

# THE FACETS, ANTECEDENTS AND CONSEQUENCES OF COOPETITION: AN ENTREPRENEURIAL MARKETING PERSPECTIVE

## Abstract

**Purpose** – The purpose of this study is to explore the facets, antecedents and consequences of coopetition using three dimensions of entrepreneurial marketing theory and insights from the resource-based view of the firm. Coopetition is the interplay between competition and cooperation in which companies seek to collaborate with their rivals with the aim of enhancing performance (e.g., sales) compared to if they operated independently.

**Design/methodology/approach** – This paper reports on 38 interviews across 25 firms competing in the New Zealand wine industry. Triangulation procedures was via primary and secondary methods. The data were analysed through a series of techniques to produce credible findings.

**Findings** – Coopetition is comprised of resource and capability-sharing activities. These activities are driven by an industry-wide cooperative mind-set; also, firms having access to competitors' resources and capabilities. Coopetition was found to increase performance in ways that would not be possible if firms did not collaborate with their rivals.

**Originality/value** – Previous studies have focused on the facets and consequences of competition rather than its antecedents. Whilst exploration of these facets was undertaken in this study to reinforce prior research, this paper also investigates the antecedents of coopetition underpinned by resource-based theory to contribute to the entrepreneurial marketing literature. Further, the paper uncovered that coopetition activities drive different organisational performance outcomes, depending on firms' size and managers' objectives.

**Key words** - Coopetition, entrepreneurial marketing, resource-based view, New Zealand wine industry, organisational performance, qualitative research.

**Classification** - Research Paper.

## Introduction

The objective of this study (positioned at the marketing/entrepreneurship interface) is to contribute to the literature on coopetition and provide an understanding of its facets, antecedents and consequences. Discussion exists in earlier studies concerning the merits of firms competing with an individualistic mind-set and not sharing resources (Bogner and Barr, 2000; Newbert, 2008). However, some businesses might struggle to achieve their management teams' objectives due to having limited resources and capabilities (Sirmon and Hitt, 2003; Bonel and Rocco, 2007; Crick and Crick, 2015). Small business' resource-disadvantages is explained by resource-based theory in which larger organisations typically have more resources

and capabilities to out-perform smaller competitors (Hart, 1995; Priem and Butler, 2001; Vorhies and Morgan, 2005; Barney, Ketchen Jr., and Wright, 2011). Whilst small firms can secure competitive advantages via dynamic aspects of their business model, the resource-based view suggests that a firm's assets are associated with its size (Nason and Wiklund, 2017). With resource-based theory having the assumption that small firms are likely to struggle to secure resource-advantages, there is an issue of how small businesses might develop their performance (e.g., sales) with fewer resources and capabilities than larger organisations. This study uses an entrepreneurial marketing perspective and draws upon theory related to the resource-based view to explore "coopetition" as a mechanism for resource-constrained small businesses to improve their performance. Coopetition is defined as "a dynamic and paradoxical relationship which arises when two companies cooperate together in some areas, such as strategic alliances, but simultaneously compete with each other in other areas" (Bengtsson and Kock, 2000, p. 411). As such, coopetition is a firm-level behaviour focused on the nature of the dyadic interplay between competition and cooperation (Tsai, 2002; Gnyawali and Park, 2011; Rusko, 2011; Ritala, 2012; Park, Srivastava and Gnyawali, 2014).

Entrepreneurial marketing is a cross-disciplinary domain that integrates market and entrepreneurially-oriented activities and is sometimes referred to as the marketing/entrepreneurship interface (Hills, Hultman and Miles, 2008; Morrish, Miles and Deacon, 2010). "Market orientation refers to the organisation-wide generation of market intelligence, dissemination of the intelligence across departments and organisation-wide responsiveness to it" (Jaworski and Kohli, 1993, p. 53). Entrepreneurial orientation is the "strategy-making processes that provide organisations with a basis for entrepreneurial decisions and actions" (Rauch, Wiklund, Lumpkin and Frese, 2009, p. 762). There is some debate in the literature surrounding how market orientation and entrepreneurial orientation should be conceptualised and operationalised with different measures having varied theoretical

foundations (Lafferty and Hult, 2001; Kirca, Jayachandran and Bearden, 2005; Sundqvist, Kylaheiko, Kuivalainen and Cadogan, 2012; Wales, 2016).

Despite such debates, market orientation refers to the implementation of the marketing concept (and the organisation-wide creation of customer value), whereas entrepreneurial orientation is the operationalisation of entrepreneurial processes to help firms achieve their objectives (Baker and Sinkula, 2009). Market orientation and entrepreneurial orientation have been found to have positive and negative relationships with company performance (e.g., sales) due to the nature of the dyadic relationship in which they occur (Baker and Sinkula, 2009; Boso, Story and Cadogan, 2013; Morgan, Anokhin, Kretinin and Frishammar, 2015). However, it is noted that market orientation and entrepreneurial orientation are more likely to be positive drivers of firm-level performance based on prior literature (Narver and Slater, 1990; Jaworski and Kohli, 1993; Kirca *et al.*, 2005; Hult, Ketchen Jr., and Slater, 2007; Rauch *et al.*, 2009). Regardless of whether the performance consequences of market and/or entrepreneurial orientation is positive or negative, it is argued that the interplay between market orientation and entrepreneurial orientation forms the marketing/entrepreneurship interface (Miles and Arnold, 1991; Bjerke and Hultman, 2002; Morrish *et al.*, 2010).

Entrepreneurial marketing includes the degree to which businesses possess risk-taking, innovative and proactive capabilities used to create value for their customers (Stokes, 2000). The marketing/entrepreneurship interface provides the research domain for this study as entrepreneurial marketing theory offers a conceptual overlap with cooperation activities. Nevertheless, as previously mentioned, the resource-based theory provides the underpinning theory of this investigation. Bjerke and Hultman (2002, p. 186) argued that “resources are needed to create customer value contained in the offering to the market, the value carrier. Resources are either possessed or acquired by cooperation with partners in the value constellation.” Bjerke and Hultman’s (2002) notes on resource acquisitions link with the

foundations of coopetition in which resources are accessed from partners (namely, rivals) to maximise performance (Bengtsson and Kock, 2014). Entrepreneurial marketing is comprised of four overarching pillars namely, entrepreneurship, actors, resources and processes; these are used to facilitate company growth through customer value creation (Bjerke and Hultman, 2002).

The perspective has been more formally conceptualised as a seven-component construct comprised of: “proactive orientation, opportunity-driven, customer intensity, innovation-focused, risk management, resource leveraging and value creation” factors (Morris, Schindehutte and LaForge, 2002, pp. 5-8). This study concentrates on the proactive orientation, innovation-focused and resource leveraging dimensions because of their strong linkages with cooperative strategies (Hills *et al.*, 2008). Entrepreneurial marketing has strong linkages with resource-based theory – this allows these areas to be studied simultaneously (Bjerke and Hultman, 2002). The proactive orientation, resource leveraging and innovation-focused dimensions of entrepreneurial marketing are linked with coopetition as follows. A proactive orientation allows firms to take bold actions via employing competitive strategies (Morrish *et al.*, 2010). In respect of coopetition, owner/managers taking the initiative to collaborate with their competitors could be categorised as being forward-looking and proactive (Bengtsson and Kock, 2000; Rauch *et al.*, 2009).

The innovation-focused dimension of entrepreneurial marketing examines firms’ creativity and the generation of new ideas and adopting dynamic competitive strategies (Morris *et al.*, 2002). Being innovation-focused relates to the different (and creative) ways companies cooperate with their competitors to obtain assets that would normally be harder to access (Chetty and Wilson, 2003). Resource leveraging involves organisations manipulating resources to increase their performance (Morris *et al.*, 2002). This facet of entrepreneurial marketing was chosen as coopetition is an activity in which assets are exchanged (and exploited) between rivals to

increase performance (e.g., sales) in a way that benefits the firms involved (Bengtsson and Kock, 2014). Resource leveraging can be viewed in terms of businesses utilising assets to maximise performance (Hills *et al.*, 2008). Resource leveraging includes “using other people’s (or firm’s) resources to accomplish one’s own purpose” (Morris *et al.*, 2002, p. 8). Thus, resource leveraging has similarities with coopetition (i.e., obtaining resources from competitors to drive performance) (Bonel and Rocco, 2007). Resource leveraging also integrates with resource-based theory in terms of assets being employed into strategies to drive competitive advantages (Crick and Crick, 2016a).

Prior studies have investigated the facets and consequences of coopetition, but have minimally examined its antecedents (see Bengtsson and Kock, 2000; Tsai, 2002; Ritala, 2012; Park *et al.*, 2014; Ritala, Golnam and Wegmann, 2014; Crick and Crick, 2016b). By exploring the facets and consequences of coopetition, the existing literature is strengthened with conceptual and empirical insights. This contribution subsequently allows recommendations to be made surrounding how companies can best manage coopetition as a competitive strategy to enable a better understanding of the specific performance consequences coopetition yields. Another major contribution of this paper is to discuss the antecedents of coopetition activities. This is of interest to practitioners since without understanding the drivers of coopetition, it may be difficult to appreciate the ways in which coopetition might integrate within the other firm-level strategies. From a theoretical point-of-view, without understanding the antecedents of a construct, it is difficult to conceptualise its dimensions and consequences (Jaworski and Kohli, 1993; Kirca *et al.*, 2005). As such, the drivers of coopetition activities are studied to help managers better understand how to develop more effective (i.e., performance-driving) collaborative strategies. With these research objectives (i.e., linked with the facets, antecedents and consequences of coopetition activities), the following research questions are asked:

1. What are the facets of coopetition activities?

2. What are the antecedents of coopetition activities?
3. What are the consequences of coopetition activities?

This paper is divided into the following sections. The literature review discusses the underpinning theory this paper builds upon to establish the facets, antecedents and consequences of coopetition activities. These factors are depicted in a conceptual framework that is guided by four research propositions. The methodology describes the data collection and analysis techniques used to evaluate these research propositions. The findings section examines the empirical results with supporting qualitative evidence. The discussion section links the findings with the existing entrepreneurial marketing and resource-based literature to outline the value of the paper to the entrepreneurial marketing community of scholars. The conclusions section summarises this paper, outlines a set of managerial implications and describes the limitations and avenues for future research arising from this study.

## **Literature review**

### *Resource-based theory*

The underpinning theory of this paper is the resource-based view of the firm – a strategic management perspective used to examine competitive advantages driven by organisational resources and capabilities (or collectively termed assets) (Barney, 1991; Hunt and Morgan, 1995; Peteraf, 2003; Vorhies and Morgan, 2005; Nason and Wiklund, 2017). Whilst this article’s theoretical framework draws heavily on entrepreneurial marketing and coopetition-oriented literature, it is emphasised that the marketing/entrepreneurship interface is a research domain, not a theory (see Stokes, 2000; Morrish *et al.*, 2010). The resource-based view in this investigation is linked with integral dimensions of entrepreneurial marketing to better understand the facets, antecedents and consequences of coopetition activities. Seminal resource-based theory has evaluated resources (i.e., tangible assets) rather than capabilities

(i.e., intangible assets) used to increase organisational performance (Barney, 1991; Priem and Butler, 2001; Hult *et al.*, 2007; Vorhies *et al.*, 2009; Barney *et al.*, 2011). More recent literature has considered how resources and capabilities are different types of assets that have distinct roles in securing competitive advantages (Crick and Crick, 2016a; Crick, Chaudhry and Crick, 2016).

This paper takes a generic perspective (i.e., considering the role of resources and capabilities) by incorporating resource-based theory into its conceptual framework as this evaluates how companies need to manage organisation-wide assets to create a competitive advantage (Nason and Wiklund, 2017). The term “generic” in this study refers to an overall (firm-level) application of resource-based theory to competition literature. That said, as the resource-based view is a vast perspective (Hunt and Morgan, 1995; Vorhies and Morgan, 2005; Barney *et al.*, 2011), the use of the marketing/entrepreneurship interface refines the theory into a perspective used to explain the facets, antecedents and consequences of competition activities. Entrepreneurial marketing generally takes an organisation-wide approach to the exploration of how risk-taking, proactive and innovation activities are used in customer value creation (Bjerke and Hultman, 2002). This is comparable with market and entrepreneurially-oriented activities as they consider factors relating to decisions across companies (see Miles and Arnold, 1991; Baker and Sinkula, 2009; Boso *et al.*, 2013; Morgan *et al.*, 2015; Wales, 2016). This involves combining assets from multiple functional areas to create a strong customer value provision (Morrish *et al.*, 2010). It is noted that some studies have explored the role of marketing resources and capabilities in shaping sustainable competitive advantages (e.g., Vorhies and Morgan, 2005; Vorhies *et al.*, 2009; Morgan, 2012; Moorman and Day, 2016). More importantly, resource-based theory has been linked with competition in terms of the resources and capabilities being employed into collaborative strategies to maximise firm-level

performance (Bjerke and Hultman, 2002; Crick and Crick, 2016b). The following section introduces this study's conceptual framework.

### *Conceptual framework*

This study's conceptual framework (with supporting research propositions) is presented in Figure I. This model uses the forthcoming literature review to determine the facets, antecedents and consequences of coopetition activities and therefore link with each of the study's research questions. This model outlines that coopetition is comprised of resource and capability-sharing activities (the first research question), is driven by both an industry-wide cooperative mind-set and having access to competitors' resources and capabilities (the second research question) which drives organisational performance (the third research question). Company performance in this investigation is kept purposefully vague due to reasons explained in the justification of the final research proposition. As noted above, this paper draws upon the resource-based view to explain the facets, antecedents and consequences of coopetition activities. As such, the constructs within the conceptual framework are guided by this theoretical perspective.

[Insert Figure I about here]

### *Facets of coopetition activities*

Rusko (2011) conceptualised coopetition as the interplay between competition and cooperation whereby companies collaborate with their rivals via the sharing of resources and capabilities. This has been supported in several studies examining coopetition strategies (in various contexts) with a focus on how resources and capabilities can be accessed from competitors (see Tsai, 2002; Chetty and Wilson, 2003; Ritala, 2012; Park *et al.*, 2014; Ritala *et al.*, 2014; Crick and Crick, 2016b). Due to its dyadic link between cooperation and competition, coopetition can occur in three capacities: "cooperation-dominated relationships (when there is more cooperation than competition), equal relationships (when cooperation and competition are

equally distributed) and competition-dominated relationships (when there is more competition than cooperation)” (Bengtsson and Kock, 2000, p. 416). The nature of how firms collaborate with their rivals depends on a range of firm-level and environmental contingencies (e.g., the degree of market-level competitiveness), but the common theme defining cooptition is its resource and capability-sharing activities (Bonel and Rocco, 2007; Gnyawali and Park, 2011; Crick, 2015). Cooptition activities are related to resource leveraging as organisations engaging in cooptition need to determine which assets they share with their competitors (and how they are used), the rivals that should have access to their assets and the length of time they can borrow them for (Bjerke and Hultman, 2002; Chetty and Wilson, 2003; Ritala *et al.*, 2014). Cooptition activities also relate to a proactive orientation as engaging in cooptition activities suggests that companies are making forward-thinking decisions by challenging conventional business practices by collaborating with rivals (Stokes, 2000; Bengtsson and Kock, 2014; Morgan *et al.*, 2015). Therefore, this investigation anticipates that:

*P1.* Cooptition is comprised of the interplay between competition and cooperation in the form of resource and capability-sharing activities.

#### *Antecedents of cooptition activities*

For cooptition to exist, there needs to be an industry-wide cooperative mind-set (Rusko, 2011; Ritala *et al.*, 2014). Such a mind-set needs to be in the form of a business environment that fosters and encourages collaborative behaviours as well as an assumption (shared by most firms in a market) that cooptition is positively related to performance (Crick, 2015). If organisations are competing for similar customers to their rivals, some businesses might be better equipped to obtain sales than others through their resources and capabilities (Bengtsson and Kock, 2014). This supports resource-based theory in which some firms can exploit their scale-based advantages to maximise competitive advantages (Barney, 1991; Priem and Butler, 2001; Hult

*et al.*, 2007; Newbert, 2008; Morgan, 2012; Nason and Wiklund, 2017). In regional clusters, some firms might operate in markets that can be effectively served by firms cooperating with their rivals (Semlinger, 2008). Cooperative behaviours challenge the hyper-competitive assumptions of the resource-based view (e.g., Hart, 1995; Peteraf, 2003; Sirmon and Hitt, 2003; Hult *et al.*, 2007).

Some companies (or more specifically management teams) might require access to competitors' resources and capabilities to survive within their market due to having limited assets of their own (Bonel and Rocco, 2007; Crick, 2015). A mind-set driving cooperation activities links with the innovation-focused dimension of entrepreneurial marketing because creativity in managing cooperative relationships to reduce tensions may be required; for example, in terms of fostering networks and the ways they are utilised (Hills *et al.*, 2008; Rauch *et al.*, 2009; Boso *et al.*, 2013). It is this creativity that could provide a context for cooperation to exist whereby companies are prepared to share assets among competitors (Bjerke and Hultman, 2002). An industry-wide cooperative mind-set provides an alternative explanation to historical hyper-competitive business literature (Barney, 1991; Hart, 1995; Hunt and Morgan, 1995; Bogner and Barr, 2000; Vorhies and Morgan, 2005; Newbert, 2008; Sirmon and Hitt, 2003). As such, it is expected that:

*P2. Cooperation is driven by an industry-wide cooperative mind-set.*

Businesses need to be able to access resources and capabilities from their rivals for cooperation to exist (Tsai, 2002; Bonel and Rocco, 2007; Crick and Crick, 2016b). That is, in regional clusters, competitors are more likely to collaborate with those that are geographically close (Semlinger, 2008). However, cooperation-oriented networks might differ when competitors are based across different countries (Bengtsson and Kock, 2000; Gnyawali and Park, 2011; Ritala, 2012; Park *et al.*, 2014). Geographic proximity (including clusters) influences both the degree

to which organisations engage in coopetition as well as which competitors they choose to collaborate with (Hall, 2004; Rusko, 2011). Accessing rivals' assets links with resource leveraging as accessing resources (and capabilities) is the prime element of this dimension – particularly how resources may need to be borrowed from other parties such as competitors (Morris *et al.*, 2002; Hills *et al.*, 2008). Further, accessing competitors' resources and capabilities links with a proactive orientation as companies' opportunistic desire to engage in coopetition might be influenced by whether they can obtain resources and capabilities from their rivals (Bonel and Rocco, 2007; Rauch *et al.*, 2009; Ritala, 2012). By having access to new resources and capabilities, companies could be provided with scope to consider such forward-looking activities (Bjerke and Hultman, 2002). This leads to the following research proposition:

*P3. Coopetition is driven by organisations having access to competitors' resources and capabilities.*

#### *Consequences of coopetition activities*

The focus of the resource-based view is securing competitive advantages by exploiting resources and capabilities (Barney, 1991; Hart, 1995; Priem and Butler, 2001; Vorhies and Morgan, 2005; Hult *et al.*, 2007; Vorhies *et al.*, 2009; Morgan, 2012; Moorman and Day, 2016; Nason and Wiklund, 2017). Whilst there may be other consequences of coopetition, this paper highlights firms' performance outcomes given that the overall objective of coopetition is to increase success in ways that would not be possible if such collaborative activities had not been implemented (Bengtsson and Kock, 2000; Tsai, 2002; Bonel and Rocco, 2007; Crick and Crick, 2016b). The performance consequences of coopetition activities support the view that businesses (and social network) ties can help market and entrepreneurially-oriented firms perform better by exploiting knowledge that would otherwise be difficult to obtain (Tsai, 2002; Baker and Sinkula, 2009; Boso *et al.*, 2013; Wales, 2016). Performance objectives vary across

organisations as some management teams might strive for a sustainable competitive advantage, whilst others might have survival-oriented objectives (Peteraf, 2003; Crick and Crick, 2014; Andersson and Evers, 2015; Crick *et al.*, 2016). The consequences of coopetition support an entrepreneurial marketing perspective since “for an entrepreneurial firm, alliances open up all possible opportunities” and “increase the flexibility and the ability to deal with dynamic and uncertain markets” (Bjerke and Hultman, 2002, pp. 161-162). As such, coopetition activities provide new assets (e.g., knowledge) that create opportunities to help firms perform better, but would not be able to do so without coopetition (Bengtsson and Kock, 2000; Gnyawali and Park, 2011; Ritala, 2012; Park *et al.*, 2014; Crick, 2015).

Not all management teams seek to grow and expand (i.e., lifestyle-oriented firms), but these firms are still likely to need to engage in certain competitive strategies to meet managerial objectives (Crick and Crick, 2015). Such managerial objectives could include coopetition as these collaborative strategies assist firms to survive within their market (Bonel and Rocco, 2007). Growth-oriented firms are more likely to develop their performance through employing competitors’ resources into their competitive strategies (Rusko, 2011; Ritala, 2012; Ritala *et al.*, 2014). Newly established firms are often less likely to contemplate obtaining competitive advantages as they need time to integrate within their market (Hills *et al.*, 2008). Larger (and more established) organisations might be able to combine their own resources and capabilities with the benefits they have gained from coopetition to create greater levels of performance than smaller organisations – that have less of their own resources and capabilities (Crick, 2015). To stress an earlier point, the association between firm size and resource-advantages is a fundamental assumption of the resource-based view and has been applied to several competitive strategies (e.g., Barney, 1991; Hart, 1995; Hunt and Morgan, 1995; Hult *et al.*, 2007; Newbert, 2008; Barney *et al.*, 2011; Nason and Wiklund, 2017).

By having a long-term, forward-thinking mentality, proactiveness can help companies act opportunistically to shape their performance (Sirmon and Hitt, 2003; Sundqvist *et al.*, 2012; Wales, 2016). Moreover, proactivity helps companies become aware of the key changes to their business environment to exploit opportunities (Andersson and Evers, 2015; Rauch *et al.*, 2009). Coopetition activities are related to a proactive orientation as they assist businesses gain skills and/or equipment that they would not normally have access to if they avoided cooperative behaviours (Bogner and Barr, 2000; Tsai, 2002; Rusko, 2011; Bengtsson and Kock, 2014; Park *et al.*, 2014). Coopetition activities also link with resource leveraging because new resources and capabilities gained from coopetition can be employed to engage in certain competitive strategies that might not have been considered due to resource constraints (Bjerke and Hultman, 2002; Bonel and Rocco, 2007; Hills *et al.*, 2008). Furthermore, coopetition activities have connections with the innovation-focused dimension of entrepreneurial marketing, as creativity might be possible with new resources and/or capabilities that equip firms with scope to increase their performance (Bjerke and Hultman, 2002; Hills *et al.*, 2008). That is:

*P4. Coopetition is positively-related to organisational performance.*

## **Methodology**

### *Context of the New Zealand wine industry*

The New Zealand wine industry was chosen as a suitable context to explore coopetition due to past research indicating how vineyards have faced high degrees of competition and cooperation across regional boundaries (e.g., Chetty and Wilson, 2003; Crick and Crick, 2015). The New Zealand wine industry is divided into various clusters, with some vineyards offering augmented services such as weddings, winery tours and accommodation to attract diverse consumer groups in comparison to those purely interested in core wine varieties (Hall, 2004). Whilst the New Zealand wine industry is a relatively small market on a global scale (i.e., in comparison to

markets such as France, Italy and the United States), it provides rich insights into co-opetition activities (Crick, 2015). Further, other countries' wine industries have been found, to varying degrees, to be competitive and have implemented entrepreneurial strategies – suggesting how the wine industry as a context is not solely collaborative in nature (e.g., Benjamin and Podolny, 1999; Swaminathan, 2001; Jaskiewicz, Combs and Rau, 2015). The data collection techniques employed in this investigation are described in the following section.

### *Data collection techniques*

To gauge how different organisations have engaged in co-opetition strategies, semi-structured interviews were conducted. Companies were sampled from the New Zealand Winegrowers' (2015) database. This website listed all vineyards/wineries across the country with links to the firms' contact details. The sampling strategy involved examining the websites of the approximately 700 wineries across the country (as well as other media releases) and initially selecting a purposive sample of 100 companies that were varied in terms of size, product portfolio and were located across different regions (or wine clusters). Out of these 100 firms, participants at 15 wineries agreed to be interviewed. The remaining companies either declined the interview request, or ignored it despite several reminders.

In the companies with multiple departments, more than one interview was conducted – typically with a senior manager (and/or owner) and a cellar door manager to understand how co-opetition occurs at the different levels of the firm. Each business with its own cellar door was also overtly observed for examples of employees recommending competitors' products and demonstrating their own forms of co-opetition. Observation was restricted to the themes in sync with the research questions and propositions to maintain focus with the study's objectives (Eisenhardt, 1991; Miles and Huberman, 1994). During this observation stage, notes were taken (at the same time as these employees were being observed) about issues linked to how

cellar door managers engaged with their customers. Whilst the themes of the participant observation were seemingly linked with business-to-consumer marketing, cellar door staff members were observed for illustrations of how they would (or would not) discuss their competitors (e.g., by recommending rivals' wines).

An additional 10 wineries were recommended as useful examples of vineyards that were active in implementing competition strategies; specifically, to demonstrate perspectives in respect of who the initial interviewees collaborated with. Due to a positive rapport with the prior interviewees, these wineries granted at least one interview. The final sample equated to 38 interviews across 25 organisations. The interview questions were adapted from the literature on different countries' wine industries (e.g., Swaminathan, 2001; Hall, 2004; Voronov, De Clercq and Hinings, 2013; Crick and Crick, 2015). This often began with an introductory set of demographics on each firm such as the number of employees, export ratios and the number of labels produced, before asking questions used to evaluate the research propositions. The characteristics of the sample are presented in Table I. This primary data was also reinforced with a range of secondary data such as media releases, reports on each firm (where possible) as this added to the trustworthiness of the study. All 25 firms were family-owned (i.e., they were owned/operated by one (or few) families) (Sirmon and Hitt, 2003; Jaskiewicz *et al.*, 2015). However, this was not a purposeful characteristic of the sample. The analysis of the study's data is described in the following section.

[Insert Table I about here]

### *Data analysis techniques*

This investigation accumulated a large quantity of primary and secondary data. Hence, it was decided that it would be initially analysed through "progressive focusing." This data analysis strategy involved sifting through the data for key pieces of information that were relevant to

the objectives of the study and screening out any data that was not linked to such issues (Sinkovics and Alfoldi, 2012). All interviews were transcribed and manually coded. Whilst qualitative researchers have used electronic data analysis software, manual coding can allow them to have an in-depth perspective and analysis strategy (Rettie, Robinson, Radke and Ye, 2008). Manual coding was undertaken by examining the transcripts (and observational notes) for key themes linked with the research questions and propositions (primary codes) and the several sub-themes which provided different facets of such factors (secondary codes) to add rigour to the study (Eisenhardt, 1991; Miles and Huberman, 1994; Jaskiewicz *et al.*, 2015). Data were compared on an iterative basis with the underpinning literature (surrounding entrepreneurial marketing and resource-based theory) in an abductive manner as this article was not building or testing a theory, but used a combination of these two approaches (Sinkovics and Alfoldi, 2012).

The data were further analysed through the constant comparison technique in which the information from the first firm was compared with the second firm's data, this information would be compared with that from the third firm and continued until the final firm's data had been collected (Harrison and Reilly, 2011). The constant comparison technique helped indicate when a point of theoretical saturation had been reached. Lastly, this investigation used "bracketing" in which the number of quotes were maximised, as well as drawing upon the "critical incident technique" that involved asking interviewees to provide key events that illustrated a key and/or sub-theme they discussed (Stokes, 2000; Crick, 2015). The critical incident technique and bracketing were intended to reduce bias in the findings as it presented the data in the way that was portrayed by the interviewees, rather than through paraphrasing that might unintentionally be misconstrued (Rettie *et al.*, 2008; Jaskiewicz *et al.*, 2015). The empirical findings are outlined in the following section. Such findings are ordered based on the study's research propositions.

## **Findings**

### *Structure of the empirical data*

There were various key and sub-themes identified within the empirical findings. The key themes were the “facets, antecedents and consequences of coopetition activities” (coded respectively as themes 1, 2 and 3). For the facets of coopetition activities, there were three sub-themes: “resource-sharing activities” (coded as a theme 1a), “capability-sharing activities” (coded as theme 1b) and “regional-level coopetition activities” (coded as theme 1c). The antecedents of coopetition activities key theme yielded two sub-themes: an “industry-wide cooperative mind-set” (coded as theme 2a) and “access to competitors’ resources and capabilities” (coded as theme 2b). The consequences of coopetition key theme generated four sub-themes: “market-level survival” (coded as theme 3a), the “cost/benefits of collaborating as a group” (coded as theme 3b), “regional-level performance” (coded as theme 3c) and “competitive advantages” (coded as theme 3d). The number of firms representing each sub-theme is outlined in the subsequent sections. Explanations are also provided towards why certain wineries were not in these groups.

### *Resource-sharing activities*

Across the sample, 24 out of the 25 firms engaged in some form of coopetition. The one winery that engaged in no coopetition; as perceived by the owner/manager (Firm 9), was geographical dispersed from its rivals. Firm 9 was a very small vineyard with minimal scope for the owner/manager to spend time away from his operations to cooperate with the firm’s competitors. This interviewee indicated that he had all the assets needed to make a comfortable living (to satisfy his objectives) and showed little desire to gain any form of knowledge or equipment from his competitors. In the other 24 organisations, examples of resource-sharing included instances of owner/managers requiring a piece of machinery that they did not need

for the majority of the year, and found it much more cost-effective to borrow this resource from their competitors rather than purchase it themselves. Resource-sharing was important for the smaller organisations that needed to conserve their costs. This provided evidence of resource leveraging through companies manipulating their assets via collaborative behaviours. Some examples of theme 1a were:

[...] because you need that [mulcher] once a year... why would you spend six thousand dollars? We always hire in a mulcher and currently we're using the next-door neighbour's  
(Firm 1).

[...] if someone gets stuck with a tractor job that needs doing and we can fit it in, we'll do it. At harvest time, we hire our neighbour's harvester for picking. I'll borrow a tank from time to time from someone [a competitor] if I need a certain size that I haven't got and I'm quite happy to lend stuff out (Firm 13).

[...] if somebody [a competitor] wants to borrow a tractor, they can; if they want advice, we'll give advice. If we want advice, we'll go to one of those who shares advice (Firm 14).

I do lend and borrow equipment a bit... especially if someone's [a competitor] in trouble, like in the middle of harvest and we have no trouble. We had a breakdown in our press last year and we got someone else to press some of our grapes for us and it was just not an issue (Firm 23).

### *Capability-sharing activities*

Capability-based cooptation occurred mostly in terms of knowledge and advice competitors could offer their rivals; for example, in times of difficulty. The 24 out of the 25 firms (that indicated theme 1b) used a combination of resource and capability-sharing activities as certain forms of cooptation were more appropriate in some situations than others. Capability-sharing was linked with innovation-focused capabilities as advice and skills were used to foster creativity and unlock knowledge that would normally take longer to develop. Capability-sharing activities also applied to a proactive orientation in which they assisted firms' forward-thinking initiatives. Some illustrations of this were:

I would consult *name withheld*, he's a wine-maker who has just been in the process of retiring, but he has his own wine-making complex and he's worked in the industry for more than forty years. Occasionally, when I have something I'm not really sure about with wine-making, I'll ask him for help (Firm 1).

[...] we [competitors] tend to loan each other equipment, advice, that type of thing (Firm 2).

[...] from a technical point-of-view, the wine industry is renowned for working together, so we taste each other's wines and we discuss technical aspects of wine-making and viticulture (Firm 18).

I have quite a few young wine-making friends and colleagues [competitors] in *region withheld* that I exchange wines, ideas [and] equipment. I am happy to lend things or borrow things (Firm 22).

### *Regional-level cooperation activities*

Although certain cooperation activities were found to assist firms across different clusters (that will be discussed shortly in their own right), most were within clusters due to wine sales and tourism-related activities that built the profile of the respective regions. Capability-sharing was employed on a larger scale in which most wine-makers from a region would conduct a blind tasting of the participating members' wine in addition to those of an ad-hoc nature. The purpose of such regional meetings was to improve the quality of the wine from the cluster and increase its market share. The same 24 out of the 25 firms (as per themes 1a and 1b) added that if one bottle of wine from a specific wine cluster is purchased, that is deemed as a success for the region and the country. Whilst this directly benefits one company (i.e., the firm that made/sold the wine), it has a great potential of yielding future sales for the region and country. If a consumer did not feel satisfied with this wine, regional-level cooperation activities could create detrimental effects for the region and country. This provided these companies with a proactive orientation in which they could engage in cooperation through taking bold actions with the recently-acquired knowledge; for example, at regional-level meetings. Regional-level cooperation helped their innovation-focused capabilities through being more creative due to newly-accessed information. Examples of regional-level activities (theme 1c) cooperation included:

[...] different people [competitors] sit down to discuss them [bottled wine] as a group and exchange their opinion on the wines and so there's an exchange at the wine-making level. Perhaps not so much with the making of the wines, but certainly at the tasting level (Firm 3).

[...] we [competitors] collaborate in terms of the quality of the wine that we produce because clearly if we had one or two rogue producers in the district who were producing very poor-quality wine, it would impact on all of us (Firm 8).

[...] we [competitors] have monthly winery drinks and people go and they talk about their wines (Firm 12).

[...] we [competitors] all take a barrel sample and get a group of wine-makers together and discuss the pros and cons of the wine shown; somebody might have a faulty wine and want to talk about it (Firm 25).

### *Industry-wide cooperative mind-set*

The New Zealand wine industry fostered a cooperative mind-set in which organisations were typically comfortable with sharing resources and capabilities with their competitors. Theme 2a was explicitly indicated by 21 out of the 25 firms and implicitly mentioned by another 3 firms. The industry-wide cooperative mind-set was linked with innovation-focused capabilities as the creative mind-set of such companies was used to generate ideas and gain assets that would be considerably more difficult without these cooperative strategies. The four organisations outside of this group had the following rationale for not sharing this cooperative mind-set. Firms 7 and 11 were owned/operated by foreign-born individuals that were somewhat hesitant to engage in much co-competition due to language and cultural differences. The owner/managers still had some collaborative relationships with other vineyards, but were minimally aware of the wine sector's overall cooperative nature. Firm 9 (as mentioned previously) had all the equipment and knowledge it needed to operate without engaging in any cooperation with competitors and was minimally aware of the industry's stance on co-competition.

Firm 15's owner/manager was only somewhat aware of co-competition within the New Zealand wine industry as he had not spent enough time at the vineyard to observe or take part in the cooperative mind-set of the sector due to having a full-time job in another region and industry. For the 21 out of the 25 firms that explicitly suggested that an industry-wide cooperative mind-set drives co-competition, various reasons were proposed. These reasons primarily included an

assumption that in rural communities, there is a need to support competitors to not only promote the region (wine and tourism), but also because there may be times where any firm could stumble upon difficulties and only with a cooperative mind-set, could help firms overcome such troubles. An industry-wide cooperative mind-set was related to a proactive orientation (via long-term opportunity recognition and exploitation) because such businesses decided to engage in collaborative behaviours to assist rivals with their own ventures in addition to their own respective firm and the overall region. Some quotes supporting this assertion were:

[...] we are a very small community; we really rely on each other to survive (Firm 2).

I'm open to sharing ideas, otherwise you just don't learn anything if you don't share. I think with the environment this small you need to (Firm 6).

[...] I've let them [competitors] use my old winery to make wine and I know if I need a favour from them, I can ask them. You've willingly given, and willingly taken (Firm 8).

I grew up in a rural community and you just help each other out because you know that next time it might be you (Firm 10).

[...] we believe very much in the community and we try and nourish the community, we like people [competitors] to be successful (Firm 14).

#### *Access to competitors' resources and capabilities*

The same 21 out of the 25 firms that explicitly indicated the importance of an industry-wide cooperative mind-set also stressed that it is crucial that resources and capabilities should be accessible from competitors (theme 2b). The four organisations that were not in this group (Firms 7, 9, 11 and 15) suggested similar reasons to why they were not fully aware of the industry's cooperative mind-set. Further, 17 out of the above-mentioned 25 firms indicated that accessibility of resources and capabilities is linked to geographic proximity. Companies were highly active in regional-level meetings in which ideas and knowledge would be dispersed between competitors within a cluster. Nevertheless, due to New Zealand being a relatively small country and wine-producer, there were also instances of inter-regional competition. This

included resource leveraging because assets were shared on a selected basis due to the logistical factors associated with cooperative behaviours. By taking the initiative to access competitors' resources and capabilities (especially those that were geographically-distant) suggests evidence of a proactive orientation via firms acknowledging that long-term performance might be achieved through cooperative strategies. Some examples of this theme included:

[...] if suddenly your tractor's broken down and you need to get the hay in, you'll ring your neighbour [a competitor] up and ask if you can borrow the tractor... If someone's got a spare piece of machinery, or a spare part of a piece of machinery to help, they will help (Firm 2).

When we were setting up here, I didn't have all this machinery, I was borrowing tractors from across the road (Firm 10).

[...] there will be people [competitors] that you work more with, but that's a reflection of proximity in some cases, friendship in others, and scale can come into it (Firm 13).

[...] if a neighbouring winery had a refrigeration breakdown in the middle of harvest... you do what good neighbours do and it's just like - help in that situation (Firm 21).

#### *Nature of the relationship between coopetition and organisational performance*

Coopetition was found to be explicitly related to organisational performance in 22 out of the 25 companies. The three vineyards that did not support this assertion were Firms 7, 9 and 14. The owner/managers of Firm 7 and 9 did not believe that coopetition drives their own business performance because they engaged in a relatively small level of coopetition activities, but did recognise it may assist the performance of other firms. This altered their perceptions of what strategies (other than coopetition) were linked to their performance; for example, wider aspects of their business models. Firm 14 was owned by a wealthy portfolio entrepreneur; he was minimally concerned about the financial and overall performance of the vineyard as he had ample cash flow from his other prior and existing ventures. This company used coopetition extensively, but was done so out of goodwill and had no clear link with its performance. There were four facets of organisational performance that applied to different firms. These are described in the subsequent sections.

### *Market-level survival*

Coopetition was first found to assist firms in being able to survive in the wine industry in ways they would normally not be able to contemplate (theme 3a). This theme was indicated by 20 out of the 25 firms. Such performance consequences related to companies' resource leveraging capabilities as assets were managed in ways that achieved owner/managers' objectives linked with being able to compete in the wine sector. Some examples of this were:

[...] to collaborate within the region, you are all lifting your game a little bit and so therefore, that gives you the chance of survival (Firm 2).

We don't see other New Zealand wineries as competitors really... the more we can do collectively to get the "Brand New Zealand" message out there, the better for all of us (Firm 4).

[...] it's [coopetition] definitely something we need to do to survive; yeah, there's no doubt about that. We wouldn't have the information or resources without talking to a wider community (Firm 18).

[...] it [coopetition] gives you an opportunity that you wouldn't get on your own - and try to market your wine (Firm 25).

### *Cost/benefits of collaborating as a group*

The second way in which coopetition was positively linked to organisational performance was through the cost/benefits of rivals collaborating as a group. This issue was raised by 19 out of the 25 firms. A key example was through promotional events such as trade shows. The 6 firms that did not fully conform to this theme (3b) were relatively larger wineries that had the finance and brand equity to host such events as individual entities. Smaller organisations were less able to run these promotional events on their own and found that by organising them with their competitors, they could promote their products in ways they would not normally be able to do by reducing costs. Running such promotional events was also beneficial in attracting customers as trade shows offered/sold the wine of multiple vineyards rather than just one. This theme corresponded to a proactive orientation as interviewees considered that long-term organisational performance was better achieved through cooperating with rivals rather than as

individual brands. This also created opportunities that firms could exploit. Whilst such promotional events were organised collectively, the generation of firm-level sales was highly competitive. That is, coopetition while important, only existed to a certain point before regular competitiveness resumed between the companies involved. Resource leveraging was used via these companies' assets being combined to facilitate events to create customer value, as well as to reduce costs. Some illustrations of this theme are outlined as follows:

[...] I would suggest it's [organising trade shows] more difficult and we certainly lower our costs of marketing by being involved in a group (Firm 3).

[...] it [coopetition] helps with the economics of it. I think without that [joint] marketing too, it might be a lot harder (Firm 15).

Cost/benefits to start with, that's not the primary reason we've done it [coopetition], but it does make a difference (Firm 16).

[...] it's [coopetition] a really cost-effective way to do marketing (Firm 17).

[...] if you're just in a market by yourself, you won't get people [customers] along. So, you're doing better to be there with a group of people [competitors] and bring quite a number of buyers in and have the opportunity to make some sales (Firm 21).

### *Regional-level performance*

The third basis for coopetition positively yielding company performance was through increasing the reputation of a wine region (both core wine and tourism). Coopetition allowed 23 out of the 25 organisations to join forces to varying degrees to maximise customer satisfaction by increasing the standard of a cluster and minimise any harmful consequences of consumers not being satisfied with the wine of a certain region. The ways in which regional-level coopetition was managed had both creative and forward-looking characteristics - suggesting evidence of both a proactive orientation and innovation-focused capabilities. Some examples of this theme (3c) were:

[...] that sort of thing [coopetition] would be impossible to do by yourself. So, by working collectively, you get a much stronger result (Firm 4).

I'm not going to do that [enter international markets] on my own, nobody around here is going to do that on their own. The only way they're [competitors] going to do it is if they're actually collaborating and working together to build that brand profile (Firm 10).

I certainly think in the long-term, collaboration improves the overall standard of what people [competitors] are doing, whether that's wine quality, efficiencies, those things are important and the industry is very good at that at a national-level (Firm 13).

[...] if the regional tide is rising, everyone rises with it, so the more we [competitors] collaborate to share insights, to look at things that allow everyone to improve or the opportunity to do that, then it's good for everyone (Firm 13).

### *Competitive advantages*

The fourth basis for coepetition driving business performance was through relatively larger organisations being able to develop firm-level competitive advantages (theme 3d). There were 6 out of the 25 firms that were relatively larger entities in terms of having a higher number of employees and expansive production facilities. Interviewees in these 6 firms perceived that they could combine the benefits of coepetition with their existing resources and capabilities to out-perform competitors. The remaining 19 out of 25 firms were smaller and much less able to perform in such ways and therefore corresponded to the previous three capacities. Larger wineries striving for coepetition-driven resource-advantages was like innovation-focused capabilities and resource leveraging because these relatively larger companies could have the creative thought processes to combine their new-found assets into their strategies to deliver a form of value that smaller rivals could not achieve. The ways in which coepetition activities assisted these larger companies to obtain a competitive advantage was evidenced through the following instances:

Having got involved [in coepetition], it has been a huge advantage to us commercially through building linkages to be much more in the know, to have access to marketing opportunities, to be able to build relationships with key players [like] key media (Firm 10).

We do it [coepetition] because we perceive we get some competitive advantage because we're drawing more people towards our brands (Firm 21).

[...] it's [coepetition] an advantage because we couldn't access all of the markets that we can access, we just have small marketing power with an individual company (Firm 22).

## Discussion

### *Link with the entrepreneurial marketing perspective*

As described in earlier sections of this paper, the marketing/entrepreneurship interface (or entrepreneurial marketing) is based upon market and entrepreneurially-oriented behaviours (Miles and Arnold, 1991; Morris *et al.*, 2002; Morrish *et al.*, 2010). Whilst market and entrepreneurial orientation have not been concentrated on during this study (in comparison to the resource-based perspective that underpinned the research), such strategic orientations have a conceptual overlap with one another (see Lafferty and Hult, 2001; Kirca *et al.*, 2005; Baker and Sinkula, 2009; Boso *et al.*, 2013; Morgan *et al.*, 2015; Wales, 2016). The facets, antecedents and consequences of coopetition activities indicated different forms of a proactive orientation, resource leveraging and innovation-focused capabilities. Therefore, this paper's findings support the existing entrepreneurial marketing literature in terms of these dimensions (as well as its other facets) being employed in diverse ways depending on a company's size and managerial objectives (Stokes, 2000; Morris *et al.*, 2002; Hills *et al.*, 2008; Morrish *et al.*, 2010). The resource-based view of the firm was used in tandem with the entrepreneurial marketing perspective as the theory explains the role of resources and capabilities used in competitive strategies and their impact on business performance (Barney, 1991; Hart, 1995; Priem and Butler, 2001; Hunt and Morgan, 1995; Sirmon and Hitt, 2003; Vorhies and Morgan, 2005; Hult *et al.*, 2007; Newbert, 2008; Barney *et al.*, 2011; Moorman and Day, 2016; Nason and Wiklund, 2017). This data supplements prior conceptualisations linking entrepreneurial marketing with the resource-based view to explain the competitiveness of small companies (Bjerke and Hultman, 2002; Hills *et al.*, 2008; Morrish *et al.*, 2010). This theoretical underpinning was helpful in answering the study's research questions, which are evaluated in the subsequent sections.

### *What are the facets of coopetition activities?*

Concerning research proposition 1 (the first research question), coopetition involved the sharing of resources and capabilities between competitors – supporting past literature (Bengtsson and Kock, 2000; Tsai, 2002; Ritala, 2012; Ritala *et al.*, 2014; Crick and Crick, 2016b). Examples of resource-sharing activities included equipment that was needed for wine production through to more substantial forms of coopetition such as allowing competitors to make wine at rivals' facilities. The findings surrounding the facets of coopetition activities help supplement the prior literature on the wine industry in terms of it being a highly collaborative sector where coopetition is frequently employed (e.g., Hall, 2004; Crick, 2015). The facets of coopetition activities had similarities with resource leveraging, a proactive orientation and innovation-focused capabilities. Resource leveraging allowed companies to access assets from other parties (i.e., competitors) to maximise performance (Morris *et al.*, 2002; Hills *et al.*, 2008). These dimensions of entrepreneurial marketing help owner/managers determine how to employ their business strategies to meet their objectives (Stokes, 2000; Morrish *et al.*, 2010). Coopetition activities provides companies with tools to improve performance through new-found resources and capabilities (Bengtsson and Kock, 2000; Gnyawali and Park, 2011; Rusko, 2011; Ritala *et al.*, 2014). Thus, this study supports research proposition 1.

### *What are the antecedents of coopetition activities?*

Regarding research propositions 2 and 3 (the second research question), this investigation proposed that coopetition is driven by both an industry-wide cooperative mind-set and the extent to which competitors' resources and capabilities are accessible. An industry-wide cooperative mind-set provided opportunities for firms to collaborate with their competitors. This supports the assertion that there needs to be an environment that fosters collaborative behaviours for coopetition to exist (Bengtsson and Kock, 2000; Semlinger, 2008; Rusko, 2011;

Park *et al.*, 2014). The accessibility of competitors' resources and capabilities determined the extent to which organisations could engage in coopetition. Many firms could access resources and capabilities from their rivals with a focus on those within a close geographic proximity – helping verify past studies (Chetty and Wilson, 2003; Hall, 2004; Rusko, 2011; Bengtsson and Kock, 2014). This behaviour captured different aspects of resource leveraging, innovation-focused capabilities and a proactive orientation. Therefore, research propositions 2 and 3 are supported.

*What are the consequences of coopetition activities?*

In terms of research proposition 4 (the third research question), this study concentrated on the performance outcomes of coopetition arising from its focus on resource-based theory (Barney, 1991; Priem and Butler, 2001; Vorhies and Morgan, 2005; Vorhies *et al.*, 2009; Barney *et al.*, 2011; Crick and Crick, 2016a; Moorman and Day, 2016; Nason and Wiklund, 2017). Previous literature has suggested that coopetition is positively related to organisational performance (e.g., sales) as it is a strategy that allows firms to compete in ways that would normally be difficult (Tsai, 2002; Bonel and Rocco, 2007; Ritala, 2012; Bengtsson and Kock, 2014; Ritala *et al.*, 2014). Organisational performance was found to occur in four capacities: market-level survival, competitive advantages, regional-level performance and through the cost/benefits of collaborating with competitors. Such organisational performance consequences relate to resource-based theory as some strategies and assets are used to survive within a given market, whilst others secure competitive advantages (Hart, 1995; Peteraf, 2003; Morgan, 2012; Andersson and Evers, 2015; Crick *et al.*, 2016). Depending on owner/managers' objectives, the resource leveraging, proactive orientation and innovation-focused dimensions were employed differently within firms; a finding which supplements the entrepreneurial marketing literature (Stokes, 2000; Bjerke and Hultman, 2002; Morrish *et al.*, 2010). As such, research proposition 4 is supported. This investigation is concluded in the following section.

## **Conclusions**

### *Summary*

The objective of this study was to examine the facets, antecedents and consequences of cooptation activities, and was underpinned by resource-based theory as well as insights from the entrepreneurial marketing literature. In terms of the facets of cooptation activities, it is concluded that such collaborative strategies are comprised of resource and capability-sharing activities and are used across different activities. The core contribution of the paper was to discuss the antecedents of cooptation due to a lack of prior research. Therefore, it can be concluded that cooptation activities are driven by an industry-wide cooperative mind-set; also, having accessible resources and capabilities from competitors. It is also concluded that cooptation activities drive various organisational performance consequences depending on firms' size, owner/managers' objectives plus existing resources and capabilities. This study's managerial implications are outlined in the following section.

### *Managerial implications*

If firms compete in an industry where there is a cooperative mind-set and managers have access to competitors' resources and capabilities, cooptation activities may help them grow in ways that would be considerably more difficult without such collaborative strategies. For smaller firms, cooptation should be used to learn and operate in new and improved ways. For larger firms, cooptation is recommended to be combined with other high-performing strategies to out-perform competitors. The following section discusses the limitations and avenues for future research arising from this paper.

### *Limitations and avenues of future research*

Whilst qualitative research is highly effective in gaining subjective findings on a given topic, it lacks the ability for researchers to develop generalisable results (Miles and Huberman, 1994;

Rettie *et al.*, 2008; Harrison and Reilly, 2011; Jaskiewicz *et al.*, 2015). Future research may wish to adapt this study's research propositions into testable hypotheses through large-scale quantitative research to develop generalisable results. The industry chosen in this paper (i.e., the New Zealand wine industry) was highly cooperative; this is likely to have influenced the findings. Future research should account for different industries and countries to demonstrate how cooperation activities vary across contexts. Environmental factors should be considered as it may be that in more competitive environments, cooperation has a stronger effect on organisational performance due to managers potentially having more opportunities to seek collaborative relationships (Crick, 2015). As competitive intensity is only one aspect of the business environment, other factors might affect cooperation's effect on performance differently; for example, due to competitor-based environmental turbulence (Jaworski and Kohli, 1993; Priem and Butler, 2001; Vorhies *et al.*, 2009; Sundqvist *et al.*, 2012). Lastly, by only using three dimensions of entrepreneurial marketing (i.e., the proactive orientation, resource leveraging and innovation-focused dimensions), this study did not capture the domain in entirety (Morris *et al.*, 2002; Hills *et al.*, 2008). Whilst these three facets were argued to be most relevant in addressing the research questions, future research should apply the remaining four dimensions to the specified conceptual framework. These limitations and avenues for future studies provide researchers working at the entrepreneurial/marketing interface with ample scope to further explore cooperation activities.

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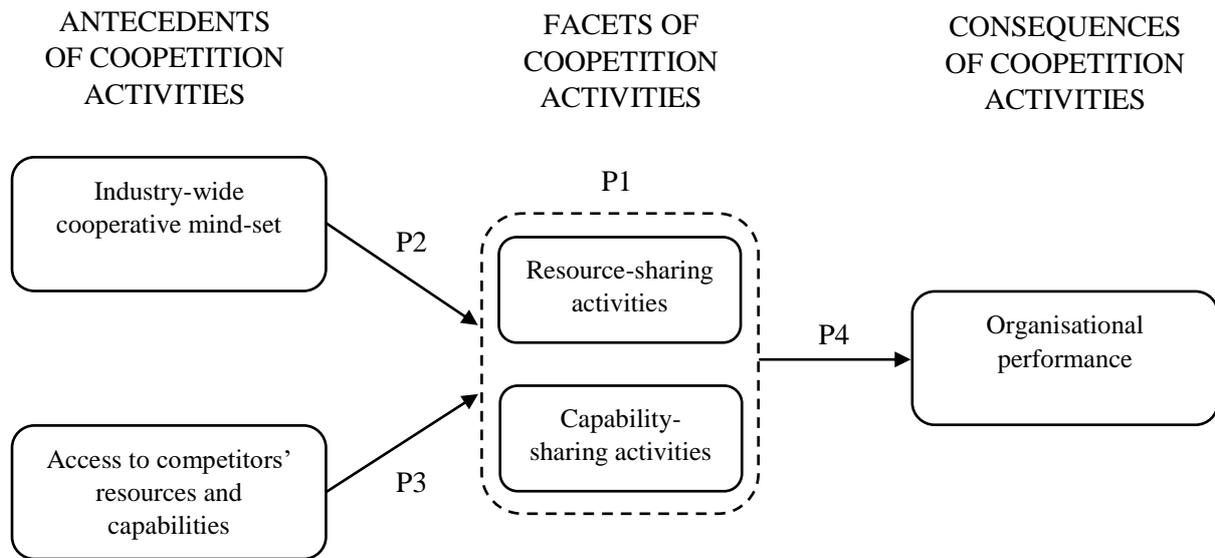
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**Figure I. Conceptual framework**



**Table I. Firm characteristics**

| <b>Firm</b> | <b>Functional role of the interviewee(s)</b>    | <b>Average price<sup>a</sup></b> | <b>Year established<sup>a</sup></b> | <b>Full-time employees</b> | <b>Export ratio (%)</b> | <b>Second label</b> | <b>Multiple vineyards</b> |
|-------------|---|----------------------------------|-------------------------------------|----------------------------|-------------------------|---------------------|---------------------------|
| 1           | Owner/Chief Wine-Maker                          | 24.5                             | 1998                                | 2                          | 0.5                     | No                  | No                        |
| 2           | Marketing Director and Cellar Door Manager      | 48.7                             | 1986                                | 12                         | 70                      | Yes                 | Yes                       |
| 3           | Owner and Vineyard Director                     | 61.3                             | 1998                                | 24                         | 50                      | Yes                 | Yes                       |
| 4           | Chief Operating Officer                         | 37.5                             | 2008                                | 2                          | 80                      | Yes                 | Yes                       |
| 5           | Chief Executive Officer and Cellar Door Manager | 73.6                             | 1990                                | 50                         | 5                       | Yes                 | Yes                       |
| 6           | Owner/Director and Cellar Door Manager          | 41.1                             | 1998                                | 22                         | 92                      | Yes                 | Yes                       |
| 7           | Owner/Head Wine-Maker                           | 36.4                             | 2006                                | 2                          | 85                      | No                  | No                        |
| 8           | Owner/Director                                  | 16.5                             | 1989                                | 2                          | 90                      | No                  | Yes                       |
| 9           | Owner/Chief Wine-Maker                          | 23.7                             | 2000                                | 1                          | 0.5                     | No                  | Yes                       |
| 10          | Owner/Director                                  | 47.9                             | 1996                                | 4                          | 60                      | No                  | No                        |
| 11          | Owner/General Manager                           | 26.1                             | 1991                                | 10                         | 50                      | No                  | Yes                       |
| 12          | Owner and Head Wine-Maker                       | 27.3                             | 1996                                | 8                          | 15                      | No                  | Yes                       |
| 13          | Owner/Chief Executive Officer                   | 55.8                             | 1988                                | 3                          | 5                       | Yes                 | Yes                       |
| 14          | Owner/Director and Cellar Door Manager          | 73.3                             | 1988                                | 30                         | 0.5                     | No                  | No                        |
| 15          | Owner/Chief Wine-Maker                          | 62.2                             | 2003                                | 2                          | 0                       | No                  | No                        |
| 16          | Marketing Director and Cellar Door Manager      | 45.5                             | 1980                                | 50                         | 22                      | Yes                 | Yes                       |
| 17          | Export Sales Manager and Cellar Door Manager    | 67.9                             | 1988                                | 60                         | 30                      | Yes                 | Yes                       |
| 18          | Managing Director/Chief Wine-Maker              | 84.3                             | 1979                                | 7                          | 35                      | No                  | Yes                       |
| 19          | Marketing Director and Cellar Door Manager      | 34.6                             | 1990                                | 35                         | 40                      | Yes                 | Yes                       |
| 20          | Owner/Director                                  | 51.1                             | 2001                                | 2                          | 8                       | No                  | No                        |
| 21          | Owner/Director and Chief Wine-Maker             | 75.7                             | 1989                                | 24                         | 70                      | Yes                 | Yes                       |
| 22          | Chief Wine-Maker and Cellar Door Manager        | 49.2                             | 1986                                | 22                         | 80                      | No                  | Yes                       |
| 23          | Chief Wine-Maker and Cellar Door Manager        | 36.3                             | 1992                                | 8                          | 50                      | No                  | Yes                       |
| 24          | Owner/ Director and Cellar Door Manager         | 48.4                             | 1932                                | 35                         | 30                      | Yes                 | Yes                       |
| 25          | Owner/Chief Wine-Maker                          | 32.7                             | 2000                                | 4                          | 30                      | No                  | No                        |

**Notes:** <sup>a</sup>Accessed and/or calculated from the firms' websites. The average prices (in New Zealand Dollars) refer to core wine products (per bottle), not the augmented services such as weddings, accommodation and winery tours.