

Title: Co-opetition as Practice: The Case of the Georgian Micro-Brewers

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ABSTRACT: Using the micro-brewing industry in Georgia, USA, as an empirical base, this paper sets out to examine how micro or entrepreneurial firms use cooperation and competition simultaneously in practice. Our theoretical contribution is in taking a practice based view of co-opetition and we suggest that using a practice based perspective can further our understanding of how an entrepreneurial firm can capture and create value through co-operative relationships and networks. The secondary contribution to the current literature is in examining co-opetition in an entrepreneurial context. The empirical research entailed in-depth interviews with the entire network of micro-brewery entrepreneurs in Georgia, USA, comprising seventeen firms. Using Whittington's (2006) strategy-as-practice framework as an analysis tool, our findings highlight that cooperation clearly outweighed competition in practice and entrepreneurs habitually interact in a co-operative manner through norms formed in interaction. Although the entrepreneurs did not strategically plan for co-operative relationships, they seemed to innately understand the boundaries, the potential and limits in co-opetition and know the rules of the game.

Keywords: Co-opetition, Practice Theory, Entrepreneurship, Craft Beer Sector

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INTRODUCTION

Using the micro-brewing industry in Georgia, USA, as an empirical base, this paper sets out to examine how micro or entrepreneurial firms use cooperation and competition simultaneously in practice. Co-opetition, defined as relationships between two or more actors simultaneously involved in cooperative and competitive interactions” (Bengtsson and Kock, 2014), has gained currency in the recent literature. Co-opetition transcends the traditional dichotomy of cooperation and competition as opposing forces (Bengtsson et al., 2010), and is suggested by scholars as being critical for firm performance and success (Bengtsson et al. 2014; Fernandez et al., 2014). Extant literature has focused on the motives and outcomes driving inter-competitor competition (Gnyawali and Park, 2009; Ritala et al., 2014), co-opetition as a balancing act between two diverse logics of interaction (Bengtsson and Kock, 2000; Bengtsson et al., 2010), change processes in co-operative interactions (Luo, 2007; Gnyawali and Park, 2011; Dahl, 2014) and tensions in interaction (Fang et al., 2011; Fernandez et al., 2014; Tidström, 2014). The theoretical motivation of this study is to further contribute to this bank of knowledge by taking a practice based view of co-opetition. More specifically, we suggest that using a practice based perspective can further our understanding of how an entrepreneurial firm can capture and create value through co-operative relationships and networks.

Although current literature has witnessed a surge of interest in co-opetition, existing research on co-opetition has predominantly focused on large firms (Bengtsson and Johansson, 2014; Tidström, 2014). Recent cooperative contributions in a smaller firm context (Bengtsson and Johansson, 2014; Gnyawali and Park, 2009) focus on high tech industries with specific contextual challenges acting as drivers for co-opetition; high research and development costs, short product life cycles and technological convergence. We depart from these studies and our secondary contribution to the current literature is in examining co-opetition through a micro firm or entrepreneurial lens. Exploring co-opetitive practice in an entrepreneurial context is interesting as, driven by the liability of newness and smallness (Stinchcombe, 1965; Baum et al., 2000), inter-firm and network collaboration is noted in the entrepreneurship and IMP literature as a means to access resources outside the immediate boundary of the nascent firm. Yet, the entrepreneurial unwillingness to cooperate and their independence-seeking mentality is also well documented (DeCarlo and Lyons, 1979; Birley and Westhead, 1994) leading to more competitive tendencies.

The micro-brewery sector in the USA provides an interesting context for this type of research. Comprising mainly new entrepreneurial ventures, the industry is dominated by large macro-brand competitors with low entry barriers at the micro-firm level. Given the relative newness of the craft beer movement, the entrepreneurs may participate in collective actions to achieve common goals and interests (Bengtsson and Kock, 2000; Tsai, 2002) such as gaining awareness for the craft beer sector. Yet, the rise of micro-brands entering the market, may lead to more competitive based interactions when dealing with customer relationships. The three tier system in place since the prohibition era adds a further complexity to analysing co-opetition in practice as it places a clear divide between activities ensuing at the customer, distributor and producer levels. To this end, a further contribution of this study is in taking a multi-level perspective on co-opetition in practice, albeit from a focal firm perspective. Our analysis is guided by the three layers of practice put forward by Whittington (2006), practitioners, practice and praxis. This responds to a call for more co-opetitive research to be conducted through a multi-level analysis (Bengtsson and Kock, 2014) and will be the first, to our knowledge, in an entrepreneurial context.

Our paper is set out as follows. We will firstly introduce our core concepts, co-opetition and practice, and detail how they relate to each other. The rationale for the entrepreneurial firm's engagement in co-operative relationships is presented as it relates to practice. To analyse co-opetition practices, and gain a holistic view of the concept in an entrepreneurial context, we use the three levels of practice suggested by Whittington (2006) as an analytical tool. These levels represent the boundary of the study and a classification scheme for the co-opetitive practices that emerged from the research. The research design of the study, the empirical context of the micro-brewery sector in Georgia, USA, and our choice of methods are presented. Findings and discussion are presented based primarily on in-depth semi-structured interviews with 17 micro brewing entrepreneurs and small businesses, the entire population of such businesses in Georgia, USA. In addition to the primary data, web sites and newspaper reports on each firm were analysed, and government policy and industry reports were used to understand the wider context of the industry and to temper the potential bias of relying on the focal firms' perspectives. Covering the entire industry in Georgia facilitated an analysis of the whole picture of co-opetition practices, albeit from the focal firms' perspective.

CO-OPETITION, PRACTICE AND ENTREPRENEURSHIP

Co-opetition has been defined in a myriad of ways at various levels of interaction. For example, Bengtsson and Kock (2000; 2003) initially defined co-opetition narrowly as a dyadic relationship implicitly assuming that competition occurs in downstream (or output) activities and cooperation in upstream (or input) activities. Competitors, as part of the dyad are described as "actors that produce and market the same products" (Bengtsson and Kock, 2000: 415). More recently, they use a wider lens when describing co-opetition including "relationships between two or more actors, regardless of whether they are in horizontal or vertical relationships, simultaneously involved in cooperative and competitive interactions" (Bengtsson and Kock, 2014: 180). When Brandenburger and Nalebuff (1996) describe co-opetition, they use a very broad, network driven definition of competition in a value net context comprising a firm's suppliers, customers, competitors, and complementors. This seminal view of co-opetition has a clear goal, "to create a bigger business pie, while competing to divide it up" (Luo, 2004: 9). Irrespective of the level at which co-opetition is defined, a common thread across studies is that while cooperation and competition are by definition polar opposites and driven by opposing forces, co-opetition moves beyond the dichotomy of cooperation and competition as "either or" choices (Bengtsson et al., 2010), and is found to be essential for firm survival, growth and success (Bengtsson et al. 2014; Fernandez et al., 2014). This is in keeping with the practice approach which focuses on actions and interactions, their motives, norms, routines and outcomes in lieu of reflecting upon what vocabulary is used to make sense of the emerging process (Johannisson, 2011).

Co-opetition is amenable to practice as seminal practice theorists also share a common drive to transcend social dualisms, for Giddens (1984) the traditional dualism between 'agency' and 'structure' and for Bourdieu (1986), 'subjective' and 'objective'. These nuances in practice based research can help us to understand co-opetition in practice in the entrepreneurial context. For example, Giddens (1984) argues that individuals create structure through action, and are simultaneously restricted in their actions by that structure. In a co-opetition context, norms and structures for co-opetition are formed through recurrent actions and interactions with competitors, suppliers, distributors, and customers with relational structures contingent upon experiences in cooperating and competing in interaction (Dahl, 2014). That is, information and resource sharing within the value chain could create positive co-opetition experiences through providing the entrepreneur with access to timely information and keeping them up to date with relevant issues and referrals to other actors in the network (Burt, 1992; Hoang and Antoncic,

2003). Similarly, co-opetitive relationship may provide a route-way to reap market information, general business advice and product and service development (Ostgaard and Birley, 1996; Ritala et al., 2014) creating norms and structures for interaction. Enacted structures therefore constitute and inform future and ongoing actions which recursively reproduce each other, as entrepreneurs will continue interacting in the same way where resource and information exchange has positively taken place. As suggested by Giddens, this may restrict future activities which was the case with the Swedish Brewers Association whereby Bengtsson and Kock (2000) found that competitors compete in the distribution of beer to wholesalers but cooperate in bottle returns, though the distance and the means of transport are the same. Bengtsson and Kock (2000; 2003) noted, in terms of co-opetition structure, that competition is most likely to occur in activities closest to the customer including distribution, services, and marketing with collaboration and cooperation in upstream actions such as are research and development, buying, and the processing of raw materials.

For Bourdieu (1986) practice, habitus, and field produce and reproduce one another, which can be used to explain entrepreneurial practice in a co-opetitive, networked world. In this way, the social field can be viewed as the environment which hosts the co-opetition relationships and networks to which firms are and could be connected. Taking a wider lens on co-opetition for this research, actors in the social field comprises horizontal connections with competitors that create and market the same product, either at a micro-firm level or larger macro competitors in the marketplace. Vertical, supply chain relationships residing in the field include co-opetitive relationships with suppliers and distributors or producers of complementary products. Interactions with government are also part of the social field and can be deemed co-opetitive in the sense that competing firms may cooperate with each other as a result of, or in response to the moves of government (Rusko, 2011). This aspect of the social field is prominent in studies focusing on industry sectors such as Rusko (2011) who analysed co-opetition in the forestry sector in Finland, Mariani (2007) who used the case of Italian opera houses, and Luo (2004) the telecommunications sector in China. Brandenburger and Nalebuff (1996: 33), in their seminal study, recognise that “the government has the power to make laws and regulations that govern transactions among other players” and hence a network of competitors can take the form of industry associations and lobby groups which can enable action at a group level.

Entrepreneurial co-opetition practices are determined by their habitus, that is, their everyday habitual practices in the context of their environment. In addition to interactions for buying, selling and other resource exchanges, firms increasingly habitually collaborate with their competitors to gain benefits that they could not achieve alone. For example, Sony and Samsung established a relationship to develop LCD panels for flat screen TV (Gnyawali and Park, 2011) sharing risks and costs and speeding up the innovation process. Amazon builds relationships with competitors in a bid to create a larger market, to give the customer more choice and share distribution and marketing channels with their competitors (Ritala et al., 2014). Yet they compete in the division of the larger market pie. Entrepreneurs may also collaborate to jointly solving problems as they arise (McEvily and Marcus, 2005) through habitual interactions within the value chain and through horizontal relationships. This may be driven by their lack of internal resources, including human resources, and their need to reach out to their relational connections to acquire the capability to solve problems. Hence, habitus is embodied in individuals through norms in interaction in co-opetitive relationships, and as a result informs their further actions and practices.

The practice approach is about getting things done and the distinct link between thought and action fits comfortably with our understanding of entrepreneurship as associated with

spontaneity and immediacy (Johannisson, 2011). Recognising that entrepreneurial firms are increasingly dependent on external resources and capabilities as they pursue their goals, extant research has considered relationships and networks as strategically significant for entrepreneurial survival, growth and success (Håkansson and Snehota, 1989; Jarillo, 1989; Brass et al., 2004; Lechner & Dowling, 2003). The ability to access external resources and pursue competitive advantage is considered to be “the essence of entrepreneurship” and the distinguishing factor between fast- and slow-growth firms (Jarillo, 1989). Benefits stemming from participation in entrepreneurial relationships networks to overcome the liabilities associated with newness and smallness have been widely documented and include: collaborative innovation (Walter et al., 2006); access to an array of critical external ideas, resources and opportunities (Hite, 2005; Ramos-Rodríguez et. al, 2010); marketing information and referrals (Lechner et al., 2006; Jack 2010). Similarly, resource and competence acquisition, access to market knowledge and enhanced reputation have been noted as motives driving participation in inter-competitor or co-opetitive relationships (Bengtsson and Kock, 2000). For Ritala et al. (2014), in their analysis of the Amazon business model, co-opetition facilitated the reduction of both risk and costs, the sharing of distribution channels, co-marketing, and collaborative innovation.

Network practice is embedded in, and seasoned with the entrepreneur, who acts as the principal agent of the business. To this end, an analysis of co-operative tensions at the focal firm level, as is the case in this research, must consider the characteristics of the entrepreneur because, as leaders of their enterprises, their role is critical in building external co-opetitive relations. Growth is an entrepreneurial fundamental (Gartner, 1990) and the ability to cooperate in relationships and networks is increasingly being noted as important for entrepreneurial firm growth (Jarillo, 1989; Lechner and Dowling 2003). Nascent ventures need to identify and access resources that are crucial for survival and growth (Smith and Lohrke, 2008), and the entrepreneur, who represents the focal point of the firm, can use networks as a trajectory to bring opportunities and resources into the firm (Hite, 2005).

However, entrepreneurs often set up their enterprises to gain greater autonomy in decision making and face fewer organisational constraints (Lee and Tsang, 2001). An independent mind-set and a desire to be their own manager and make their own decisions (Birley and Westhead, 1994) may lead to a more competitive orientated entrepreneur leading to an individual level co-opetition tension between growth and independence. Sorenson et al. (2008), in their analysis of female business owners, drew on the concept of ‘concern’ from the conflict management and negotiation literatures to address the duality of collaborative and competitive approaches to relationship building and problem solving. They found that should an entrepreneur have a high concern for the self or for the success of their business, they will be motivated by, and associated with, competition. Conversely, a predominant concern for others or for relationships or networks potentially comprising customers, family members, community members, and, inside the organisation with employees, is positively associated with the cooperative approaches emphasising collaboration and compromise. As noted, role tension between cooperation and competition has been analysed at an individual firm and inter-unit level in co-opetition studies (Bengtsson and Kock, 2000; Rusko, 2014; Fernandez et al., 2014). However, in an entrepreneurial context, the entrepreneur, as agent of the firm, needs to play a dual role making the separation of cooperation and competitive actions impossible. The methodology used in the study to meet our objectives is detailed in the next section.

METHOD

Study Design and Data Collection

The research objective of this paper is to examine how micro or entrepreneurial firms use cooperation and competition simultaneously in practice. The methodology adopted to fulfil this objective is that of an inductive case study approach. This approach was selected for three reasons. Firstly, an inductive research design was deemed appropriate given the wide scope of the research aim and the lack of prior studies in the area. Secondly, qualitative case study methods are appropriate for exploring relationships with multiple actors residing in the value chain (Lechner and Dowling, 2003; Bengtsson and Johansson, 2014) and are useful to gain a deep understanding of the context of the entrepreneurs' experience and co-operative practice of different relationships in the brewery industry. We argue that qualitative methods are required to reveal co-opetition practices as they are hidden in interaction processes between the entrepreneurs and other actors residing in their network. This is in keeping with recent entrepreneurship literature which supports the need for qualitative studies to be conducted to understand the complex and context dependent nature of relationships and networks (Chen and Tan, 2009; Hanna and Walsh, 2008; Jack, 2010; Bengtsson and Johansson, 2014). Thirdly, case-study methodology has the unique strength of being able to deal with a full variety of evidence, including but not limited to, documents, artefacts, interviews, and observations (Yin, 2003). Hence, the researchers visited all the entrepreneurs at their premises and viewed their operations. This part of the visit and the informal conversation during the process acted as part of the researchers' observations of the context which was subsequently used in interpreting the interview data. Rich information was also gathered about the history and background of the firm from non-entrepreneurial sources (Denzin, 1979) including marketing materials, information available on websites and social media, published information, newspaper articles and policy documents. This diversity of sources facilitated the validity of the emerging findings through triangulation (Yin, 2003).

Data for this study was collected over a four month research period from May 2013-August 2013. Semi-structured interviews were conducted with the 17 micro-brewery owners and each participant was interviewed for approximately 2 hours. All interviews were conducted with the entrepreneur themselves as they were the actors who could make immediate decisions within the company and were fully responsible for the firm's relational and network activity. Almost 40 hours of interview recordings were transcribed verbatim immediately following the interviews. The authors outlined a series of issues to be explored with each participant prior to interviewing (Patton, 1990) to ensure that no issue pertinent to co-opetition in practice remained under explored. Participants were initially invited to speak about their story, how they became interested in beer production and their knowledge and prior experience of the brewing industry. Background company and personal information such as the age of the business, brew size, general education and in brewing were gleaned early in the interview process and can be seen in Table 1. Individual growth ambitions and plans for developing same were discussed. We explored the entrepreneurial cooperative and competitive interactions with competitors, retailers, consumers, suppliers, distributors, government and, where relevant, complementary firms. In doing so, we focused on relational content, how they initially formed the relationship, frequency in interaction, the extent to which interaction were transactional or relational and their preferences in terms of same. We discussed resource, information and where applicable knowledge exchange in interaction. Where the entrepreneur described problems that they had encountered, we probed further to find out how they had been handled and with whom. The entrepreneurs were asked how the overall market was structured, particularly from a distributor perspective given the three tier system in place. This helped us to understand industry dynamics and structure, entry barriers, how they viewed the competition and changes in the industry since they had set-up operations. We concentrated on co-operative

activities at a joint level between the micro-brewery in terms of festivals and lobbying in addition to community involvement as craft brewers tend to be very involved in their communities through philanthropy, product donations, volunteerism and sponsorship of events.

Sample and Industry Background

The context for this study is the microbrewery sector in Georgia, USA, defined by the US Brewers' Association as breweries with production of less than six million barrels per year. The brewery industry in the US is dominated by large, multinational players who have a strong national and international foothold in the market, with the three largest players responsible for 76.8% of production (Euromonitor Report, 2014). However, craft breweries are gaining momentum with 1017 new micro-breweries opening their doors between 2012 and 2014, representing an increase of just over 50% of the total number of micro-breweries in the USA (Euromonitor Report, 2014). According to the Brewers Association, craft beers in the US are typically regionally distributed in the area surrounding their brewery yet, despite their rapid increase in number, still hold only 6% of the overall market share. As a growing industry dominated by larger players, the authors felt that the sector represented a good context for analysing co-opetition in practice. Given that the hallmark of craft beer and craft brewers is innovation, they have the strongest potential for growth in the US. This view of the sector fits with the seminal view of co-opetition, to cooperate to create a bigger business pie, while competing to divide it up (Brandenburger and Nalebuff, 1996). Participation in collective actions to achieve common goals and interests (Bengtsson and Kock, 2000; Tsai, 2002) is important for co-opetition, and the entrepreneurial brewers may collaborate to increase their overall share of the beer market through increased awareness of the micro brand sector. Essentially they may use networks of co-opetitive relationships to "make thee pie bigger rather than fighting with competitors over a fixed pie" (Brandenburger and Nalebuff, 1996: 13) which is facilitated by a surge in consumer interest in the diverse offerings and in-depth flavours from local and regional breweries.

An overview of each entrepreneur and his business is outlined in Table 1. Although Georgia is ranked as the 46th State in the USA for micro-beer production, the sector is growing rapidly, with 10 microbreweries being established since 2011 (see Table 1). Seventeen micro-brewery entrepreneurs, comprising the whole network of micro-breweries in Georgia participated in this study, comprising two entrepreneurs who contract production, five brewpubs and ten micro-breweries. As can be seen in Table 1, the participant firms greatly varied in their output but remained considerably lower than the defining cut off point of six million barrels per year. Entrepreneurship is often defined in terms of the characteristics of the decision maker within the firm, in particular their personality traits and sociocultural traits (Greve and Salaff, 2003; McClelland, 1987). Although seven of the participant firms have been established for more than three years (see Table 1), based on their core characteristics such as risk taking (McClelland, 1987; Palmer, 1971; Timmons, 1978), being innovative and creative (Drucker, 1986; Gibb, 1987), and adaptive to change (Drucker, 1986; Naman and Slevin, 1993), the sample can be classified as entrepreneurial. Each micro-brewery is still managed by the entrepreneur who stem from diverse and interesting backgrounds highlighting the creative, scientific and business sides to the business. For the vast majority of the participants, the business stemmed from an initial home-brewing hobby with each entrepreneur progressing their hobby to a business via a formal brewing education. For six, the brewing business was not their first, although only participant was involved in their second beer related business. Three of the firms are currently selling out-of-state with only one business exporting their beer from the US.

Firm	Age	Employees (E)/Partners (P)	Education	Year of set-up	Raison D'Être	Export/out of State	Experience	1 st Business	Brew (in Barrels)	Type of business
A	50	2P, 150E	Master of Literature	2001	Hobby	No	2 nd beer business	No	800	Brew pub
B	30	2P0E	Genetics and Chemistry	2013	Hobby	No	None	Yes	520	Brewery
C	50	2.5P	News Cameraman	2011	Hobby	No	None	Yes	3000	Brewery
D	43	2P	Engineer	2011	Hobby	No	None	Yes	750	Contract
E	40	2P, 3E	Marketing and Music	2008	Hobby	No	None	Yes	1200	Brewery
F	53	3P 56E	Degree in Music Production and engineering	1998	Hobby	No	Yes	Yes	800	Brew pub
G	30	3P7.5E	Marketing	2011	Hobby	No	None	Yes	4000	Brewery
H	57	2P 37E	Business Management and Accounting	1999	Hobby	No	None	Yes	1300	Brew pub
I	52	2P43E	Sales	2011	Hobby	Yes	None	Yes	5000	Brewery
J	28	1P	Business	2012	Work	No	Yes	Yes	2000	Brewery
K	40	2P	Trade School	2012	Hobby	No	None	Yes	1500	Brewery
L	48	2P 56E	Insurance	2002	Hobby	Yes	Yes	Yes	35000	Brewery
M	52	1P 3E	Marketing	2013	Hobby	No	No	No	2600	Brewery
N	46	3P 32E	Restaurant, teacher	2006	Hobby	No	No	Yes	800	Brew pub
O	36	2P	Marketing	2010	Business	No	Yes	No	1500	Contract
P	41	3P	Engineering	2011	Hobby	No	Yes	No	800	Brewpub
Q	62	9P 17E	Nuclear Scientist	1993/2006	Business	Yes	No	No	13000	Brewery

Table 1 Summary Description of Participating Entrepreneurs

Data Analysis

In studying the co-opetitive practices, a focal firm perspective was taken with the unit of analysis being the individual actor (entrepreneur) and their interactions in vertical and horizontal relationships within the focal net. In the IMP approach, the focal firm is connected to the focal net consisting of those actors that the entrepreneur perceives as relevant and can include customers, competitors, suppliers, distributors, funding agencies, research institutions etc. which can be useful to bound the case (Håkansson and Johanson, 1993; Möller and Halinen, 1999; Chou and Zolkiewski, 2012). Hence, the focal net concept includes more than the immediate partners of the company, it also comprises the indirect relations that the company identifies as important for its business. Covering the entire industry facilitated an analysis of the whole picture of co-opetition in practice, albeit from the focal firms' perspective.

Given that our contribution to the co-opetition rests in its application in practice, the authors used Whittington's (2006) three layers of strategy-as-practice framework as a classification tool; practitioners, practice and praxis. For Whittington (2006), practitioners are the actors, the strategists who perform activities in practice. Practices' refer to shared routines of behaviour, including traditions, norms and procedures for thinking, acting and using 'things'. 'Praxis', the final layer, refers to actual activity, what people do in practice (Whittington, 2006). The core themes which emerged through the analysis are depicted in Table 2. In terms of co-opetition practitioners or the entrepreneur are critical for action and interaction within relationships and networks (praxis) and they may rely on habitual norms and routines (practices) embedded in prior experience for that action (praxis). The data analysis relied on searching for patterns from observations, interviews and secondary data through constant comparison (Strauss and Corbin, 1990) to stimulate meaning from the data in relation to the entrepreneurs' co-opetition practices. The analysis was an inductive, iterative back and forth process between the data to generate consistent themes and patterns across the informants. Once a core themes emerged from the analysis, we classified it using the framework and

labelled it as either a cooperation or competition theme as listed in Table 2. For example at the practitioner level, a desire for growth and a wider view of the competition comprising macro and out-of-state micro brands seemed to lead to more cooperative practices whereas an independent mind-set was more in tune with acting in a competitive manner. Positive past experiences in interaction and opportunity generation reinforced cooperation whereas negative experiences lead to competition in future interactions. Hence, a change in the practitioner mind-set can lead to a change in norms which will alter praxis. Cooperative norms in practice varied from routine reordering with the same suppliers to horizontal and vertical information and resource sharing, and a sense of community whereby the micro-brewers regularly helped each other out. However, they were more competitive when pricing suppliers and where they felt the actions were transaction based, in addition to have a more competitive outlook dealing with distributors. In joint activities (praxis), the entrepreneurs cooperated and as can be seen in Table 2, no significant competition was present. This was particularly evident in organising festivals in addition to lobbying and dealing with issues collaboratively at a state and national level.

	Cooperation	Competition
Practitioners	Desire for growth Wider view of the competition Opportunities through cooperation Business as a craft	Independence – Fear of investor input
Practices	Norms in interactions with suppliers and retailers Information and resource sharing Helping each other out	Suppliers as transactions Norms in interactions with retailers Norms in interactions with distributors
Praxis	Festivals Lobbying - Brewers Associations (State and National) Ties with local community Collaborative products	

Table 2 Key Themes classified using Whittington’s strategy-as-practice framework

FINDINGS

Table 2 presents the Whittington (2006) framework and the three levels of strategy-as-practice, practitioners, practices and praxis, which we used to categorise the themes that facilitate our understanding of co-opetition in practice for the entrepreneurial firm. At a glance, it is clear that the entrepreneurs are more cooperative in their interactions in practice, with less themes emerging in relation to competitive practices. This is particularly evident in praxis, where, in relation to interactions with other micro-brewers, they seem to come together to achieve more as a collective than any one actor could achieve alone. The practitioner level is important as it indicates the actors’ mind-set and preferences in terms of co-operative practices. The entrepreneurs valued independence yet understood the value of becoming further embedded in their networks. This clearly had an effect on their norms in interaction processes within the value chain and with other micro-breweries. Research suggests that vertical interactions are more readily analysed as they are typically visible and built on the dyadic buying and selling distribution of activities and resources among actors in a supply chain. Horizontal relationships, on the other hand, are more informal and invisible, in that information and social exchanges are more common than economic exchange (Bengtsson and Kock, 2000). The most notable aspect of Table 1 from our analysis was that despite a diversity of ages, routes into the brewing business, education, years of operation, and size of business indicated by number of employees and units of production, their co-opetition practices were consistent across the group. Entrepreneurial firms appear to be more co-operative than competitive in their practices.

Additional participant quotations highlighting co-opetition and cooperation as they relate to practice can be seen in Table 3.

Practitioners

At the practitioner level, it was clear that all of the entrepreneurs in our sample were driven to grow their enterprises: *“The aim is to grow bigger and bigger. There is huge potential for growth in this brewery”* (ENT M). For some, this motivation to expand their enterprise was an attempt to give up their day jobs: *“We would love to give up our day jobs. That is our first priority”* (ENT K) whereas for others it was fun: *“We don’t have an end goal but growing is fun. Business is a game almost, and I am starting to enjoy it. It is not a job; I have fun at what I am doing”* (ENT L). With the exception of two brewpubs, the breweries were not yet running at full capacity, and where they had reached it, they simply purchased more fermenting tanks. However, they liked their niche status and none of them desired growth to macro level status: *“I’d be happy with a mid-sized micro-brewery, making great beer rather than a giant brewery making ok beer”* (ENT C), showing fidelity to the craft and craft processes. In order to grow they recognised to cooperate with each other with the fundamental goal being to enhance awareness of the craft sector and increase their overall share of the market: *“We view each other as allies as we are trying to fight against the macro breweries that have over 90% of the market. More people being exposed to craft beer is the bigger goal”* (ENT O).

However, growth was a slow process due to a lack of internal resources for expansion and a desire to remain independent in their operations. Only six of the sample had investors and the other 11 stated that they would never have them. Of the six, two mainly comprised family investors. This was due to the fact that they needed time to develop and nurture their business and felt that investors may compete with them for immediate returns on their investment rather than allow for continued re-investment into the enterprise. Hence, there was a clear assumption that relationships with investors would be wriggled with competitive interactions and would go against the very reason why they set up their business in the first instance, to be their own boss, make all decisions, and avoid competition and struggles within the workplace: *“Right now I am the only person that I can get mad with and can get mad with me. It’s my money. It also gives me the chance to do what I want to do. You don’t have to dull your own product down for the masses”* (ENT C); *“We are not interested in getting an investor in to help us grow faster. An investor is a boss, one way or another. They will want to put their input in and I don’t want to hear it”* (ENT K). Opening the brewery encapsulated their ambitions and dreams and they feared, with investors, that they would lose the ability to act creatively through competitive struggles: *“If I was to be in battles with someone this business would cease to be a passion of mine”* (ENT E). For fifteen of the sample, the business commenced as a hobby and a passion for the brewing process and they feared losing their ability to act creatively: *“It was my dream to open a brew pub”* (ENT P); *“I fell in love with beer travelling through Europe”* (ENT A); *“Setting up was a passion. I decided to make my dream a reality”* (ENT M). For others there was a lack of trust when it came to bringing in investors: *“We are trying to keep it in the family”* (ENT D); *“My wife and I own it all. We have no other investors. The trust factor is great”* (ENT E).

Ironically the two participants that actively cooperated with investors viewing them as a means to gain outside skills as well as money benefited greatly in their day-to-day operations: *“I have brought in 8 friends – so 9 people own over 90% of the business. Everybody that I brought in I brought in because they could do something. They had skills that could advise us”* (ENT Q); *“The investors are useful beyond their investment. Some of them are good at marketing, some for general business stuff etc.”* (ENT I). Others were clearly not looking for

expertise, just money: “*We select them based on their willingness to write cheques*” (ENT O) exhibiting self-reliance as they felt that they had all the experience and expertise that they needed in house.

As can be seen in Table 3, the participants’ view of their competitors almost mirrored the definition of co-competition, albeit more weighted in favour of cooperation. They noted that defining the competition was something that they regularly struggled with as: “*We want to be friendly and compete*” (ENT A). For the majority of participants competitors were described as “*breweries that are coming in from other States*” (ENT C; B) or the macro brewers, “*the big guys*” (ENT Q). As a growing industry in Georgia, they felt that there is “*room for everybody*” (ENT D) and cooperated regularly at a social level. Collegiality and camaraderie of the brewers in the area was emphasised and they regularly met socially for drinks at each other’s premises recognising that they were similar in their outlook and had a lot in common, in terms of being “*somewhat arty, creative, and also having an interest in the science, the chemistry and the other rigid elements to the business*” (ENT E); “*We all get along*” (ENT N). However, they noted that: “*If somebody is in a bar and looking for something craft and local we are competing for that space. They are also friends and neighbours. We are friends at one level and competitors at another, exactly. In the end I want to win. When I say win I think we can all win*” (ENT P).

Attaining retail space was characterised as a highly competitive activity, however the participants exhibited a strong preference for competing against the macro brands and cooperating with the micro-brand to gain more retail space for the craft sector; “*We would really like to take some market share from the macro brands*” (ENT D); “*I would rather take out Budweiser*” (ENT O). However, they recognised that “*it is a dog eat dog world*” (ENT K) and naturally, to enhance their businesses at a practitioner level, they were willing to take each other’s beer out to stay afloat. Hence, they cooperated in that they did not actively target each other as would be the norm taking the seminal view of competition, rather they noted that: “*If it came down to it I would take a tap from anybody but I usually prefer to get rid of a larger company*” (ENT B); “*We are not going to target other Georgia craft beers but if they take our neighbours beer out for us that is fine*” (ENT D). The rationale was “*hey, ye are big boys. We need to sell product too*” (ENT H).

Practices

Cooperative norms characterised interactions with suppliers. The participants cooperated with suppliers to gain information noting that: “*Suppliers visit many other venues so they are useful for information. The more information the better*” (ENT P). Cooperation was also habitually practiced to ensure consistency of the product to “*keep the recipes in check*” (ENT B) and, given their relative newness, to attain a line of credit. Some raw material were in short supply, for example it was noted amongst all participants that: “*The hop shortage is brutal*” (ENT A) and in such cases, cooperation was important to ensure adequate supply. However, at times, more competitive norms were in place whereby interactions with suppliers were considered mere transactions: “*I am pretty price orientated. I would switch at no cost whatsoever for a cheaper price as long as the quality is still there. I’m not sold on relationships with suppliers. When it comes down to it we are still a business and need to survive*” (ENT J). Hence, co-competitive relationships dominated governed by “*a combination of relationships and price sensitivity*” (ENT O).

With customers, as expected, the participants strived to build as much cooperation as possible in interactions which posed difficult at times due to the prohibition of direct selling

imposed by the three tier system. They noted that the meet customers when then can or when they have time as they like the retailer to know the face behind the brand. They also invite loyal customers to their premises to taste their beer and hear their story, but felt that *“it is hard to get them here”* (ENT B; E). Training the bar staff and manager in craft produce was deemed important, however staff turnover and a lack of interest were cited as problems in this regard. Where there was an interest in craft beer, they noted that it made a massive difference to sales: *“anytime you get the retailer plugged in, dedicated or related somehow to your product it will make the difference. It is absolutely worth our while visiting them”* (ENT E).

Norms of cooperation governed relationships with other micro-breweries. Information sharing was prevalent in the sector with the participants highlighting the willingness of other breweries to share information when they were starting their businesses. This was particularly the case from the longer established brewers who noted: *“The more local breweries there are the more local beer drinkers there are. This would accelerate the craft beer movement in the South. We give them confirmation, we answer their questions, and we train people here knowing they will leave us or set up their own brewery”* (ENT Q). Information shared was wide and varied and included how to work with distributors and retailers, information pertinent to suppliers of materials and equipment in addition to flagging *“people to stay away from which is more important”* (ENT D). Other information for the newer brewers related to *“how many kegs we needed, what size kegs, the breakdown, initial financials, ingredients – costs and suppliers”* (Ent G). Advice given and received was not planned and less prevalent in relation to the brewing process and the beer and more in relational to peripheral issues. The participants noted that they were *“quite open to helping with all sorts of problems”* (ENT L) however, they would naturally be *“more guarded in giving information to a new brewery if they were going to set it up in the field over there”* (ENT G). Time to give advice to new breweries was an issues and some noted that they are *“not in the business of training”* (ENT E). However, a cooperative sense of community prevailed whereby they borrowed supplies from each other in times of shortage, including hops, malt and liquid yeast. For others, help was received in *“cleaning our lines”* (ENT I) steam stack issues and problems with chillers (see, Table 3).

Competition was also revealed as the entrepreneurs kept an eye on each other’s social media sites to get ideas, discover where other were selling their beers, when are where they are running promotions. Additional information about each other that was deemed important was how many followers they have on Twitter and Facebook and, where visible, their prices. For the most part they were also quite guarded in relation to their recipes *“I don’t pass them around. I keep them close to my chest”* (ENT B; G). Others noted that *“recipes are not super-secret like they would be for coca cola”* (ENT C) and they *“would tell people what is in our beer but we wouldn’t tell them the process that we go through in making it”* (ENT I). Some put their recipes on their websites feeling confident that nobody could replicate their ingredients, processes and techniques noting that *“you might get close and we are flattered but you will still come back because we do it better”* (ENT P).

Relations were poor with distributors due to their immense power as a result of the three tier and franchise industry structure. The three tier structure means that producers can sell their products only to wholesale distributors who then sell to retailers, and only retailers may sell to consumers. The franchise structure adds to this power as once the micro-brewery signs up to a wholesale distributor, they cannot break the relationship, essentially making it a *“marriage without the possibility of divorce”* (ENT A); *“It is funny, we are in the South and we are talking about the equivalent of slavery. It’s bizarre; once you sign you are stuck”* (ENT Q). Although

their goals are congruent, to sell more beer, in many cases the micro-brewers were struggling to compete with other lines that the distributor were carrying: *“We keep telling the distributor here that they play in the major league with the large macro brands and you don’t put a little league team on a field against a major team”* (ENT Q). Where cooperation was present, it was forced in order to get accounts with cooperation mainly with the individual sales person as opposed to the distributor company at large: *“The sales reps are the most important people within the distribution chain. The management are more difficult to deal with. It is the sales reps that we build a personal relationship with”* (ENT J).

Advantages reaped through using distributors were noted by all of the participants. The distributors already have accounts with retailers in place, they have a vast infrastructure for delivering products, they pose as a barrier to entry for out-of-state brands coming in, yet at times it slowed the process down: *“The growler store across the road sell our beer but our distributor has to collect it from here, bring it to their warehouse and then bring it back to them. It can take 2 weeks and it would take me a few minutes to walk it over the road”* (ENT N). This also cut into the margins of the micro-brewers *“When we started the distributor was looking for a 25% margin. Now they are looking for 27% - 30%. That squeezes us, if you ever notice it is the distributors that have the private jets, not the breweries. There is a reason for that”* (ENT L). The participants noted that they have to cooperate to keep the distributors sweet or they can put them out of business. To this end, some gave cash for new business, others incentives in terms of holidays, and others free beers and pizza at their premises. Each of the breweries tried to visit retailers independently while some went on sales visits with the distributor reps: *“We really work on our distributor relationship by helping them as much as we can, support them, travel with them. I was a sales person in the food industry, we might have 1,600 products but you will focus on the brands that support you”* (ENT D). However, the participants felt frustrated that they could not further develop relationships with retailers themselves or, at times, sell directly to them.

The power held by the distributor ensured that their selection was the most important decision that the micro-brewers would have to make in relation to their business. Some selected small distributors so that they were jointly dependent in order to survive: *“We know they will push our product as they have to survive. That’s one of the main reasons why we went with a small distributor. We don’t have to keep them sweet”* (ENT B). Others selected large firms due to the number of accounts that they already have and the potential to reach every retailer in the State. Distributor feedback was rare, and where present, was dependent on the personal relationship between the sales rep and the brewer: *“They will give us feedback from customers if they like us. For example, they may say - hey they are about to run out of Heineken and he doesn’t want to put Heineken back on there so there is a tap available and I want to give you first dibs at getting it, go in there and selling your product”* (ENT G).

Praxis

The cooperative practices between the micro-brewers led to many collaborative activities or praxis. For example, collaboration brews were commonplace whereby two breweries would join together to make a special beer. At times, all of the proceeds went to help finance the work of the brewer’s guild at a state level: *“We did it to benefit the guild, we all paired off”* (ENT O) whereas for other it was a regular activity to enhance their marketing: *“It was a great marketing opportunity. We would do it again”* (ENT H) as *“Our marketing budget is \$12 per month”* (ENT K). Collaborative innovation was also evident with complementary companies where they joined forces with other local companies to make a wide variety of

products including, pretzels, soap, ice-cream, bread, jelly and burgers. Such innovations represented a further revenue stream, however, the real benefit was in enhanced marketing via co-branding: “*It is more for marketing purposes than making money*” (ENT I).

The brewers cooperated to form a State level Brewers Guild in a bid to lobby government, both at a State and National level. Laws in relation to the production and distribution of beer were deemed fascinating, complex and out-of-date by the participants and they actively worked together to amend them where possible. Recent changes allowed brewpubs to increase their production 1,000 barrels to 10,000 with a requirement that half of production be consumed on site, and although the craft breweries paid less tax than their larger counterparts, they strived to lower it again. They noted that Georgia remained behind the rest of the country in the sector with 2012 being the first year that alcohol could be sold off trade on Sundays in addition to beer over 6% in volume. They were currently actively lobbying to allow for small amounts of their product to be sold on site, and appealed to the consumers to sign petitions. The distributors were fighting against this change which made it difficult for the brewers as, even as a collective, they could not compete with the generous donations provided by the large distributors to government (for quotations see Table 3).

The brewers also cooperated to engage with the local community, organising joint charity events and encouraging each other to support local suppliers. They highlighted that Georgia, as part of the Bible belt, limited them to a degree and some were required to attend various community meetings to talk to the local people before they could open a business that was alcohol related. Collaboration was also evident in the organisation of craft beer festivals to engage consumers and the local community. Festivals acted as a forum to discuss lobbying issues and enhance the overall awareness of the sector in the local community.

	Cooperation	Competition
PRACTITIONER	<p>Desire for growth “We are not happy with our size yet – we are hoping to double production next year” (ENT G). “I would like to grow to 30,000 per year but I will never stop” (ENT J). “Our intentions are to be an only Georgia brewery and not sell outside” (ENT E). “You have people looking to get to 15,000 barrels within 3 or 4 years – I’d love to do that but I know it is not easy” (ENT D). “Slow manageable growth as I wanted to make sure that I was confident in what I was doing. I would like to sell enough beer to make a decent living but I wouldn’t like the control to get out of hand” (ENTC).</p>	<p>Independence “We would rather pay for it ourselves and should be able to” (ENT B). “I decided to go small and self-finance. We wanted to make sure when we launched the expansion we were already well-versed and already had a customer base” (ENT C). “We can operate on a low production level and build slowly and organically. If you go out and get investors that want returns you have to grow much quicker” (ENT E). “I will never have another investor” (ENT F). “We have no investors” (ENT A; H; K). “We are not interested in getting an investor in to help us grow faster” (ENT K).</p>
	<p>Create a bigger Pie “More people being exposed to craft beer is the bigger goal” (ENT O). “As more people get into this business the pie is growing so I do not see the other local microbrewers as competitors. People are no longer brand loyal” (ENT A). “We would really like to take some market share from the macro brands” (ENT D). “I would rather see a customer buy another craft beer than Budweiser” (ENT E). “We tend to take business from larger breweries. We tell them we have a similar product but better and local” (ENT G). “Big Macro companies – We see other craft breweries as equals – we are all in it together” (ENT J). “We all have a common goal; there is plenty of room for everyone to make money here” (ENT P). “More collaborative – there are so few of us, and there is so much opportunity that we are working together to get market share” (ENT G).</p>	<p>Divide the pie “I would have no problem knocking out a local tap for our beer. I would rather take out Budweiser” (ENT O). “If it came down to it I would take a tap from anybody – I usually prefer to get rid of a larger company” (ENT B). “There is only a certain amount of dollars to be spent on craft beer so we are starting to see the rise of the competition now” (ENT C). “We would be happy to take a tap from any of the other Georgia craft beers” (ENT K). “If a pub was to take out another local beer for ours we would take it but we wouldn’t target them” (ENT E).</p>
	<p>Defining the other micro-brewers “We are competitors in a way but we are a close knit group all the same. We believe that rising waters raise all ships so we help each other” (ENT F). “We are friendly competitors” (ENT H). “If somebody is in a bar and looking for something craft and local we are competing for that space. We are also friends and neighbours” (ENT P). “There is competition but also a lot of camaraderie in the business” (ENT E).</p>	

	<p>Suppliers “We use the same suppliers all the time” (ENT Q). “We have no credit with suppliers as we are new. We might get some in the future if we stick with them” (ENT B). “We pretty much use the same ones. The relationship with suppliers is pretty important. If they know you they will work with you” (ENT H). “With all of our other suppliers once we find somebody that we like working with we generally stick with them” (ENT I). “We buy from the same people all of the time, we have never changed. We like them and they are local, so handy to get to but we are very price sensitive” (ENT K). “We are pretty loyal to those suppliers. Most of them tend to be friends – now. This is why I love this business” (ENT L).</p>	<p>Suppliers “We will always look and research and try to get the best deal” (ENT O). “I am loyal to my suppliers but if they screw me over there are other places that I can go to” (ENT C). “Our relationship with suppliers is just a transaction really, especially where we get our grain. Mostly because they are real big and also we are small” (ENT D). “Multiple sources, you can price them out – you can get very similar malts and hops from different suppliers” (ENT G). “I am pretty price orientated. I would switch at no cost whatsoever for a cheaper price as long as the quality is still there” (ENT J). “I look at freight price mainly with suppliers” (ENT M).</p>
	<p>Customers “We communicate with bars via e-mail and sometimes they prefer that. We do try and get restaurants to pair our beer with food but that is largely dependent on the relationship that we have with that retailer – but it absolutely makes a difference to our sales” (ENT E). “Training the bar staff is so important. We try to bring them all here rather than try to train them at their location” (ENT G). “We visit the customers ourselves. We have 3 sales people who at that visit pubs, restaurants etc. They work on it full time. They visit people to sell, to educate and to make sure that they are happy” (ENT I). “We have industry nights, the first Monday of every month – we open the brewery to any want staff or sales staff from any brewery or retailer and they can stand around and drink for free” (ENT Q).</p>	<p>Customers “Your distributor is your sole customer in the State” (ENT Q). “We haven’t invited any of them here. I’m sure they taste it when they are at work” (ENT H). “We try to talk to them and teach them about our beer but a lot of the time they simply don’t care” (ENT K).</p>
	<p>Other micro-breweries “We believe that far from having to worry about competition, the market is growing so fast that we don’t want it to fill up with outsiders” (ENT Q). “We have borrowed suppliers from others to finish a batch. It is a very neighbourly business. The industry is growing” (ENT P). “I have called the other breweries for advice. There is great cooperation between them” (ENT O). “The other breweries have helped up out with information. They were really easy to talk to when we were starting out” (ENT B). “I had to learn the ins and outs of working with distributors, bars, getting the product out and served in the best way possible. Some other breweries helped me with that, others did not” (ENT C). “In terms of making beer we haven’t needed any help. We started so small we could slowly learn ourselves. It is like buying a Harley Davidson motorbike and putting training wheels on it first. It may look stupid but when I take the wheels off I will know what I’m doing” (ENT C). “Yes, you get a lot of advice. The brewery industry co-operates pretty well – I’m not going to say everyone is cooperative and nice but for the large part they are” (ENT D). “Another brewer and I have swapped ingredients in the past. That is the benefit of the industry not being over competitive” (ENT E). “The other brewers did help us when we were starting out. Brewing questions, one guy helped us to get through our 1st batch. Another guy helped us to clean our lines, transporting beer etc.” (ENT I). “They will ask about suppliers, are they good or bad, who they should buy equipment from – or they may be having an issue with a particular type of beer; they may need help with a mix of ingredients. We are quite open to helping with all sorts of problems” (ENT L). “Other brewers were really useful but he used one brewer for Sweetwater for the most part. He acted as a consultant for the brewery although he still works for another brewery” (ENT M). “Our old brewer is in the process of setting up his own production brewery right now. Once he is up and running we will support him. We are not financially helping him out but once he is bottling or canning we will buy some” (ENT N). “We’re also glad to be a part of the larger beer-making community – getting to beer festivals, exchanging stories, ideas and encouragement with other people who are brewing is rewarding. I think for me one of the important parts of this whole process is that our beers are a locally made product by real people in a community, and this lends itself to healthy living. I’m glad we’re a part of the whole process” (ENT N). “We have to make sure that the local beer is better – we have a # on twitter – drink local. We are at the point now that if one of the brewers comes out with a really crappy beer it could turn off the craft beer drinker to all local beer” (ENT C).</p>	<p>Distributors “He owns us for the whole State so there is nothing we can do. I have to work with the distributor’s sales person. We get on with the individual sales people but they hate their distributor too. Our distributor is worse than most as they do not pay mileage for the sales people to use their cars so they are running all around and not getting paid” (ENT Q). “They are powerful. There is nothing you can do. I would say they were evil. That’s what happens when you have a franchise state!” (ENT A). “We are learning the distribution system here still. It might be easier to export than distribute elsewhere” (ENT B). “Those guys have the entire infrastructure. They have the network, the connections, the sales people but it adds another layer of overheads for us” (ENT D). “They can put massive pressure on breweries. You have to really watch your sales to make sure the distributors are doing a good job. Otherwise you have no idea. The distributor sells so much stuff you are just one beer in their portfolio. They have 4,000 items. That’s why we independently visit the pubs and restaurants” (ENT K). “The system is really not set up to help the little guy. 90-95% of our beer is sold in house” (ENT N). “Our rep likes to come in here and have a beer on his own time as he knows that we have good beer but we don’t buy them a meal; that is not our style. Our thought is they don’t give us a discount so we don’t give them one” (ENT N). “The distributors have all of the power. They can dictate ultimately what gets distributed and they get paid in cash” (ENT P). “The three-tier system needs to be looser. North Carolina’s beer scene has grown because if a brewery is under a certain amount of output, they can self-distribute” (ENT C). “The distributors are powerful as they give so much money to state politicians in the form of donations. That is legal and documented. As small businesses we don’t have the resources to write cheques like that” (ENT A). “We share that responsibility with our distributor. More of it should fall on them but they expect us to pull most of the weight” (ENT B). “The distributors hold all the cards. We are trying to get to some common ground with them. They are not the bad guys – they are not all big evil corporations. They want to sell beer, as we do too. But big brands sell more. We are a small fish in a big pond” (ENT F). “I agreed with whatever he had to say as they single handily control virtually everything that I do. It’s a marriage – you cannot get divorced – it’s terrible” (ENT J). “We give him cash to thank him when he opens accounts for us” (ENT K).</p>

	Cooperation	
PRAXIS	Lobbying	<p>“We are lobbying to allow growler sales at brewpubs like ours and are asking end customers to sign our petition online” (ENT A). “It just allows for some minor exceptions. 3.14 would allow us to sell growlers. The community benefits, we are a neighbourhood restaurant. Selling growlers are good for the environment” (ENT P). “The age limit of 21 is tough as well. You can be drafted at 18” (ENT B). “There is a tasting ordinance that is being proposed and we are trying to work together to try to get it passed so that people can take an educational tour here and taste the product. We are working on that with other breweries coming which will lessen the legal fees for us all. Also it is in all of our best interests to have this passed as it is a big part of the breweries to be able to do tours” (ENT D). “Encouragement of Georgia’s nascent Craft Beer industry is a vote in support of our tourism industry and for economic development” (ENT F). “I am looking forward to the day when brewpubs and breweries can sell their own product for off premise consumption and growlers may play a role in that” (ENT O).</p>
	Festivals	<p>“At festivals we are all targeting the craft drinker and trying to convert the macro drinker” (ENT O). “The festivals are useful. You get to be part of the community, talk to people, and meet them” (ENT E). “At festivals we chat and learn from each other. We go to the most recognised festivals. It is also a good opportunity to try everyone else and new beers because we don’t often get a chance to get out and do that” (ENT G). “There is a local beer festival in October and all the breweries will hang out here and we will do tours. Usually before the festival there is a Georgia Guild meeting. We do talk about the industry but usually it is more about seeing the people, friends that you haven’t seen in a while. We have a few beers and get ready for the festival, it is quite casual” (ENT N).</p>
	Collaboration Beers	<p>“We did collaboration at his pub and since then we have been friends. Collaborations are really done for friendship and promotion purposes” (ENT F). “We have done many collaboration beers” (ENT M). “When you do a collaboration with a retailer you can both sell it. If you do it with another brewery you are still relying on a retailer to buy the beer. We make our money selling beer here, not through a retailer. Collaborations are more about marketing than making money” (ENT P). “We have all paired off to make collaboration beers to benefit the guild” (ENT O). “We also have collaborations with local home brewers” (ENT C). “We usually go a couple of collaborations per year. It’s fun for both parties and we get to have their name on our menu” (ENT N).</p>
	Complementary Innovation	<p>“We are good friends with a butcher shop and we have been talking about doing a barrel aged bacon beer with them” (ENT N). “We would love to do some products with other companies” (ENT K). “We only make beer here but there are a couple of craft ice-cream places in town that use our beer. We also do beer dinners from time to time. A couple of chefs use our beer in their kitchens. It is more for marketing purposes than making money” (ENT I). “We have pickled sauce that we do with another company. The more food collaboration the better. Both labels are on the food products so it is a great marketing tool. It’s annoying with inventory etc. but easier distribution and anything that gets your name out there in the marketplace is good. They look after the distribution. We tell them where we want it. We want to keep it upmarket, crafty etc.” (ENT H). “One of the beauties of beer is the spices that are in it, you don’t have to worry about people getting sick unless they drink too much. So we don’t concern ourselves with lawsuits. When you start talking about foods you open yourself up to the practices of that supplier. If my name is on it and someone gets sick now I’ve opened myself up to potential problems” (ENT E). “We are talking to a local soap company – beer soap. They would use our spent grain. They are right behind us. It would be a good marketing tool. Our brand would be on it (duel brand) and we would carry it in our tasting room. It would be another saleable product. We are also talking to a local bakery. They have taken a lot of our spent grain. They are working on recipes right now. We are trying to stick to the local shops – craft, artisan shops. We can sell them to the local market” (ENT B). “Yes, a sausage, in the future we want to do beer collaborations less with the breweries and more with the chefs around Atlanta. We do beer dinners all the time. We come and talk the customers through each beer. We give them detailed tasting notes” (ENT O). “We have a collaboration with a local pretzel, sausage and baguette company” (ENT P).</p>
	Local Community	<p>“Customers want to support local first, the retailer customers. It is almost like the sustainability farms movement in the restaurants” (ENT Q). “We are trying to bridge the knowledge gap between the local producers and local consumers of food. We want to establish a meaningful community connection” (ENT A). “I’m a strong believer that you have to have a local tie to where you are, but you also have to add your own flavor to it. People are seeking out local products” (ENT C). “I got into it because beer is truly local. Beer is historically a very local thing, even down to the town. I like that people identify with their local brewery. It gives you a connection with your community. That is one of the things that inspired me to do it. I will try and stay true to that” (ENT E). “We contribute significantly to our local community via donations to local community organizations” (ENT M; F; L). “We buy all produce locally and that is important” (ENT H). “We recognised that people really want local products. It is all over the US at the moment, people really want local products” (ENT K).</p>

Table 3: Core themes and participant quotations highlighting co-opetition and cooperation as they relate to practice.

DISCUSSION

This study examines how micro or entrepreneurial firms use cooperation and competition simultaneously in practice. Findings from the empirical study are consistent with previous literature that suggests that co-opetition works, that there is potential in engaging in both horizontal and vertically relationships to create opportunities at an individual practitioner level in addition to strengthening the micro-breweries overall position in the market. In keeping with

the relational and network based literature, findings highlight that, using co-opetition, entrepreneurs can build relationship and network specific assets, information and knowledge-sharing routines, joint problem solving capabilities and trust (McEvily and Marcus, 2005). Cooperation among the competing firms in our study provided a route way for information and knowledge sharing in addition to joint new product development and co-marketing (Gnyawali and Madhavan, 2001; Gnyawali and Park, 2009). In our case, as can be seen in the themes depicted in Table 1, cooperation clearly outweighed competition in practice. Therefore, our findings resonate with (Bengtsson and Kock, 2000) who argue that, in an era where firms are inextricably linked to others in a nexus of relationship in pursuits of their goals, the traditional neoclassical means of analysing competition is no longer valid.

While previous literature has suggested that SMEs need to explicitly consider co-opetition as a part of their strategy tool set (Gnyawali and Park, 2009; 2011), using a practice lens we found that entrepreneurs habitually interact in a co-operative manner through norms formed in interaction. Findings suggest that the entrepreneurs had no problem managing relationships that made sense. They collaborated with suppliers to ensure continuance of supply and earn credit status. They also collaborated with other micro-brewers to achieve common goals, for example striving to make the whole craft industry more competitive against intense national competition (Rusko, 2011; Ritala et al., 2014) and lobbying for changes in industry structure. Therefore, although the entrepreneurs did not strategically plan for co-operative relationships, they seemed to innately understand the boundaries, the potential and limits in co-opetition and know the rules of the game. They also adept at using and managing co-opetition in practice. Co-opetition studies have favoured separation of roles whereby different actors or organisational units would act in accordance with one of the two logics of interaction (Bengtsson and Kock, 2000; Fernandez et al., 2014). For the entrepreneurial venture, this separation of roles is not possible where the entrepreneur, as agent of the firm, has to play both roles, and in our case, did so successfully.

The co-opetition view recognises that the players in the game of business need to adopt a new mind-set to jointly discover and create new value and opportunities achieving synergy benefits to not only create a pie, but consume a larger slice (Cairo, 2006; Gnyawali et al., 2008). From an IMP and network perspective this idea is not new, and the potential benefits of networks to access external resources and capabilities necessary for survival and growth have been well documented (Brass et al., 2004; Hite, 2005; Lechner et al., 2006; O'Donnell, 2014). However, one potential barrier to cooperation evident in the entrepreneurship literature is the entrepreneurs' strong desire for control over decision making that is characterised by an independent, internally orientated established means of doing business (Birley and Westhead, 1994; McClelland, 1987; Timmons, 1978; Lee and Tsang, 2001). Our study finds this entrepreneurial characteristic remains strong and, in addition to favouring independence, they were self-reliant in the sense that not only did they wish to be the sole decision maker, they also believed in their ability to carry out their vision without external investors (Lee and Tsang, 2001). However, although independence is in tune with a competitive orientation, it is clear in practice that the entrepreneurs collaborated with other firms in unique and important ways, for collaboration beers, complementary innovation, and in information sharing routines. A sense of community prevailed whereby they routinely helped each other out where problems arose and in times where raw materials were short of supply. In this way, the entrepreneurs seemed to possess what Gnyawali and Park (2011) term 'co-opetitive capability', defined as the mind-set which makes it easier for actors to accept that they are involved in both cooperation and competition.

Recent research suggests that networks and co-opetitive relationships are a viable means for the entrepreneurial or small firm to overcome the liabilities associated with newness and smallness (Stinchcombe, 1965; Baum et al., 2000). Bengtsson and Johansson (2014), in their

study of the information technology and telecoms industry, suggest the development of collaborative relationships with large competitors to extend market reach, increase revenue and add legitimacy to the small venture. Conversely, the entrepreneurs in this study continually treated the macro-brands as competitors, favouring jointly playing on the smaller field to collectively enhance the awareness and reputation of the craft beer sector. To this end, as the practice perspective would suggest, they developed norms in interaction which included sharing advice and information, collaborating in production to raise funds for festivals to create a craft beer buzz, encouraging each other and giving social support whilst remaining loyal to the local community and showing fidelity to craft practices.

Similar to the IMP approach we found that industry structure and the network environment plays an important role for co-operative relationships in practice. As noted, the findings support the idea that firms will collaborate to achieve a common objective, and, similar to the IMP network approach, that network actors will develop long-term relationships to secure information and resources external to the firm. However, the three tier structure which places a clear divide in activities between the producer, retailer and distributor, also placed a clear divide in co-opetition practices between the three groups. This industry structure shapes the co-opetitive landscape and greatly facilitates our understanding of co-opetition as it places a natural divide between cooperation and competition activities in practice. That is, although the distributors and producers shared an overarching common objective to sell more beer, different self-interests led to strong competitive tendencies due to constant conflict and power struggles set out by the industry rules imposed by the government. The distributors exhibited an unwillingness and fear in relinquishing a portion of their power fighting to ensure that the government continued to enforce their rule again self-distribution, even at minimal levels. In response to this, the entrepreneurs cooperated to lobby for changes in that structure, essentially trying to change the rules of the game. This is an important findings as it highlights that co-opetition studies, even at a focal firm level, need to recognise that a firms practices are guided by, and hence cannot be examined in isolation of the socio-economic context in which they are embedded. Either directly or indirectly, government forces can play a crucial role in co-opetition practices (Luo, 2004; Mariani, 2007; Rusko, 2011). This further highlights the importance of casting a wide net when examining co-opetition in practice as factors at play at a macro level have a clear impact at a dyadic level and vice versa.

CONCLUSION

We believe that our study makes important theoretical contributions to the extant entrepreneurial and co-opetition literatures. From a theoretical perspective our paper contributes to the entrepreneurial and network literature responding to a call for more practice based research (Johannisson, 2011) and is the first paper, to our knowledge, to view co-opetition through a practice lens. A practice lens is useful for understanding co-opetition as it provides a robust link between the unique traits and characteristics that define the co-opetition practitioner, the norms in interaction at a dyadic and group level between competitors and other actors including suppliers, competitors, distributors and complementary firm and the key drivers and outcomes of co-opetitive action or praxis. Using Whittington's (2006) strategy-as-practice framework as an analysis tool facilitated our understanding of the individual, dyadic and network forces driving simultaneous cooperation and competition and allowed us to account for the industry specific structural conditions and context which effected the symmetry between the actors. Hence, using the levels allowed us to bridge the gap between micro and macro explanations for co-opetition providing a richer and more holistic view of co-opetition in practice at multiple levels, albeit from the perspective of the focal firm. As noted, although separated for analysis purposes, the three levels proposed by Whittington, practitioners, practice and praxis overlapped and impacted each other in important and significant ways.

A secondary contribution of this research is that it is the first to empirically examine co-opetition in an entrepreneurial context. In doing so we extend beyond the motives for co-opetition; to create common benefits, to share the costs associated with innovation, overcome entry barriers and other industry pressures such as significantly shorter product life cycles, and instead describe how they play out in practice. This has significant implications for entrepreneurs as more benefits in co-opetition could be reaped should they be cognitively aware of, and strategically plan for the co-opetitive processes in which they are, and could be engaged. Marketing in an entrepreneurial context is resource constrained. This study clearly shows that one major potential source of creating marketing resources is through purposeful relationships and networks based on both cooperation and competition. Being time constrained makes it difficult to adopt a more purposeful approach to co-opetitive relationship and network development, yet our study confirms that, the entrepreneurs engaged in major co-opetitive major activity and showed a willingness to commit and share resources in practice.

As with all studies, the present study has certain limitations. One of the limitations of the study concerns the fact that the paper is centred on the micro-brewery sector. Hence, a broader study including entrepreneurs from other sectors, using a qualitative methodology, may bring to light other co-opetitive practices in an entrepreneurial context. It would be interesting to conduct a similar study in a different State in the US or different country context to reveal impact of geography and culture context which could potentially identify other interesting co-opetition themes. Taking a temporal view of co-opetition, analysing the sector at another time point would point to how co-opetitive practices change as the actors acquire new experiences from mutual cooperation and competition in addition to external environment changes.

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