COOPETITION WITHIN THE HORIZONTAL RELATIONSHIP – A MULTIPLE CASE STUDY ON INTERCOMPETITOR INTERACTION

Competitive paper

"Managing coopetition in business networks – a practice perspective"

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ABSTRACT

The aim of this paper is to address the link between coopetition and intercompetitor interaction. Counterparts cooperate to exploit benefits of working together and accept some degree of obligation. Cooperation evolves over time and encompasses interaction processes. The actor defines for himself the partners who are competitors by identifying them as alternatives. Competition is actor specific and occurs when two parties have conflicting objectives. Coopetition encloses characteristics of two simultaneously opposite logics of interaction between two or more actors in either horizontal or vertical relationships.

Through a multiple case study strategy, this study mainly supported on the IMP approach focuses on how coopetition affects and is affected by interaction processes. Data was collected mainly through interviews and complemented by observation and secondary data. A two continua approach was taken in consideration to analyse coopetition. That is, cooperation and competition were regarded as two different interaction processes within a coopetitive relationship. This study reveals that coopetition classification within the horizontal relationship evolves over time. Moreover, different forms of coopetition dissimilarly affect the interaction processes: social and informational exchange, adaptation, as well as coordination. Coopetition also affects and is affected by the company's own strategy.

Keywords: coopetition, horizontal relationships, intercompetitor interaction, strategic alliance

INTRODUCTION

Business environments increasingly engage in coopetition, i.e., the simultaneous cooperation and competition between firms (Bengtsson & Kock, 1999, 2014). Particularly, the engagement of competitors in both cooperative and competitive interactions is noted(e.g. Dahl, 2014). For example, strategic alliances between competitors are a growing reality that entails many benefits to those involved in these relationships, such as: facilitated entry in new markets, increased market power, acquisition and exchange of skills, achievement of strategic renewal, management of risk and of investment, attainment of economies of scale and of scope, realization of reductions in liabilities of foreignness, and accomplishment of institutional legitimacy (cf. Dacin et al., 2007; Contractor & Lorange, 1988). Still, business interactions between competitors are not sufficiently investigated and conceptualized.

The network and interaction approach is a way to research this phenomenon. The industrial networks approach encompasses all forms of interactions and relationships in organization markets (Araujo & Easton, 1996). Each actor develops direct relationships with customers, suppliers, distributors, competitors, complementary suppliers, universities, trade and professional associations, government bodies, consultants, among others, assuming a variety of roles, such as, customer, supplier or competitor (Easton & Araujo, 1992). Forsgren & Johanson (1992a) consider that suppliers, customers and competitors are seen as actors who take part directly in the current economic transactions. Non-economic relationships exist between buyers, suppliers, complementary suppliers, buying with selling actors before economic exchange is consumed and suppliers with end consumers or third parties. The most important of those are intercompetitor relationships (Easton & Araujo, 1992).

Traditionally, the interaction and network approach has been focused on cooperative buyers-sellers relationships (Håkansson & Snehota, 2006). Between vertical and horizontal relationships resemblances and differences can be found (Bengtsson & Kock, 1999). For example, in vertical relationships, economic exchange relationships require visible transactions and claim for cooperation (Easton & Araujo, 1992). Horizontal relationships are more informal and invisible, building mainly on information and social exchanges (Bengtsson & Kock, 1999).

A common statement among scholars is that the range of studies of coopetition between competitors, using a network perspective, is still scarce (Bengtsson & Kock, 1999, 2014; Dahl, 2014; Tidström, 2014). Hence, we posit that the development of coopetitive relationships between competitors needs further investigation. At the heart of these horizontal relationships, as in any relationship, interaction prevails and is the key analytical concept (cf. Medlin, 2004). As mentioned by Håkansson & Snehota (1995) relationships develop over time as a chain of interaction episodes, a sequence of acts and counteracts.

So, our aim in this study is to understand how the coopetition nature of relationships between competitors affects and is influenced by the interaction processes. The outline of the paper is as follows: (1) although the extant literature on interaction processes within the interaction and network approach is extensive (e.g. Baptista, 2013; Håkansson & Snehota, 1995; Möller

& Wilson, 1988, 1995; Ruekert & Walker Jr, 1987; Turnbull & Valla, 1986), solely a brief review is presented; (2) a more comprehensive review of literature on competitors' relationship nature focusing on cooperation, competition and coopetition is drawn; (3) the empirical study is presented, i.e., methodology is and findings of nine case studies are discussed; and, finally (5) conclusions are drawn.

INTERACTION PROCESSES

Interaction process factors "refer to the basic processes through which the exchange of resources is carried out and controlled" (Möller & Wilson, 1995, p. 26). Several authors in the field argue that buyer-seller interaction comprise three basic processes: exchange, adaptation and coordination (c.f. Baptista, 2013; Möller & Wilson, 1988, 1995; Johanson & Mattsson, 1987; Ruekert & Walker Jr, 1987). Due to the nature of the intercompetitor relationship this research includes those three processes.

Usually relationships between competitors do not involve economic exchange (Easton & Araujo, 1992). Still, exchange processes can encompass resource exchange (e.g. information) and social exchange (Möller & Wilson, 1988, 1995). The exchange of informal and formal information are common to all interfirm relations (Easton, 1992) and frequently precede the exchange of money and products (Cunningham & Turnbull, 1982). A lot of information may be required to exchange other resources (Cunningham & Turnbull, 1982). Resource exchange presume social exchange. Over time, through human communication, norms and values are exchanged (Möller & Wilson, 1988, 1995).

Adaptation is a continuous process which results in changes in product specification, product design, manufacturing processes, planning, delivery procedures, stockholding, administrative procedures and financial procedures. Interaction accommodates adaptations that can occur during the process of a single exchange or over the time of a relationship (Håkansson et al., 1982) involving one or several actors in the network (Håkansson & Johansson, 1988). Adaptations in one actor often leads to adaptations in others (Ford & Håkansson, 2012; Brennan et al., 2003; Hallen et al., 1991).

Coordination processes refer to the extent to which the work between parties reflects good and effective functioning. Coordination processes embrace mechanisms to control and follow-up exchange and adaptation processes, efficiency enhancing mechanisms, and semiautomatic responses to conflicts and environmental changes (Baptista, 2013; Ford & Håkansson, 2012; Wilson & Möller, 1988). Cooperation is also frequently used to hold together alliances (Håkansson & Johansson, 1988) and is achieved over time, usually resulting from a "learning by doing" process and not the result of a strategic plan (Easton, 1992).

RELATIONSHIP NATURE

It is possible to argue that "connections are to a large extent a matter of subjective visions and strategies of the actors. Thus one may view two relationships as complementary while another regards them as competitive" (Forsgren & Johanson, 1992b, p. 8). Traditionally, relationships among competitors are based on competition (Bengtsson & Kock, 1999).

Competition, cooperation, co-existence, conflict and collusion may be present in relationships between competitors, they differ in the way the objectives of the actors relate (Easton & Araujo, 1992). Bengtsson & Kock (1999) argue that competitor's relationships nature consists only in competition, cooperation, co-existence or coopetition. The nature of the relationship can also change over time (Bengtsson & Kock, 1999), e.g. when R&D research becomes exploitable, cooperation can melt into competition (Easton & Araujo, 1992). Herein, the relationship nature is addressed focusing cooperation, competition and coopetition.

Cooperation

Cooperation is a central characteristic of business landscape (Ford & Håkansson, 2012). "Co-operative relationships could be superficially defined as those relationships where the counterparts have realized, and begun to exploit the benefits of working together – the relationship is characterized by co-operative rather than contentious interaction" (Håkansson & Henders, 1992, p. 35).

"But how is such co-operation to be defined? And how in particular are we to distinguish between co-operation on the one hand and market transactions on the other? The essence of co-operative arrangements such as those we have reviewed would seem to be the fact that the parties to them accept some degree of obligation – and therefore give some degree of assurance – with respect to their future conduct" (Richardson, 1972, p. 886).

Cooperative relationships are developed over time (Håkansson & Henders, 1992). Cooperation includes processes of coordination and adaptation (Ford & Håkansson, 2012) and involves at least a minimum degree of learning and social exchange (Håkansson & Henders, 1992). Learning allows actors to develop a close relationship, helps avoid conflict and creates opportunities for cooperation. Mutual adaptations or adjustments are a direct result of the learning process. Social exchange implies trust and counterparts become partners (Håkansson & Henders, 1992).

Firms can be engaged in cooperative relationships when having the same goal (Easton, 1992; Sandström, 1992). In other words, cooperation occurs when actors share interest to work together towards a mutual goal (Bengtsson et al., 2003) or when two or more parties have objectives which are mutually dependent (Easton & Araujo, 1992). Yet, cooperation between firms might also be instrumental, i.e. firms involved in the same relationship may have different objectives (Easton, 1992).

According to Wong et al. (2005) cooperative and competitive goals affect the relationship development, i.e. cooperative or interdependent goals rather than competitive or independent goals directly affect long-term relationship. Nevertheless, relationship longevity may be unrelated to partner cooperation. “The length of the relationship could be the result of non-cooperative factors, such as no feasible alternate partners, hesitancy to consider alternate partners, desire to remain with the lesser of the known evils (partner), and inertia” (Mehta et al., 2006, p. 1102).

The less evident cooperation in network relationships takes place between competitors (Easton, 1992). Cooperation among competitors may take place even though they do not have a mutual interest to interact (Bengtsson & Kock, 1999). Cooperative relationships between two competitive firms can be joint ventures, licensing, coproduction agreements, joint research programs and exploration consortia, among others (Contractor & Lorange, 1988).

Intercompetitor cooperation can be roughly distinguished as formal and informal. “Formal cooperation is distinguished by being overt, planned and managed or at least capable of being so. Informal cooperation activities are much more likely to be individual, random and unplanned” (Easton & Araujo, 1992, p. 76). Formal dyadic cooperation relationships can be based on stock ownership, interlock directorates, marketing or licensing agreements and capacity agreements. Competitors can also collaborate without creating a third party through joint activity. Different areas of the firm’s operations (e.g. production, promotion) can be engaged in joint activity which may also involve funding and arbitrating of government bodies. Complementary and competitor firms may also achieve joint activity through consortia. Involving the creation of a third party, competitors may cooperate constituting a joint venture or being a member of a trade association. Transfers of people, information and social norms usually provide informal cooperation between competitors (Easton & Araujo, 1992).

Competition

Marketing frequently treated competition as a driving force of the atomistic market, borrowing concepts from other disciplines, such as microeconomics (Easton & Araujo, 1992). In the context of industrial networks Easton & Araujo (1992, p. 72) argue that “competition occurs when two actors have objectives which are in conflict but the locus of their objective is under the control of third party”. Hence, competition is parallel striving by a third actor, i.e. a customer.

Ford & Håkansson (2012, p. 19) support that “competition is actor specific and each actor defines for itself which actors are competitors by identifying them as alternatives”. In other words, closeness of competition is more likely to be perceptual (Easton & Araujo, 1992). “Competition is an interactive process where individual, and thereby organizational, perceptions and experience affect interactions between competitors” (Bengtsson & Kock, 1999, p. 179).

Every single relationship can be as well positive and negative (Axelsson, 1992). Actors' connections have positive effects that are promoted by mobilization processes and negative effects that occur in an automatic way due to competitors and other opponents (Håkansson, 1992). The interaction between a customer and two suppliers offering the same resource can lead to a competitive connection that tends to be negative, i.e. the exchange in one relationship is contingent on non-exchange in the other. In contrast, when suppliers are offering complementary resources to the customer, suppliers' relationship tends to be positive, i.e. they both need to exchange. Yet, often both positive and negative connections operate contemporaneously or sequentially within the same (connected) relationships (Smith & Laage-Hellman, 1992). Competing suppliers can have mixed (both positive and negative) connections. "Whether the effect should be perceived as positive or negative from the actor's point of view is not always obvious" (Smith & Laage-Hellman, 1992, p. 50).

Johanson & Mattsson (1987, p. 35) "stress complementarity in the network. There are also, of course, important competitive relations. Other firms want to get access to specific exchange possibilities, either as sellers or as buyers, and cooperating firms also have partly conflicting objectives". Ford & Håkansson (2012) argue that cooperation dimension provides a more complete explanation of the development of networks than the one provided by competition. Still, competition is likely to take the form of a variable which sets the scene for interaction, particularly in the initial stages of relationship development.

Competition between sellers for buyer's exchange represents the most obvious relation in horizontal relationships (Easton, 2004). Resource limitation for relationship development and similarities between potential counterparts often leads to the selection of relationships. "Business relationships always involve selection and selection involves the potential for competition amongst actors" (Ford & Håkansson, 2012, p. 17).

A competitive seller usually has the required relationships with buyers and other sellers in the network to influence the dyadic exchange (Easton, 2004). "Competitors can, and usually will, affect an exchange relationship but can exist independently of that relationship" (Easton, 2002, p. 106). Yet, Bengtsson & Kock (1999) state that competition triggers action-reaction patterns among competitors, i.e. competitors follow each other leading to a final zero-sum game.

Coopetition

"The long term nature of business relationships, and the investments and adaptations with which they are associated does not mean that competition is absent within them" (Ford & Håkansson, 2012, p. 9). Early channel researchers suggested that competition between channel members is likely to occur simultaneously with cooperation. Competition can assume several forms, such as, horizontal competition, i.e. between similar types of actors, intertype competition, i.e. between different types, or vertical competition, i.e. between customers and suppliers (Ford & Håkansson, 2012). Competition and conflict in networks approach "are portrayed as necessary concomitants of cooperation, a paradoxical counterbalance within a single relationship” (Easton & Araujo, 1992, p. 64).

Coopetition encloses characteristics of two simultaneously opposite logics of interaction between two or more actors in either horizontal or vertical relationships. Despite the unclear definition of coopetition, Bengtsson & Kock (2014) argue that firms either competing or cooperating does not fall under coopetition. Hence, coopetition can be cooperation between two direct competing firms. “Simultaneous cooperation and competition between firms, has increased rapidly as coopetition has become an integral part of many companies’ daily agenda. This increase is contingent upon today's dynamic and complex business contexts” (Bengtsson & Kock, 2014, p. 180).

Firms can compete in one activity and cooperate in another activity (Bengtsson et al., 2003). Coopetition represents a process based upon simultaneous cooperative and competitive interactions, e.g. one organization cooperates with one or several other organizations in one activity (technology development or resource acquisition) but competes with the same organizations in other activities (commercialization) (Bengtsson et al., 2010). When competitors interact under competition and cooperation they develop coopetitive relationships. Coopetition assumes that competitors through cooperation are interested in accessing external resources, such as knowledge, but will also try to generate a competitive advantage relatively to the their counterpart (Bengtsson et al., 2003). Coopetitive relationship may be found in economic and non economic exchanges (Bengtsson & Kock, 1999).

Coopetition can be described as ranging from strong competition to strong cooperation in one continuum. In between the extreme ends there are several possible relationships. On the other hand, cooperation and competition can be regarded as two different interaction processes within a coopetitive relationship. This two continua approach suggests that both strong and weak cooperation can coexist with both strong and weak competition (Bengtsson et al., 2010).

Weak competition can be regarded when actors are not affected, or do not perceive themselves as affected. High intensity in competition occurs when actors perceive themselves as competitors and is related with the level of hostility between competitors (Bengtsson et al., 2010). The strength of cooperation can be explained in terms of the degree of resource complementarity, trust and tie strength. Trust in a cooperative relationship is particularly important to improve information and knowledge exchange. Tie strength facilitates exchanges and is often measured considering variables such as closeness/intimacy, duration, frequency of contact reciprocity of support and aid. Low cooperation suggests lack of interaction and of learning (Bengtsson et al., 2010).

Bengtsson et al. (2010) suggest that a combination of moderate cooperation and competition is the most suited for coopetition. Strong cooperation may result in overembeddedness and lack in novel information, while strong competition can force forms to overexploit and underexplored. Extremes of cooperation or competition can decrease or even have negative implications to relationship dynamics. Coopetition is neither static nor easy to sustain. One of the two interactions may overtake the entire relationship when large imbalance between the strength of cooperation and competition. Coopetition dynamics takes place when "there is enough tension in competition to drive firms to develop further, and enough tension in cooperation to avoid a situation of overembeddedness" (Bengtsson et al., 2010, p. 209).

Wilkinson & Young (1994) argue that competition and cooperation are neither mutually exclusive nor inversely related. Sustained on the competitive and cooperative nature of the relationship Wilkinson & Young (1994) describe four types of relationships. First, low cooperation and low competition type is characterized by limited or no interdependency between parties. Lack of cooperation and competition can usually be observed in infant relationships or in those near their end. Second, low cooperation and high competition type can be seen as a classical poor and/or eroding relationship. Parties witness coordination difficulties, many negotiations, recurrent conflicts, information withholding, individual goal pursuit, among others. Parties frequently perceive relationship ending in the foreseeable future. Yet, the relationship may improve with cooperation increase or competition decreasing (Wilkinson & Young, 1994).

The third type – high cooperation and high competition – is perceived by both parties to be effective, i.e. most of them are described as good working relationships. Competitiveness can be perceived to be a part of the normal practices of doing business. Parties are highly interdependent and committed, through time the relationship has improved mutual trust and respect. However, parties often experience conflicts and disagreements that require considerable negotiation. Finally, the low competition and high cooperation relationship type is regarded as ideal and highly effective. Parties are especially committed and very satisfied with the relationship (Wilkinson & Young, 1994).

Coopetitive relationships generate tensions. Role tensions can be found at the company or individual levels. "For example, an organization that cooperates with a competitor may perceive a tension between the goals of the organization and the goal of the cooperation. On an individual level, people may perceive role tensions when it comes to interacting within the company and in a relationship with a competitor with whom the company cooperates" (Tidström, 2014, p. 262). Knowledge may be the source of tension. Shared knowledge may be used to pursue common interests or employed to obtain private gains in an attempt to outperform partners. Power and dependence, opportunistic situations, and domain related can also generate tensions in coopetitive relationships (Tidström, 2014). Relation-specific and contextual factors (Bengtsson & Kock, 2014), as well as, competitors' interacting experience with each other (Dahl, 2014) are also critical to coopetitive relationships.

THE EMPIRICAL STUDY

The primary concern in this empirical study was the identification of an empirical setting in which the investigation of our purpose could be pursuit. A fruitful example of coopetitive relationships between competitors was found in the Portuguese pharmaceutical industry. This section comprises the adopted methodology and findings addressing the intercompetitor relationships regarding coopetition and the interaction processes between the competitors' dyads.

Methodology

Given that industrial markets encompass a limited number of suppliers, customers and competitors (Håkansson & Snehota, 2006; Håkansson et al., 1982), the initial selection was the existing population of Portuguese pharmaceutical companies with production facilities in Portugal. Matching this criteria, 11 companies were identified. According to Eisenhardt (1989, p. 537) "the concept of a population is crucial, because the population defines the set of entities from which the research sample is to be drawn".

Intercompetitor business relationships can be regarded as a sensitive topic (Tidström & Hagberg-Andersson, 2009) and with limited visibility due to the absence of economic exchange (Easton & Araujo, 1992). However, "horizontal alliances often are multilateral and entail three or more firms" (Wallenburg & Schäffler, 2014, p. 42) and Portuguese pharmaceutical companies are involved in multiplayer partnerships with competitors aiming, among others, to promote internationalization or enhance procurement. Addressing horizontal relationships within a multiplayer alliance has provided the visibility required to study intercompetitor relationships.

Semi-structured face-to-face interviews were conducted to all 11 companies. Within the population, 15 interviewees participated in the research. Interviews included two company departments: international sales and procurement. Clues on who seemed to have played a key role on the existent horizontal relationships were extracted from archival written material. Interviewee's suggestions of additional participants were taken into consideration. This was not completely unexpected. In the first interviews, each interviewee was invited to choose around four competitors with whom business relationships existed. In order to accomplish the goal of having both counterparts addressing each other, after the first interviews that choice of counterpart was sometimes suggested by the interviewer. Interviews that were carried out in the offices of the informants' companies, lasted on average more than two hours.

Topics discussed regarded the nature of the intercompetitor relationship. Specifically, questions about the relationship nature and the interaction processes were drawn. Notes were taken during and after the interview and a summary was done in a 24h period after the interview, as suggested by Bourgeois & Eisenhardt (1988). Further, interview data was complemented by observation, secondary data and with interviews to industry specialists of the national regulatory agency.

A multiple case study strategy was adopted to investigate how coopetition affects and is affected by interaction processes. Such a complex phenomenon was approached through a multiple case research design to attain more compelling and robust evidence (Yin, 2009; Bourgeois & Eisenhardt, 1988). Each individual case is equivalent to the unit of analysis (cf.

Miles et al., 2014) and addresses one dyadic intercompetitor relationship. Even though 11 companies are a part of this research, cases were built considering the existing relationships and the concern to involve all 11 companies. Nine cases matching nine intercompetitor relationships are addressed. MaxQda11 was used as a tool for further analysing the empirical data.

Findings and Discussion

Bengtsson & Kock (2014, p. 181) "suggest that the paradoxical simultaneity of competition and cooperation implies that coopetition needs to be described along two continua: one of cooperation and the other of competition". A two continua approach was adopted to explore the link between coopetition and the interaction processes (exchange, adaptation and coordination). Furthermore, coopetition within each relationship is presented at two levels (the company level and the department or individual level). This distinction was empirically driven and was also previously employed (cf. Tidström, 2014). In the next table, results from the nine cases are presented, including the coopetition degree and recent evolution, for each intercompetitor relationship.

	Competition				**Cooperation**			
	Company		**Department**		**Company**		**Department**	
Case One	Strong	=	Weak to Moderate	=	Moderate	=	Strong	=
Case Two	Strong	=	Moderate to Strong	=	Weak to Moderate	=	Moderate	=
Case Three	Strong	↗	Moderate to Strong	↗	Weak	↗	Weak to Moderate	↗
Case Four	Strong	= ↙	Weak	↙	Weak to Moderate	↗	Moderate to Strong	↗
Case Five	Weak to Moderate	=	Weak	=	Weak	↗ =	Moderate	↗
Case Six	Weak	=	Weak	=	Weak	= ↙	Moderate	↗
Case Seven	Strong	=	Strong	=	Weak to Moderate	↗ =	Moderate to Strong	↗ =
Case Eight	Weak to Moderate	↙	Weak	↙	Moderate	↗	Strong	↗
Case Nine	Weak	=	Weak	=	Weak	↙	Weak	↙

Table 1: relationship nature – coopetition summary

Cooperation within the department was only perceived as weak in case nine. The intercompetitor cooperative relationship is often restricted to few departments within the company and influences few company goals. The cooperation degree at the company level is perceived as lower, comparing with the one at department level. Accordingly, at the company level, cooperation was mainly apprehended as weak. Companies have realized the benefits of working together and have begun to exploit them (c.f. Håkansson & Henders, 1992). Anyhow, cooperation degree is always associated with partners' mutual goals and with the individual goal of each of the companies involved. The mutual goal is a central driver for cooperation (c.f. Bengtsson et al., 2003; Easton, 1992; Easton & Araujo, 1992; Sandström, 1992).

To the company's department involved in the intercompetitor relationship, competition was mainly weak. Moreover, competition perception may decrease over time with strong cooperation. In other words, individuals involved in the intercompetitor relationship "forget" that their counterpart is a competitor and focus on the development of common goals that can lead to mutual gains. Tensions (cf. Tidström, 2014) decrease with continuous interaction. Still, companies do not exchange information that is considered important to their companies.

When considering the company level, competition degree was regarded as weak or strong, depending on a low or a high overlapping of the company's offer (products or services). Competition degree is related with the perceived overlap of products in the market. Findings on competition corroborate conclusions of Ford & Håkansson (2012), Bengtsson & Kock (1999) or Easton & Araujo (1992). That is, competition is perceptual and actor specific. By identifying other companies as alternatives, companies define which ones are competitors.

The dynamic aspect of the relationship nature was also present, as stated by Bengtsson & Kock (1999), Easton & Araujo (1992) and Lundgren (1992). On foreign markets, where companies are not present, all parties cooperate to overcome market entry barriers. However, after defeating the barrier and the first compatriot company gains access to that market, cooperation turns into competition. In general, this change is confined to the focal foreign market and companies continue to cooperate to achieve other common goals. These results are similar to those described by Easton & Araujo (1992) – cooperation can melt into competition when R&D becomes exploitable.

Interaction processes entail three basic processes: exchange, adaptation and coordination (Baptista, 2013; Möller & Wilson, 1988, 1995; Easton, 1992; Johanson & Mattsson, 1987; Ruekert & Walker Jr, 1987). The next table briefly presents those three interaction processes of the nine case studies.

	Exchange	Adaptation	Coordination
Case One	Informational and social; continuous since the beginning (2005); frequent and not planned	Scarce within the focal relationship; fairly performed by or to third parties	Well developed; follow-up and monitoring procedures associated with information exchange and goal achievement
Case Two	Mainly informational; Social is also present; almost absent between 2007 and 2014	Infrequent and performed by or to third parties	Strongly associated with information exchange
Case Three	Essentially informational; recently performed	Inexistent within the focal relationship	Only to support information exchange
Case Four	Informational and social; frequent and continuous since the beginning (2011)	Almost inexistent within the focal relationship; fairly performed by or to third parties	Well developed; follow-up and monitoring procedures associated with information exchange and goal achievement
Case Five	Informational and social; frequent since 2008; restricted to a foreign market	Scarce within the focal relationship; fairly performed by or to third parties	Well developed; follow-up and monitoring procedures associated with information exchange and goal achievement
Case Six	Mainly informational; Social is also present; frequent since 2008; restricted to a foreign market	Scarce within the focal relationship; fairly performed by or to third parties	Well developed; follow-up and monitoring procedures associated with information exchange and goal achievement
Case Seven	Mainly informational; Social is also present; frequent since the 2008	Scarce within the focal relationship; fairly performed by or to third parties	Well developed; follow-up and monitoring procedures associated with information exchange and goal achievement
Case Eight	Informational and social; strongly developed since 2008	Scarce within the focal relationship; fairly performed by or to third parties	Well developed; follow-up and monitoring procedures associated with information exchange and goal achievement
Case Nine	Presently, inexistent within the focal relationship	Presently, inexistent within the focal relationship	Presently, inexistent within the focal relationship

Table 2: Interaction processes summary

The intercompetitor relationship entails informational and social exchange. That is, intercompetitor relationship within the present study does not encompass economical exchange (c.f. Easton & Araujo, 1992). Within the procurement department, the simple exchange of personal contacts leads to the exchange of information not entirely related with the purpose of the relationship. Particularly, when in distress, companies try to buy raw-material from a competitor. When helping its competitor, the company has in mind that one day the situation can be the other way around. Hence, companies accept some degree of obligation, in view of their future conduct (Richardson, 1972). Over time, social exchange takes place and "helps" the exchange of information and coordination processes.

Adaptation processes are often low or inexistent and are not related with the horizontal relationship. Frequently, both companies make adaptations to a third party, such as, a mutual client. Both companies involved in the relationship may also promote adaptations derived by third parties (e.g. mutual supplier). Coordination processes take place frequently when the exchange also happens. Coordination processes are often associated with monitoring the exchange of information and coordinating efforts to complete a deal with success (c.f. Baptista, 2013; Ford & Håkansson, 2012; Wilson & Möller, 1988). Coordination processes are task related and confined to the relationship.

The relationship nature concerning cooperation is strongly related with the ongoing relationship. Cooperation levels are linked to interaction processes, as expected (c.f. Ford & Håkansson, 2012; Håkansson & Henders, 1992). Thus, cooperation is apprehended as strong when companies interact more, that is, when they exchange information frequently and they increase the quality (importance) of the information exchanged. In particular, the cooperation degree at the department level is greatly associated with the shared context and interaction processes held between both parties. Cases with a rich share context and regular exchange processes also present strong cooperation at the department level. Cooperation is often department restricted and lightly affects company's goals. Thus, cooperation degree at the company level is generally appraised as moderate or weak.

The presence of competition influences managers' behaviour (c.f. Ford & Håkansson, 2013). The perception of competition, independently of its degree, limits the exchange of information between companies. Even when companies share a prosperous context and interaction processes are extensive and frequent, competition holds back the information exchange. For instance, in case one and case four, the information exchange addressing a key mutual supplier is not performed.

Coopetition detailed degree is related with the shared context and interaction processes. In other words, the relationship joint history and the interaction processes between competitors provide a solid explanation for the coopetition configuration in all presented cases, particularly in cases one, two, three, four, eight and nine.. Together with the relationship joint history and the interaction processes, it is the company's culture that may provide further clarification of the coopetition degree at the department level. That is, the company's culture is advanced as a possible reason why, in cases five and six, cooperation degree at the department level is not higher or, in case seven, the competition degree at the department level is not lower.

CONCLUSIONS

Our purpose was to unveil how the coopetition nature of relationships between competitors affects and is affected by interaction processes. Studies on developmental processes of horizontal relationships, such as strategic alliances, are scarce (Das & Teng, 2002; Doz, 1996). Findings from the conducted multiple case study strategy imply a number of interesting conclusions that contribute to the enhanced understanding of this phenomena.

Firstly, the existence and need to analyse data collected at two levels, company and department, should be emphasized. In fact, contradicting results regarding the nature of cooperation (high versus low) and competition (high versus low) could be found. At the department level cooperation is associated to the interaction processes confined within the focal relationship. Intercompetitor cooperation, at the company level, is not essential for each company individually. Yet, the intercompetitor relationship promote the achievement of mutual goals. Competition does not play a significant role at the department level. However, at the company level, competition’s perception is linked to the market overlapping and not to the focal relationship.

Secondly, the conceptualization of coopetition on two continua proposed by Bengtsson et al. (2010) together with Wilkinson & Young (1994) is considered suitable for its analysis. Moreover, the categorization of relationships considering the degree of both cooperation and competition is suitable to apprehend the link between the relationship nature and interaction processes.

Thirdly, the absence of economic exchange emphasizes social exchange and informational exchange that, on their turn, assume a major role on the whole intercompetitor interaction. The absence of economic exchange emphasizes coordination processes, rather than adaptation processes. Thus, in multiplayer competitors’ alliances it is recommended that special managerial emphasis is given to exchange and coordination processes. The latter are considered the most relevant for the development of intercompetitor relationship.

Finally, Ford & Håkansson (2012) argue that the cooperation dimension provides a more complete explanation of the development of networks than the one provided by competition. Further insights are needed to substantiate that the network development is independent of the existent competition degree. Future research is also suggested to explore how the relationship age affects intercompetitor cooperative relationships.

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