

The transition from competition to cooperation in business relationships

PhD (econ.) Annika Tidström
Department of Management and Organization
University of Vaasa
PO.Box 700
FIN-65101 Vaasa
Finland
E-mail: anntid@uwasa.fi
Phone: +358 6 324 8584

PhD (econ.) Åsa Hagberg-Andersson
Department of Management and Organization
HANKEN, School of Economics
PO.Box 287
FIN-65101 Vaasa
Finland
E-mail: asa.hagberg-andersson@hanken.fi
Phone: +358 6 352 1753

Abstract

Traditionally research within the IMP-group has focused on cooperation. There has lately been a call for more research on competition. Business relationships are complex and not static and therefore they may include elements of both cooperation and competition (e.g. Young and Wilkinson, 1997). In other words, these relationships may be termed “coopetitive”. The simultaneous existence of both cooperation and competition has been studied by e.g. Bengtsson and Kock (1999) and Easton and Araujo (1992). The existing research is mainly focused on different degrees of cooperation and competition. There is a gap in our existing knowledge particularly concerning transitions from competition to cooperation and vice versa. This is an important area to explore in order to increase our understanding about dynamics within business relationships that exist of both cooperation and competition.

The purpose of this study is to increase our understanding about the transition from competition to cooperation within business relationships. The research question is as follows: What is included in the transition from competition to cooperation in business relationships? The empirical part of the paper is based on 20 qualitative interviews with managing directors of Finnish small and medium sized companies.

The findings of the study show that the reasons for starting to cooperate with a competitor can be either external or internal. Important issues related to the initiation of the cooperation can be either individually- or organizational- related. We have also been able to identify both formal and informal ways of initiating the cooperation.

Keywords: coopetition, cooperation, competition, transition, business relationship

1 INTRODUCTION

The nature of business relationships is complex and develops over time. Managerial action is guided by how the relationships are framed and are hereby of consequence to management (Håkansson and Snehota, 1995). Business relationships usually contain elements of both cooperation and competition (e.g. Young and Wilkinson, 1997). Traditionally the focus of IMP-research has been on cooperation within business relationships and networks. “Some of the early writings using the interaction approach seem to have over-emphasized the closeness and co-operative aspects of business relationships.” (Ford 1998:8). Holmlund-Rytkönen and Strandvik (2003; 2005) also call for more research within the field of issues that may decrease the strength of business relationships. Some scholars (e.g. Easton and Araujo 1992; Bengtsson and Kock 1999; 2000) have, however, focused on competition or the simultaneous existence of cooperation and competition. These studies have mainly been focused on distinguishing between different degrees of cooperation and competition.

The nature of cooperation and competition within a business relationship may vary over time. Therefore it is important to study them from a process perspective. Sometimes cooperation may be dominating and at other times competition. There is a gap in the existing research especially related to the dynamics and process of cooperation and competition. The simultaneous existence of cooperation and competition may be termed cooptation (Nalebuff and Brandenburger, 1996). Within the research area of strategic management, Dagnino and Padula (2002) argue that “scientific investigation on the issue of cooptation has not gone much farther beyond naming, claiming and evoking it” and as a consequence it “is clearly an under researched theme”. Cooptation is a new field of research and at present we are only at the start of its investigation (Padula and Dagnino, 2007). Yami, Lehmann-Ortega and Naro (2008) stress that cooptation research needs a stronger theoretical base that moves beyond a simple report of the simultaneous existence of competition and cooperation. According to Bonel and Rocco (2007) the operational level of cooptation is fairly unresearched. An operational level of cooptation is here related to practice and the way that companies operate.

The dynamics and transitions from competition and cooperation in business relationships may be caused by either internal or external factors or even both simultaneously. These transitions may be considered as either beneficial or harmful. A business relationship is at present also influenced by what has happened in it in the past. The challenge within cooptative business relationships is therefore to cope with transitions from competition to cooperation and vice versa.

The purpose of this study is to increase our understanding about the transition from competition to cooperation within business relationships. The research question is as follows: What is included in the transition from competition to cooperation in business relationships? The study is limited to identifying and describing the initiation of cooperation between competitors. The study does not focus on what happens after an intention of cooperation between competitors has been made. The empirical part of the study is based on qualitative interviews within 20 Finnish small- and medium sized companies.

The structure of the study is as follows: In the next section cooptation is defined. Thereafter literature related to cooptation within the IMP-group is presented. The section is finalized with a presentation of research related to the transition between cooperation and competition in business relationships. Section three contains a description about the empirical study. Firstly the methodology is presented and thereafter the findings of the study are outlined. This paper is finalized in section four, which briefly reflects on the findings of the study, limitations of the study and suggestions for further research.

2 COOPTATION AND TRANSITIONS BETWEEN COOPERATION AND COMPETITION

Cooptation can be defined as “... a mindset, process, or phenomenon of combining cooperation and competition.” (Luo, 2005:72) This definition indicates that cooptation should be studied over a period of time. Moreover, cooptation can be described from a cognitive perspective, as it is related to the mindset, which can be interpreted as an individual factor. The meaning of cooptation may therefore differ depending on time and on the perspective of the actors involved.

Much of the existing research (e.g. Bengtsson and Kock, 1999; Nalebuff and Brandenburger, 1996; Dagnino and Padula, 2002; Czakon 2007) relates cooptation particularly to intercompetitor cooperation, but here we

would like to argue that every business relationship, both vertical and horizontal, may involve both cooperation and competition. A business relationship is an interfirm relationship based on mutual orientation of two companies that are willing to interact with each other (Johanson and Mattsson, 1987). The establishment and development requires a mutual orientation (Ford, Håkansson and Johanson, 1986). Also Young and Wilkinson (1997) argue that cooepititon is a natural part of vertical buyer-seller relationships as the parties may cooperate to achieve reliable quality, delivery and acceptable price but compete for the most favourable payment terms. Another argument in favor of not relating cooepititon only to cooperation between competitors is the fact that the nature of business relationships often is very complex and actors may simultaneously be competitors, buyers, sellers and cooperating partners in relation to each other (e.g. Easton and Araujo, 1992; Vaaland, 2001).

In the following section, the existing research related to cooepititon within business relationships and networks is presented and discussed. Thereafter literature related to transition from competition to cooperation and vice versa is presented and discussed.

2.1 Existing literature on cooepititon within the IMP-group

As cooepititon is based on both cooperation and competition it is important to start by defining cooperation and competition. Cooperation can briefly be described as two firms that are working together in order to raise benefits for both, i.e. a win-win situation. The general motive that lies behind cooperation is to receive larger benefits in comparison with the alternative of working alone. Competition, on the other hand, can be characterized as a win-lose situation, with the aim of securing and developing one's own position at the expense of the competitors'. A definition found within the business network approach is that cooperation can be either direct or indirect (through a third actor) and it is a third actor that controls the goal that can only be reached through cooperation between the actors (Easton and Araujo 1992). The third actor could be a customer or another stakeholder who accordingly drives cooperation. Easton and Araujo (1992:72) define competition as follows: "Competition occurs when two actors have objectives that are in conflict but the locus of their objective is under control of a third party". According to Easton (1990) competition can be described as the winning of a prize that is in the hands of a third party (usually the customer). Competition means striving in parallel within the rules of the game. It is dependent on the available resources and has an object related, impersonal character.

As has already previously been stated, much of the existing literature within the IMP-group has been focused on cooperation. Wilkinson and Young (1994) write that competition should be considered as a part of the normal practices of doing business. Bengtsson and Kock (1999) argue that actors must compete to a certain extent in order for the business network to be effective. They continue by stressing that there is a demand for cooperation, since the actors must create bonds in order to establish long-term relationships. Scholars within the IMP-group have furthermore stressed the need for recognizing paradoxes such as stability and change of business relationships and networks. Håkansson and Ford (2002) argue that networking happens in a space of paradoxes and the mix and balance of these elements will vary over time in a given relationship, as circumstances change across relationships. This would call for more research within the paradox of cooepititon, i.e. cooperation and competition.

Scholars within the IMP-group have mainly been focusing on buyer-seller relationships, i.e. relationships between companies on different levels within the value chain. Although intercompetitor cooperation is recognized as a part of industrial networks, little research, such as Easton (1990) as well as Easton and Araujo (1992), has been carried out within this field. Axelsson (1992:244) argues that although intercompetitor cooperation is most often unrecognized, it is still "meant to be captured within the relationships the focal actors have with other actors, particularly customers". Easton and Araujo (1992) list different reasons why scholars within the business network approach have neglected intercompetitor cooperation. Historically the origins of business networks lie in studies of dyadic buyer-seller relationships in industrial markets and the economic exchange is at the heart of many studies. Laage-Hellman (1989) also puts forward similar ideas as he states that it is natural for the interaction model (Håkansson, 1982) to stress the cooperative aspects of the interaction process. The model is originally based on the assumption that two actors have mutual interests and that their relationship should be beneficial for both actors. These assumptions stand in contrast to the traditional perception of competitors as rivals, who have contradicting interests. From an ontological perspective, both the interaction and the business network approach are focused on cooperation between

actors. Therefore competition and competitors are not traditionally considered as central elements within the business network approach. Theoretically a narrow definition may not allow for relationships between competitors to be included.

Easton (1990) stresses that it should not be taken for granted that the relationships between competitors are primarily competitive in a traditional sense. Easton (1990) and Easton and Araujo (1992) distinguish between five types of intercompetitor relationships: conflict, competition, coexistence, cooperation and collusion. A situation of conflict means that one of the actors is aiming at destroying an opponent. Competition means negatively linked goals and can be characterized by “parallel striving”. Coexistence can briefly be described as independence, i.e. the competitors are simply perceived to be unaware of one another. Cooperation exists when companies perceive that the achievement of their goals is positively related. Collusion can be described as intercompetitor cooperation designed to directly or indirectly injure a third party. If intercompetitor relationships are divided into certain categories, there is a risk of overlooking the dynamism within a single relationship. Similar thoughts are put forward by Easton and Araujo (1992) who argue that major or minor modes of the above presented five types of intercompetitor relationships may co-exist.

Bengtsson and Kock (2000) put forward a dynamic perspective of cooptation as they claim that different kinds of relationships may involve different levels of cooperation on one hand and competition on the other. If there is more cooperation than competition, then the relationship is “cooperative dominant”. If cooperation and competition is about the same, then the relationship is an “equal relationship”. If there is more competition than cooperation, the relationship is “competitive dominant”. The scholars also stress that two companies cannot compete exactly within the same activity in which they are cooperating. The findings of the study by Bengtsson and Kock (2000) show that competitors are engaged in cooperation within activities far from the customer, while they compete near to the customer.

To sum up the existing literature on cooptation within the IMP-approach, it is possible to say that some things have been done, but a lot more has to be accomplished. Competition is recognized as a natural element on business markets and it has also to some extent been related to cooperation from the perspective of business relationships. There are descriptions about business relationships containing different degrees of cooperation and competition, but still we have scarce knowledge about the evolution or transition from cooperation to competition and competition to cooperation. In order to increase our understanding about these transitions we have in the following section taken some influence from strategic management literature particularly related to cooptation.

2.2 The transition between cooperation and competition

The transition from cooperation to competition and vice versa can be analyzed in light of the reasons for a change from cooperation to competition or competition to cooperation. These reasons may be found either within the focal relationship and/or in relationships that are directly or indirectly related to the focal relationship. This point of direction is in line with the business network approach in accordance to which a business relationship cannot be analyzed apart from the wider network of relationships in which it is involved.

Some scholars have focused on how environmental factors influence competitive strategy. Padula and Dagnino (2007) recognize different degrees of cooperation and competition within a business relationship and propose that “The more changing and unstable the environmental conditions are, the higher will be the intrusion of the competitive issues in a cooperative relationship”. According to this argument, business relationships tend to move towards competition when market conditions are changing and unstable. On the reverse it may be possible to state that stable market conditions may foster cooperation.

According to Luo (2007) the levels of cooperation and competition may change as a consequence of changes in their external and internal environments. Luo (2007) argues that the level of cooperation increases if cooptating actors are somehow threatened by external actors. An example of this can be found in Tidström (2006), where some competitors within the natural products industry increased their level of cooperation in order to be stronger as a group and be able to secure the group from unserious external competitors with products of bad quality. Secondly Luo (2007) stresses that the level of cooperation may increase when global consumers become increasingly sophisticated by demanding for example new technology, superior quality and innovative designs. A third factor, which according to Luo (2007) may increase the level of cooperation is an increasing pressure for global value chain integration. This pressure may for example stem from a need for

improving productivity and efficiency. Fourthly cooperation increases as a result of institutional hazards, because it may be difficult for individual actors to overcome these hazards without uniting. A fifth aspect that according to Luo (2007) may lead to increased cooperation is greater interorganizational attachment over time. By this Luo means that it usually takes a long time for trust to develop and adaptations to be made.

Luo (2007) also describes situations when competition may arise. Firstly competition may arise if the competitors use the same competitive strategies or if their competitive strategy consists of the same building blocks. Secondly, competition is likely to increase if the markets expand and both actors view the common market as a business opportunity. Thirdly, competition increases if product and/or business portfolio similarity increases and causes actors to globally compete in the same line of businesses and in the same domain of products.

According to Bengtsson and Kock (1999) one of the main differences between vertical and horizontal business relationships is that horizontal relationships are often more or less forced. Examples of situations forcing competitors to cooperate are: economic recessions (Tidstöm & Åhman, 2006), a possibility of survival (Bonel & Rocco, 2007), requests from authorities (Tidström, 2006), when there is a general resistance towards an innovation (Garcia & Atkin, 2005), when the business involves emerging technologies (Garraffo, 2002; Luo, 2007) or there is a need of improved quality (Hagberg-Andersson 2006). These studies are consequently focused on describing the reasons for a transition from competition to cooperation.

When summing up the existing literature on transitions from cooperation to competition and vice versa it is possible to say that some of the existing studies have concentrated on the antecedents or reasons for a transition from competition to cooperation or vice versa. There are still gaps in our knowledge for example related to other elements of transition, such as what aspects that should be considered and how the cooperation is initiated. In order to increase our understanding about the multifaceted nature of transitions between cooperation and competition in business relationships we have carried out a qualitative empirical study that is presented in the following section.

3 THE EMPIRICAL STUDY

3.1 Methodology

Business relationships that consist of both cooperation and competition can be regarded as a sensitive topic, because of the general suspiciousness related to intercompetitor cooperation and cartels. Therefore the empirical study is of a qualitative nature. Walker (1985) writes that qualitative research is suitable when the topic studied can be regarded as sensitive.

We have selected companies that represent different industries, in order to get a more broad understanding about the research phenomenon. The companies represent industries such as the boat-building industry, metal industry, construction industry and electronics industry. The criteria for selecting companies was that they should have no more than 50 employees and have experience from business relationships that is of a cooperative nature. Moreover we choose to focus on cooperation that does not only include informal exchanges, but has at least some formality. The studied relationships were mainly described from a long time competitive setting. The described relationships with the competitors had continued for a longer time.

In this study personal interviews have been used as research method. Managing directors from 20 Finnish companies have been interviewed from January to March 2009. The interviews lasted from 50 minutes to 1 hour 20. The interviews were carried out in the offices of the informants' companies. All interviews have been tape recorded and transcribed. The interviews contained questions related to the company's cooperative business relationships, such as the dynamics of cooperation and competition within the relationships, opportunities and risks within these kinds of relationships as well as the nature of the cooperation and competition within these relationships. Nvivo8 has been used as a tool for analyzing the empirical data.

3.2 Findings: From competition to cooperation

The findings of the study show that it is difficult to describe the transition from competition to cooperation as distinct stages of a life cycle. It seems to be more relevant to describe and analyze the transition based on

questions such as: why?, what?, how?. In this study the transition starts with the reasons (why?). Thereafter we have been able to identify certain elements related to the question of “what?”. These elements represent important criteria for starting to cooperate with a competitor. After the cooperation is initiated between the companies we identify how the cooperation is initiated.

3.2.1 Why?

External

According to the findings of this study, external elements, such as third actors like customers, competitors and sales persons, are in a key position when it comes to the reasons why competitors start to cooperate. As far as customers are concerned, the need of the customer often seems to have an impact. This is especially relevant in situations where both competitors are needed to deliver certain parts to a whole unit for the customer. Another situation in which the customer is the starting point for the cooperation is where both competitors represent products of the same brand. According to one of the informants it is more beneficial for the customer if the sellers divide the markets so that products from only one of the sellers are marketed to a certain group of customers. The findings can be compared with Easton and Araujo (1992), who argues that it is a third actor, for example the customer, who controls the goal that can only be reached through cooperation between the actors. From a broader perspective this strategy diminished overlaps and confusion on the market.

Only one of the informants mentions competitors as the main reason for why the company has started cooperating with a former competitor. He says as follows “When you notice that competitors become stronger, then I guess you have to try to keep up with them, if not even getting better.”

In another case the cooperation between the competitors is initiated by salespersons, who take the initiative and contacts the competitors representing different brands of the same product. Consequently the competitors start cooperating within sales.

Earlier research has indicated that cooperation between competitors is more or less forced (e.g. Bengtsson and Kock, 1999). Findings of this study show that cooperation is often voluntary and a result of the benefits for the customer and the company itself. Moreover independent third actors, such as salesmen, may more indirectly foster cooperation between competitors.

Internal

The findings of this study show that there are several internal reasons for the initiation of cooperation between competitors. By internal reasons we mean intra-company issues such as lack of resources and goals. When comparing reasons related to goals and on the other hand reasons related to lack of resources it may be possible to say that the former may be described as pull-elements and the latter as push-elements. A lack of resources pushes the companies to cooperate with competitors. Several times the informants argue that if you would be able to do everything yourself, you would of course do it. Goals are related to the strategies of the companies and are most often future-based.

The findings indicate that a lack of both tangible and intangible resources drive competitors towards cooperation with each other. The tangible resources are: machinery, money and personnel. The intangible resources are: time and knowledge. In two cases informants have mentioned a lack of machinery as the reason for starting to cooperate with a competitor. The lack of machinery is coupled with a lack of money. One of the informants states that if the company would have enough personnel it would not send work further to competitors. As far as time is concerned, several informants indicate that as they are in a hurry they have to give out work to competitors. Also access to knowledge is viewed as a reason for starting to cooperate with a competitor.

As far as goals are concerned the findings of the study show that these may be divided into two categories: passive and active. One of the informants says that the company started to cooperate with a competitor out of convenience. This is here interpreted as a passive strategy. However, most companies indicate that their strategy for starting to cooperate with a competitor is based on active strategies for growing, receiving a larger market share and becoming stronger. One of the informants says “If you would like to grow, it could be beneficial to start this kind of cooperation.” Another informant says that nowadays it is possible to cooperate

more with your competitors because everybody tries and is allowed to grow. Furthermore he states that this was not seen as a possibility 10-15 years ago. This indicates that we are moving towards new ways of working, which allows competitors to cooperate.

3.2.2 What?

In order to describe and analyze the transition from competition to cooperation we have identified certain elements that describe what is needed in order for the cooperation to begin. Based on the findings it is possible to distinguish between two categories, i.e. individual and organizational characteristics. Several informants mention personal relations as an important criterion for initiating cooperation between competitors. To quote one of the informants: "It is where it begins." Another issue that is stressed by the informants is that the cooperating with a competitor could be compared with a marriage, when you start by dating and then you try to live together before you finally get married. This can be interpreted as a step by step approach when cooperating with a competitor. This finding is not totally in line with earlier findings (e.g. Bengtsson and Kock 1999; Tidström and Åhman 2006; Tidström 2006) where cooperation between competitors usually is initiated because the actors are forced to do it. In these forced situations the initiation of the cooperation is perhaps faster and is not built on personal relationships. In this study the personal relationships are moreover often described as a criterion for success in cooperation between competitors.

On the other hand we have identified organizational characteristics that are important when competitors start to cooperate. Firstly it is stressed that the companies should have similar visions and strategies. Secondly it is claimed that the other actor should be "strong" and "serious".

How?

As we see it, the last element of the transition process is related to the way the companies choose to start the cooperation. This is related to the question of "how". Based on the findings of the study it is possible to identify both formal and informal ways of initiating cooperation between competitors. One of the main differences between the two forms can be found in the visibility of cooperation and exchange.

Informal

According to two informants oral agreements are made when initiating cooperation between competitors. In one of the cases the informant (and managing director) has earlier been working in the competing firm, which may be interpreted as one of the reasons for an oral agreement. In the other case the informant states that if conflicts occur the actors still stick to what has been agreed. This can be interpreted as if the oral contract still is obliged.

Another issue that is stressed by the informants is the need for already at the beginning discuss about and make up the rules of the game. According to one of the informants this is done in order to try to create loyalty between the actors. In relation to how the cooperation is initiated some of the companies prefer to divide the geographical markets between themselves. This seems to be especially useful in situations when the actors are distributors of the same product brand. Another informant stresses the need for initiating the cooperation by informal gatherings. According to the informant it is at these kinds of occasions that the most important decisions are made.

Formal

In some cases written contracts are used. In one case the competitors started to cooperate by using the same seller. The cooperation is of a formal nature and expenses are divided equally between the competitors. Therefore the companies considered it as very important to with the help of lawyers develop a formal written contract. Another informant says that it is important that both companies are able to benefit from the contract.

The findings of the study indicate that previous experience of cooperation between competitors has an impact on how companies initiate similar cooperative relationships in the futures. For example if a company has used an oral contract with a partner that has become a competitor, it tends to use written contracts in future cooperation with competitors.

When analyzing the findings of the empirical study it is also possible to say that written contracts seem to be more beneficial than oral contracts. This finding is different from Bengtsson and Kock (1999), who state that cooperation between competitors is often informal. However, one of the informants says that the company does not prefer to use written contracts in relation to suppliers that also supply to competitors, because there is a risk that important information will leak to competitors. From a written contract the supplier would be able to identify what aspects that the company considers as important and what brings competitive advantage.

In relation to transitions from competition to cooperation the findings of this study are illustrated in figure 1.



Figure 1 From competition to cooperation

The transition process starts with a need that is external, internal or both. From an external perspective, customers, competitors or salesmen initiate the need for cooperation between competitors. This is totally in line with the business network perspective, according to which every business relationship is affected by and affects related relationships (e.g. Johanson and Mattsson 1993). From an internal perspective, we can distinguish between push-elements such as a lack of both tangible and intangible resources as well as pull-elements related to the goals of the companies. Elements that have been considered as important for the initiation of the cooperation between competitors are here described as individual and organizational. In practice the cooperation between competitors is initiated both through formal and informal agreements. However, based on the findings of the study it is arguable that companies entering cooperation with competitors should prioritize formal contracts.

4 DISCUSSION AND CONCLUSIONS

The contributions of this study can be found both on an academic and managerial level. From an academic point of view the findings of this study increases our understanding about the transition from competition to cooperation in business relationships. We have not only identified the internal and external reasons, but also critical elements that need to exist in the transition from competition to cooperation. Moreover we have identified both formal and informal ways of initiating the cooperation. From a managerial perspective the findings of the study are interesting because they indicate different elements that are important to consider before starting cooperation with a competitor. Furthermore the findings present different ways of how to initiate cooperation between competitors.

Although the findings of this study are based on dyadic business relationships, it is still possible to argue that the findings may be related to a larger market context. Competitors start cooperating in order to be able to compete against other competitors. Furthermore it is possible to argue that cooperation and competition are intertwined and therefore both affect market dynamics. Based on the findings of the study it is also possible to see that competitors do not always primarily consider each other as rivals, but cooperation between them is more or less “normal”. By cooperating with each other competitors sometimes aim at making it easier for the customer by providing better services.

It is worth mentioning that the findings of this study are partly based on relationships that totally have changed from being competitive to becoming cooperative, partly on relationships that still include elements of competition also after the cooperation has been initiated. For example the companies may still compete within a certain product niche although they have started to cooperate in other areas. A suggestion for future studies is therefore to identify and analyze potential similarities and differences when it comes to transitions from competition and cooperation between these two different kinds of relationships.

The findings of this study are particularly related to business relationships that are primarily based on competition and moves towards cooperation. Therefore it is not possible to directly relate and compare these findings with studies related to the initiation of business relationships in general. It may be possible to argue that cooperation starting from competition between the actors has another transition when comparing with other kinds of business relationships. One avenue for future research would consequently be to compare transitions from competition to cooperation between different kinds of business relationships.

A possible idea for future research is also to analyze transitions from cooperation to competition. Another aspect that needs to be further analyzed is the potential relationships between different elements of the transition from competition to cooperation. This could for example be done by analyzing all the elements of the transition from the perspective of a single company. Furthermore one could analyze the findings of this study by making comparisons between industries. We would also like to call for more longitudinal empirical research on cooptation. This is needed in order to better understand the relationship of and transitions between cooperation and competition.

A limitation with this study is that the empirical part is based only on the perceptions of one of the actors involved in the business relationship in question. In order to get a more thorough understanding of the interaction processes in business relationships we would have to include and analyze the perceptions of all actors involved.

REFERENCES

- Axelsson, B. (1992): Corporate strategy models and networks - diverging perspectives, in Axelsson, B. and Easton, G. (eds.), *Industrial Networks. A New View of Reality*, Routledge, London.
- Bengtsson, M. and Kock, S. (1999) "Cooperation and Competition in Relationships Between Competitors in Business Networks", *Journal of Business and Industrial Marketing*, Vol 14, No 3, pp. 178-194.
- Bengtsson, M. and Kock, S. (2000) "'Coopetition' in Business Networks-to Cooperate and Compete Simultaneously", *Industrial Marketing Management* September 2000: (Volume 29, Issue 5) p. 411
- Bonel, E. and Rocco, E. (2007) "Coopeting to Survive; Surviving, Coopetition", *International Studies of Management and Organization*, Vol. 37, No. 2, pp. 70-96.
- Czakon, W. (2007) Emerging coopetition: An empirical investigation of coopetition as interorganizational relationship instability, *Proceedings of the EURAM Conference*, 16-19 May, 2007, Paris, France.
- Dagnino, G. B. & Padula, G. (2002) "Coopetition strategy: a new kind of interfirm dynamics for value creation", *Proceedings of the EURAM Conference*, 9-11 May, 2002, Stockholm, Sweden.
- Easton, G. (1990), "Relationships among competitors", in Day, G., Weitz, B. and Wensley, R. (Eds.), *The interface of marketing and strategy*, JAI Pres Inc., London.
- Easton, G. and Araujo, L. (1992), "Non-economic exchange in industrial networks", in Axelsson, B. and Easton, G. (Eds.), *Industrial Networks: A new view of reality*, Routledge, London, pp. 62-88.
- Ford, D. (1998), "Two Decades of Interaction, Relationships and Networks", in Naudé, P. and Turnbull, P. (Eds.), *Network Dynamics in International Marketing*, Elsevier Science Ltd, Oxford, pp. 3-15.
- Ford, D. Håkansson H. and Johanson J. (1986), *How do companies interact?*, *Industrial Marketing and Purchasing*, Vol 1, No 1, pp 26-41
- Garcia, R. and Atkin, T. (2005) "Co-opetition for the diffusion of resistant innovations: A case study in the global wine industry", *Northeastern University Institute for Global Innovation Management, Working Paper*, Vol. 05-002 (2005).
- Garraffo, F. (2002): "Types of coopetition to manage emerging technologies", *Proceedings of the EURAM Conference*, 9-11 May, 2002, Stockholm, Sweden.
- Hagberg-Andersson, Å. (2006) Does Adaptation Pay Off?, *Industrial Marketing Management*, Vol. 35, pp.202-209.
- Holmlund-Rytkönen, M. and Strandvik, T. (2003) "Stress in business relationships", *Proceedings of the 19th Annual IMP Conference*, Lugano, Switzerland.
- Holmlund-Rytkönen, M. and Strandvik, T. (2005) "Stress in business relationships", *Journal of Business and Industrial Marketing*, Vol 20, No 1, pp. 12-22.
- Håkansson, H. (1982), *International Marketing and Purchasing of Industrial Goods*, John Wiley & Sons, New York.

- Håkansson, H. and Ford, D. (2002) "How should companies interact in business networks?", *Journal of Business Research*, Vol 55, No 2, pp. 133-139.
- Håkansson, H. and Snehota, I. (1995), *Developing Relationships in Business Networks*. Routledge. London.
- Johanson, J. and Mattsson L.-G. (1987) Interorganizational Relations in Industrial Systems. A Network Approach Compared with the Transaction-Cost Approach. *International Studies of Management & Organization* Vol 17:No 1, pp. 34-48.
- Johanson, J. and Mattsson, L.-G. (1993) "The market-as-networks tradition in Sweden", in Laurent, G. and Pras, B. (Eds.), *Research Traditions in Marketing*, Kluwer, London
- Laage-Hellman, J. (1989) *Technological Development in Industrial Networks*, Doctoral Dissertation, Department of Business Administration, University of Uppsala, Sweden.
- Luo, Y. (2007) "A coepetition perspective of global competition", *Journal of World Business*, Vol 42, pp. 129-144.
- Nalebuff, B. and Brandenburger, A. (1996), *Co-opetition*, ISL Förlag Ab, Göteborg, Sweden.
- Padula, G. and Dagnino, G.B. (2007) "Untangling the rise of coepetition – The intrusion of competition in a cooperative game structure", *International Studies of Management and Organization*, Vol 37, No 2, pp. 32-52.
- Tidström, A. (2006), *Conflicts when competitors cooperate*, Publications of the Swedish School of Economics and Business Administration, No163.
- Tidström, A. and Åhman, S. (2006) "The process of ending inter-organizational cooperation", *Journal of Business and Industrial Management*, Vol 21, No 4, pp. 281-290.
- Vaaland, T. (2001) "Conflict in Business Relations. The core of conflict in oil industrial development projects", *Proceedings of the 17th Annual IMP Conference*, Oslo, Norway.
- Wilkinson, I. and Young, L. (1994) "Business Dancing – the Nature and Role of Inter-firm Relations in Business Strategy", *Asia-Australia Journal of Marketing*, Vol 2, pp. 67-79.
- Walker, R. (1985), *Applied Qualitative Research*, Gower Publishing Company Limited, Aldershot.
- Yami, S., Lehmann-Ortega, L. and Naro, G. (2008) "Coepetitive dynamic capabilities: The MSI case in the mechanical industry", *Proceedings of the 3rd EIASM Co-opetition Workshop*, 7-8 February, 2008, Madrid, Spain.
- Young, L. and Wilkinson, I. (1997) "The space between: Towards a typology of interfirm relations", *Journal of Business to Business Marketing*, Vol 4, No 2, pp. 53-97.