me, but now when I grew they are not threatened but they notice me now. I just know that they check me often and are afraid that I dont steal their IP, so they start to see me more as a threat and want me to get out of business.	>Previous work experience at E2 >Secure IP >Threat >Fierce competition	 =confrontation = hold-up problem
Q: Why do you consider to cooperate with your competitors? What criteria do you use to select the competitors to cooperate with? But it is a difficult situation in this coopetition Who gets IP, who loses tacit/explicit knowledge..and will the	> IP > Tacit / explicit knowledge > Losing core values > teaching game rules > Difficult to create a gamification of teaching about the creation of games > competition has more	 > Knowledge issues > Group identity > Time > Trust / Reputation