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Frenemies in Business

A Case Study on the Phenomenon of Coopetition

by

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Abstract

Title: Frenemies in Business: A Case Study on the Phenomenon of Coopetition

Research Question: What are drivers and challenges behind coopetition, as well as possible outcomes of the relationship?

Keywords: Coopetition, Cooperation, Competition, Coopetitive Relationship, Competing Companies, Coopetitors, Coopetition Process, Drivers, Challenges, Possible Positive Outcomes, Possible Negative Outcomes

Purpose: The purpose of this paper is to explore the drivers behind coopetition and to identify challenges that organizations have to overcome when cooperating with their competitors. Further, this paper will explore the possible outcomes of a coopetitive relationship. Thereafter, once having identified key conditions, necessary capabilities and other factors influencing the success of coopetition, a conceptual framework with managerial recommendations is provided.

Methodology: A qualitative method was chosen for this study as it is rather based upon words and an overall understanding than numerical assessments. Therefore, multiple interviews were conducted to collect the empirical data in order to and gain new and deep insights in the coopetition process. Further, a single case study was utilized to address the research question. This case study was chosen according to different criteria that needed to be met beforehand in order to represent a suitable example.

Findings: Our findings provide some new insights concerning drivers, challenges and possible outcomes of coopetition that have not yet been addressed in previous literature on the phenomenon. Among the novel findings regarding coopetition drivers are for instance having a common goal, previous experience that led to establish trust among the coopetitors or certain market characteristics and the culture. Moreover, we found determined employees and governance structures and procedures as challenges in coopetition. Besides what was mentioned in coopetition literature, employee branding was found to be a possible positive outcome, while governance and decision-making processes were found to be a possible negative outcome of a coopetitive relationship between competing companies.

Conclusion: The study has shown that coopetition is a valuable business strategy for firms and can result in a win-win scenario for all actors involved. Once being successful, coopetition can be iterated. Further, the study has minimized a seemingly research gap in coopetition literature by identifying more drivers, challenges and possible outcomes by covering the coopetition process holistically. The research has also provided managerial implications for firms and thus, managers, who consider coopetition as an advantageous business strategy for the future.

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Abbreviations

Abbreviation	Description
CEO	Chief Executive Officer
CTO	Chief Technology Officer
EPC	European Payment Council
EU	European Union
FinTech	Financial Technology
KSF	Key Success Factors
RBV	Resource based view
TCE	Transaction cost economics

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1 Introduction

This introductory chapter will first of all introduce the reader to the topic and put forward the background and problematization. Furthermore, the purpose, as well as the main research questions of this work, will be demonstrated. Thereupon, an overall outline of this paper will be given.

1.1 Background and Problematization

> *“The way that science works is fundamentally changing and an equally important transformation is taking place in how companies and societies innovate. Put simply, the advent of digital technologies is making science and innovation more open, collaborative, and global.”* - European Union (2016)

During recent years, many corporations increasingly make use of business strategies that are rather open in terms of collaborating with suppliers or even direct competitors, other than following a more classical approach, which is to stay rather close and compete, especially when it comes to the innovation activity of firms. This transformation from close to open innovation is due to today's fast-moving and complex markets, situated in turbulent environments, constituted of high competition (Bouncken et al., 2015; Devece et al., 2017). Additionally, openness of organizations has become more and more important due to uneven growth in productivity and prosperity around the world (Bogers, Chesbrough & Moedas, 2018). Thus, many firms have understood that they cannot always do all things alone in the best and most efficient way and at the same time achieve the most successful outcome. This is why collaboration with competitors has become an appealing strategy in today's business world (Devece et al., 2017; Shipilov et al., 2018a; Ritala & Tidström, 2014). According to Chesbrough, Kim and Agogino (2014), open innovation creates an ecosystem, where people, organizations and sectors foster in co-creation.

Throughout the recent years, interorganizational collaborations between two or multiple firms gained in importance. Hence, the phenomenon of coopetition - “where [...] competitors both compete and cooperate with each other” (Bengtsson & Kock, 2000, p. 411) - emerged as important corporate strategy (Bouncken et al., 2015). According to Henning Kagermann, former CEO of SAP, “the power of co-opetition will only grow as products become more complex and as competition widens globally” (Coy, 2006, p. 97).

Traditionally, competition and cooperation between companies has been seen and treated independently from each other when expressing relations among firms. However, coopetition combines these two constructs and describes the simultaneous existence of cooperation and competition among horizontal actors, such as rivalry firms (Bengtsson & Kock, 2000; Bouncken et al., 2015). Due to the two contradicting logics behind coopetition, the phenomenon is often described as a complex paradox (Bengtsson & Kock, 2000; Bouncken et al., 2015; Bouncken & Fredrich, 2012). However, when individual companies participate in joint activities to realize shared goals, it can have several advantages, such as a positive impact on the overall firm performance of each actor involved or enhanced innovation results (Bengtsson & Kock, 2000, Ritala, 2012). Besides, one should indicate that coopetition in most cases also leads to better, interoperable and more convenient products or services for the end-consumers (Ritala, 2012; Walley, 2007). On the other hand, with coopetition, there is always a certain risk that the market gets distorted by, as Cygler, Sroka, Solesvik and Debkowska (2018) put it, "unethical behavior" since companies could use their joint forces to break market rules concerning e.g. pricing or tender conspiracy, which could affect the overall society negatively. Although, at this point in that context, it should also be noted that most countries enforce competition laws and impose regulations, which this study will not go into depth with since it does not lie within the scope of the paper.

The reasons and motives that drive companies to engage in coopetitive relationships can be various and industry-specific, for example to save costs (Devece et al., 2017, Ritala, 2012). Thus, due to the complex nature of coopetitive relationships among firms, there are often many challenges to face and obstacles to overcome. Coopeting firms act like friends, on the one hand, by openly sharing information and knowledge, while on the other hand, and at the same time withholding relevant insights or know-how, acting like pure competitors, rivals or even enemies (Bouncken et al., 2015). Thus, the phenomenon of coopetition can be explained or synonymized by the term "Frenemies[1]" (Pant & Yu, 2016).

Furthermore, one cannot only observe more and more coopetitive relationships in business practice, but also management literature is progressively referring to coopetition (Ritala,

[1] A frenemy is "a person [or in this context an organization] who pretends to be your friend but is in fact an enemy" (Cambridge University Press, 2019).

2010). Generally, one can recognize a growing interest of research scholars in the phenomenon throughout the last years (Dagnino & Padula, 2002; Dorn et al., 2016; Walley, 2007). According to the scholar Ritala (2012), coopetition has been researched by various academics in different sectors, such as within information and communication technology (e.g. Dittrich & Duysters, 2007; Gueguen, 2009), air transportation (e.g. Garrette et al., 2009), food (e.g. Kotzab & Teller, 2003) or the automotive (e.g. Gwynne, 2009) and healthcare industry (e.g. Barretta, 2008). The distinct research stream on coopetition, mostly focussing on just two competing companies, was studied by many authors, such as Bengtsson and Kock (2000), Bouncken, Gast, Kraus and Bogers (2015), Bouncken and Fredrich (2012), Devece, Ribeiro-Soriano, Palacios-Marqués (2016), Gnyawali and Park (2009), Hoffmann, Lavie, Reuer and Shipilov (2018) and many more - however, only to a certain extent. Thus, in 2002, research on the topic was seen to be premature, as "[...] investigation on the issue of coopetition has not gone much farther beyond naming, claiming or evoking it" (Dagnino & Padula, 2002). Though, it appears that academic literature regarding coopetition is still rather narrow in scope, especially when it comes to identifying drivers, challenges, possible outcomes and subsequently recommendations for firms to overcome these (Ritala, 2010). This paper therefore aims to minimize this gap by focusing on the drivers and challenges that arise when a firm gets involved with coopetition by firstly reviewing relevant literature and secondly conducting an exemplary case study, which is - other than most studies in that field - focusing on coopetition between multiple competitors. Thus, the unit of analysis of this study is the collaboration activity in terms of the coopetitive relationship between these multiple firms. Given the successful coopetition of the chosen case company, this study aims at finding recent and relevant insights to complement existing knowledge, as well as to address the issue of a seemingly knowledge gap derived from limited systematic research. By providing a conceptual model, as well as managerial recommendations in the end, this work aims to further build up on the "lack of generalizability", mentioned by Bouncken et al. (2015).

1.2 Purpose

The purpose of this thesis is to address the phenomenon of coopetition. Therefore, the intent is to explore the drivers behind coopetition and to identify challenges that organizations have to overcome when cooperating with their competitors. Further, this paper will explore the possible positive and negative outcomes of a coopetitive relationship. The overall aim of the research will be to identify key conditions, necessary capabilities and other factors influencing the success of the coopetition. This is in order to formulate generalized managerial recommendations that different industries can utilize, where coopetitive relationships between competitors might gain in strategic importance within future developments. Besides, it is the intent to outline a conceptual framework of a coopetition process, which can give practical guidelines to managers. Thereupon, the research question for this study is the following:

> **What are drivers and challenges behind coopetition, as well as possible outcomes of the relationship?**

1.3 Thesis Outline

Firstly, the reader will be introduced to the topic of coopetition in this paper. The thesis will continue with a literature review and theoretical chapter aiming to make the reader understand the phenomenon and its background. Therefore, this chapter will address existing research about innovation, more specifically open innovation and cooperation between firms. Moreover, the chapter will address existing research about the concept of competition. Conjoined, the sections of cooperation and competition will lead to the core topic of the thesis - coopetition. Here, an insight into the main and most relevant literature will be given and elaborated on the research process in detail. Followed by that, the methodology chapter will give an overview of the chosen research design and how the empirical material for this study has been collected and analyzed. Subsequently, in the chapter ‘findings’, the empirical material from the conducted interviews will be presented. Thereafter, the findings will be analyzed and discussed, while connecting them to existing literature. Following, a conceptual framework combined with the recommendations will be provided. Lastly, the thesis will be concluded with theoretical and managerial implications, limitations, as well as recommendations for possible future research.

2 Literature Review

The following literature review will be organized by classifying into four main concepts, which are open innovation, cooperation, competition and coopetition. This concept-centric approach has been chosen to drive the literature from a broader spectrum to a deeper understanding of the topic of coopetition (Webster & Watson, 2002).

Therefore, in the following, we will start off with giving a review on the concept of open innovation. After open innovation has been introduced, the topic will be narrowed down to the concept of cooperation, being a factor of open innovation and also being one of the two central components of coopetition. Thereafter, competition will be put forward since it is the second component of coopetition. However, these literature streams will only be introduced briefly, as they are to show and make the reader understand the full picture against the background of coopetition. After all and most importantly, the background of the phenomenon coopetition, which is the main scope of this study, will be presented. This fundamental section is divided into three different phases: initiation, managing and shaping, as well as the evaluation phase. This distinction was made to establish a clearer structure and to be able to better differentiate between the drivers - found within the initiation phase; challenges - found within the managing and shaping phase; and possible outcomes of the coopetitive relationship - to be detected in the evaluation phase.

The factors presented in these chapters have been chosen according to their relevance on the studied subject, as well as to be able to address the overall research question and thus, helping us to analyze the collected empirical data. Hence, due to time and space boundaries, this paper will not cover all of the previous literature. However, the most fundamental articles and major contributions were reviewed and are presented in the following. This chapter will be end by showing a model, which illustrates the overall picture and summarizes key aspects of the conducted literature review.

2.1 Open Innovation

The topic of open innovation was originally introduced in 2003 by Chesbrough in his book '*Open Innovation: The New Imperative for Creating and Profiting from Technology*'. In his work, Chesbrough (2003) addresses the range between closed and open innovation. Closed innovation is when the organization generates their own ideas and develops, manufactures, markets, distributes and services the product all by themselves. In other words, they are more or less independent in their operations. However, an organization being too close in its innovation means that they are prone to miss opportunities since they might not possess the necessary abilities in-house to reach that potential opportunity or it might not lie within companies' core competency and therefore, outside the organization's current business scope. Therefore, Chesbrough (2003) argued that organizations should consider becoming more open to achieve higher potentials and to be more prone for new opportunities. Chesbrough defined open innovation in West, Vanhaverbeke, and Chesbrough's (2006) book as "the use of purposive inflows and outflows of knowledge to accelerate internal innovation and to expand the markets for external use of innovation" (p. 1). The organization's knowledge and resources should not be retained, and firms should find ways to profit from other organizations technologies by collaborating with them (Chesbrough, 2003). Open innovation takes into consideration that people hold most of the knowledge and that not all intellectual and bright people work for one organization. Therefore, there is a need for firms to openly innovate in order to reach these resources.

Openness makes an organization more effective and competitive (Bogers, Chesbrough, & Moedas, 2018). Openness is also very important in today's economy due to an uneven growth in productivity and prosperity around the world. Moreover, Love, Roper and Vahter (2014) argued that "openness increases innovative performance in the current period [...], and also provides the basis for learning effects, which increase the benefits of future openness" (p. 1714). The core principle of open innovation is to build an ecosystem, where sectors, organizations and people can foster in co-creation (Chesbrough, Kim & Agogino, 2014). Therefore, cooperation can be one aspect of how to stimulate open innovation (Mention, 2011).

Open innovation is a wide topic, containing multiple aspects. However, in this paper, open innovation is related to the understanding of that companies join forces to achieve new means and innovations. Henceforth in this context, open innovation and cooperation are to be understood as two separate topics and never to be inferred as synonyms or else. Within this thesis, cooperation is only one fraction of the, so to speak, umbrella term of open innovation.

2.2 Cooperation

Cooperation is about giving and taking between partners (Freel & Robson, 2017). A significant portion of innovation arises from cooperation between organizations, institutions or individuals (Schilling, 2017). Cooperation, in contrast to developing in-house, means that an organization can access more skills and resources, achieve a higher outcome at a faster rate and possibly save costs and risks at the same time (Hagedoorn, Link, & Vonortas, 2000; Shilling, 2017). By cooperating, organizations can be more adjustable since they access their partners capabilities and resources and thus, perhaps do not have to invest in specific resources on their own, which creates a higher flexibility to adapt to market changes and technologies.

Furthermore, Rosenkopf and Almeida (2003) argue that an organization will learn from previous cooperations, such as new skills and thus, a firm can expand their knowledge base. Additionally, when organizations cooperate, knowledge is shared, which in turn brings the risk of knowledge leakages (Ritala, Olander, Michailova & Husted, 2015). Therefore, sharing knowledge is not always beneficial for cooperating organizations. Besides, Hagedoorn (1993) argues that organizations have different motives for partnering up and cooperating. These motives are often either technology-related or market-related. In high-tech industries, organizations usually have technology-related motives for collaborating. Generally, the high-tech industry is changing rapidly and thus, by cooperating, organizations will be more flexible, as mentioned by Schilling (2017). Moreover, in other industries, organizations usually cooperate to enter new markets or further grow in a specific market (Hagedoorn, 1993).

According to Weiers (2014), doing business in cooperation will grow and become more of a norm for organizations. He argues that "ideas are now independent, no longer path dependent. Ideas themselves are now valuable" (p.75), meaning that cooperation between organizations or individuals are necessary to access ideas. Moreover, Dyer and Singh (1998) argued that organizations, which follow a cooperation strategy, can further emphasize and protect its competitive advantage by accessing more resources and skills.

Cooperative relationships can be shaped by creating different arrangements. There are various and among these can be 1) strategic alliances (to form an alliance to e.g. share resources as in small affiliate with large firms to reach greater capital resources) 2) joint ventures (where participating firms invest in a new and separate entity) 3) licensing (where one firm attains the rights to use the proprietary technology of another firm) and lastly 4) outsourcing (when e.g. a firm that has successfully developed a new product, but does not have the necessary resources to deliver it to the market and so they cooperate with another firm, who is capable) (Schilling, 2017).

2.3 Competition

There is extensive research on the theory of competition with, for instance, the commonly known Karl Marx' theory of market competition and Adam Smith's theory of the invisible hand. Both of them argue that competition is necessary to drive economic growth and that the ideal state in a market is "perfect competition", where monopolies do not exist. However, perfect competition does not exist in the real world. Instead, firms compete to gain the biggest market share, aiming at creating a monopoly (McNulty, 1968). Markets usually restrain monopolies though and promote competition through policies for a better and more stable economy that has a positive impact on society.

Organizations compete with several actors in a market. They compete over, for example, scarce resources and battle each other to produce and sell products or services that meet the customers' needs and requirements (Bengtsson, 2000; Hunt, 2007). Osarenkhoe (2010) concluded in his study that the main purpose for competition is value appropriation[2] and utilization and also, to secure the market positioning. He also argues, that one of the primary determinants for why firms choose a specific business strategy is related to their general capability and their access to resources. The motivation of competition, addressed by Schumpeter (1962), is the development of a new technology, engaging with new supply partners and updating the organizations business model. An organization with these motives in mind, will most likely be leading the market. He further argues, that an organization's ability to be innovative is what separates successful from unsuccessful organizations. Moreover, Copeland (1962) similarly argues, that what helps organizations to be more successful over its competitors, are business

[2] Another term for value appropriation would be "capturing".

connections that offer, so to speak, “personalized” propositions related to e.g. negotiated purchase prices with suppliers or access to rather confidential information. With these drivers and other factors influencing the business activities of organizations, some firms are able to compete better than others and therefore, some organizations are often leaders in the market (Osarenkhoe, 2010). Furthermore, due to today’s intense competition in a highly ambitious environment, being continuously innovative can be a source of competitive advantage for organizations (Roig, Kraus & Cruz, 2018).

2.4 Coopetition as Strategy

Previous to the emergence of the phenomenon ‘Coopetition’, cooperation and competition were usually regarded as two separate constructs within a relationship between corporations as described above (Bouncken et al., 2015). However, in today's fast-moving and globalized business world, companies should rather follow a dual strategy, which is to engage in a competitive and cooperative relationship at the same time (Gnyawali & Park, 2009). A sole focus on internal growth does not lead to long-term success of firms anymore, operating in challenging environments, which is why more and more businesses actively engage in cooperative relationships. According to Harbison et al. (1998), about half of the mentioned cooperative relationships occur between competitors (Bouncken et al., 2015). Gnyawali and Park (2009, p. 312) claim that “the best partner for a firm in a strategic alliance is sometimes one of its strong competitors”, meaning that in many cases, they hold complementary resources or are surrounded by the same industry factors and contexts (Hora et al., 2017). Henceforth, competing organizations are able to participate “in both cooperative and competitive relationships with each other simultaneously” (Bengtsson & Kock, 2000). This ‘hybrid activity’ is called ‘Coopetition’ and consequently combines the two activities of cooperation and competition (Bouncken et al., 2015). This paper focuses on the above-described horizontal relationship between direct, or as Bouncken and Fredrich (2012) put it - “classic”- competitors. This needs to be distinguished from vertical relationships among partners that operate up- and downstream a supply chain such buyer-seller relationships, as they are very different constructs from each other (Bengtsson & Kock, 2000; Bouncken & Fredrich, 2012; Hoffmann et al., 2018).

Within the concept of coopetition, according to Dorn, Schweiger and Albers (2016), competing firms aim at hindering their competitor and only want to maximize their own interest, while at the same time, cooperating with the competing firm in terms of supporting and looking after each other to achieve a collective outcome. Hence, this collaborative relationship is set up to create value jointly, yet, with the intent that each individual firm follows its own objectives of value appropriation to endure competitive as individual bodies (Ritala & Tidström, 2014). Due to these two antagonistic logics of interaction, coopetition is seen to be a paradoxical, complex and contradicting concept that can, however, lead to superior benefits and outcomes when comparing this strategy to other forms of cooperation or strategic alliances (Bengtsson & Kock, 2000; Hora et al., 2017).

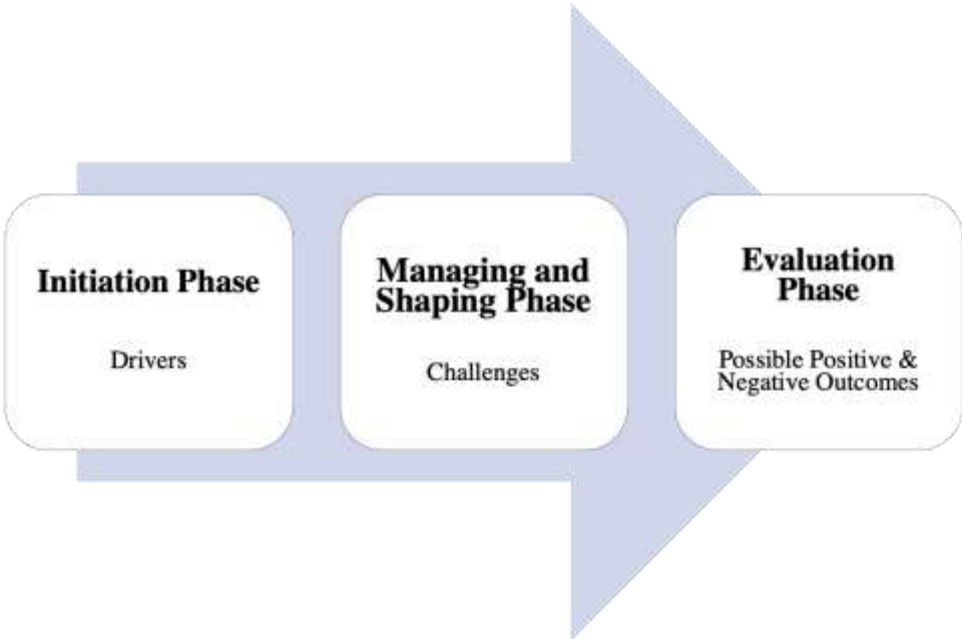
The term coopetition was for the first time introduced by Brandenburger and Nalebuff in 1996 within their book '*Co-opetition'*. They introduced coopetition against the background of game theory, where firms are said to be able to accomplish positive sum gains, even if the competitor wins as well (Devece et al., 2016). In order for firms to make use of such a win-win approach, Cairo (2006) states that organizations need to be involved in two central activities - creating value and subsequently capturing the created value. The creation of value can be explained by using the metaphor of creating a pie, which is done by a pair of competitors that are actively engaging in a cooperative relationship. The generated value is then captured by dividing up the pie, whereas this is a rather competitive process with the aim of each actor to get the biggest piece of the pie (Cairo, 2006; Gnyawali & Park, 2009). Followed by Brandenburger and Nalebuff (1996), the concept of coopetition was increasingly to be found in literature and gained in importance from the 1990's on (Gnyawali, 2008). Also, managers began to discuss this phenomenon more frequently (Bouncken & Kraus, 2013; Bouncken et al., 2015). Thereby, coopetition in connection with strategic management is often connected to other theoretical frameworks, as game theory did not endure being the most dominant logic (Devece et al., 2016).

Henceforward, most commonly mentioned theory, besides game theory, that is connected to coopetition in literature, are the theory of the resource-based view (RBV) and transaction cost economics (TCE) (Bouncken et al., 2015; Devece et al., 2016; Ritala & Hurmelinna-Laukkanen, 2009). The main motive for presenting exactly these three theories within this paper is that they are most commonly used to explain the rationale behind coopetition, to facilitate the comprehension of how value is appropriated and to understand the inherent risks (Ritala, 2010), which is much in consistency with the scope and objectives of the following thesis. The RBV in connection with the concept of coopetition demonstrates that corporations should combine their resources. According to Barney (1991), firms' resources are often heterogeneous and not perfectly mobile. In order to achieve a sustained competitive advantage, characterized by being valuable, rare, imperfectly inimitable and non-substitutable, and in order to capture value, from the RBV, competitors can gain knowledge by leveraging complementary resources. By doing so, they can create an even higher amount of value (Ritala, 2010). Thus, Ritala and Hurmelinna-Laukkanen (2009) point out that competitors at times obtain even related knowledge, while simultaneously holding a similar market vision, which from a RBV, helps when participating in a coopetitive relationship. Another theory, mentioned in relation to coopetition, is the theory of TCE, which is pointing out opportunistic behavior within interorganizational relations, especially among competing firms, due to the involved companies' specific incentives and interests (Kale et al., 2000; Ritala & Hurmelinna-Laukkanen, 2009; Ritala, 2010).

Nevertheless, coopetition always refers to the coopetitive relationship between two or more competitors. One can define coopetition as "a strategic and dynamic process in which economic actors jointly create value through cooperative interaction, while they simultaneously compete to capture part of that value" (Bouncken et al., 2015, p. 591) and typically describes a "conflicting and rivaling relationship between competitors" (Bengtsson & Kock, 2000, p. 422). Derivatively, coopetition is to be seen as a process, rather than a situation that is discrete, which is due to the facts reported by Bouncken et al. (2015) that "goals, market conditions and roles continuously evolve". Consequently, coopetition is - in line with the authors Estrada, Faems and De Faria (2016) - a viable strategy for firms, especially if corporations are to develop new products or services and want to introduce them to a market, notably in regard to markets that are characterized by fast pace (Devece et al., 2017).

In the following section, the coopetition process has been divided into three phases - similarly and therefore partly derived from the coopetition phase model by Dorn et al. (2016) - consisting of multiple aspects: Firstly, the 'Initiation Phase', where certain drivers initiate the coopetition. Secondly, the 'Managing and Shaping Phase', typically, where challenges are faced and thirdly, the 'Evaluation Phase', where the performance of the coopetition is evaluated, and possible positive and negative outcomes can be reflected. This can be seen in the process figure below:

Figure 1. Phases of Coopetition



2.4.1 Initiation Phase

There are different drivers and motives for firms to engage in coopetition, however, there are also different challenges (Ritala, 2012). The drivers can be seen to happen in the initiation phase of coopetition. Below, existing literature on the core drivers is presented.

Drivers

Regarding the phenomenon in coopetition literature, there are often mainly three motives identified (Bouncken & Kraus, 2013; Ritala & Hurmelinna-Laukkanen, 2009). First of all, research scholars state that companies engage in coopetition in order to increase their current market share or above that, create a totally new market. Secondly, coopetition can be driven by the aim of firms to enhance their efficiency in utilizing resources, while at the same time minimizing risks and cutting costs. Thirdly, another identified driving factor is the company's goal to improve their competitive positioning in the market (Ritala & Hurmelinna-Laukkanen, 2009; Ritala, 2012). Similarly, Bouncken et al. (2015) define five objectives that are driving coopetition. Among them are the motives to increase efficiency, market power, to explore or develop a new market, as well as the ability to innovate or expand the business internationally (Devece et al., 2016). Moreover, the authors Bengtsson and Kock (2000) see an urgency to access external resources as one of the main drivers of coopetition. By engaging in a coopetitive relationship, firms can get hold of exclusive resources that only competitors possess. Besides, organizations would be able to develop completely new resources that are unique (Bengtsson & Kock, 2000). Furthermore, companies engaging in coopetition are driven by the desire to advance their general quality standards of products or services offered to the market or to even establish new norms and standards for the whole industry they are operating in (Bengtsson, Raza-Ullah & Vanyushyn, 2016; Gnyawali & Park, 2011).

In industries that are influenced by rapidly changing market conditions, insecure future developments and shortening product life-cycles, such as the high-tech sector, companies are especially motivated to engage in coopetitive relationships (Bouncken et al., 2015; Bouncken & Kraus, 2013; Gnyawali & Park, 2009; Gnyawali & Park, 2011). This is in order to be able to share the often very large amounts of capital expenses for research and development (R&D) activities and accompanied risks. Companies that are driven to come up with new innovations are said to coopete with their competitors in order to combine knowledge, resources and core competencies since collective efforts can be more progressive and advantageous than only applying of one's own knowledge (Bouncken & Fredrich, 2012; Gnyawali & Park, 2009).

2.4.2 Managing and Shaping Phase

The challenges of coopetition can be mainly identified in the managing and shaping phase of coopetition. A literature review on these is given below.

Challenges

Even though there are many drivers for coopetition as stated above, coopetition can be a very challenging strategy that is difficult to understand (Devece et al., 2016). As mentioned previously in the paper, the overall construct of coopetition contains two contradicting logics - competition versus cooperation. Due to that paradox, it is common that companies engaging in a coopetitive relationship face various conflicts and tensions (Dorn et al., 2016; Bouncken et al., 2015).

The biggest challenge concerning coopetition emanates from the antagonistic logics of interaction in terms of confronting and managing the paradoxical relationship (Chou & Zolkiewski, 2017). According to Bengtsson, Raza-Ullah and Vanyushyn (2016), it is a very challenging task for the involved companies to find the right balance between, on the one hand, being open and distributing knowledge commonly, while on the other hand, carefully guarding knowledge from the competitor. Derived from that, it becomes challenging when engaging in coopetition to overcome the tendency of firms to participate in opportunistic behavior and follow a self-centered mindset (Bengtsson, Raza-Ullah & Vanyushyn, 2016).

An additional challenge, that is described in relevant literature, describes the dilemma that one party within the relationship is often found to be more involved and devoted than the other party in terms of creating value (Bouncken et al., 2016), either from the outset or evolving over time (Kraus et al., 2017). However, coopetition demands mutual engagement that is intense in coordination efforts from all sites. Furthermore, another major challenge within coopetitive relationships is said to be the ability and willingness of all actors involved to prioritize matters to the same level of significance (Bengtsson, Raza-Ullah & Vanyushyn, 2016; Bouncken et al., 2015).

Moreover, even though corporations agree to cooperate with one another, two or even more distinct entities remain existant, each contributing with a particular culture that could tentatively clash and result in emotional ambivalence (Bengtsson, Raza-Ullah & Vanyushyn, 2016; Chou & Zolkiewski, 2017). This can further lead to several misunderstandings (Bouncken & Fredrich, 2012). Thus, actors involved in coopetition need to overcome various management challenges, such as selecting the right partners that have the same strategic intent, coordinating activities, as well as communicating properly, while controlling various processes. Because of the often different corporate backgrounds, it can be quite challenging to establish routines and standardized processes that could reduce overall uncertainty, costs and the failure rate (Bouncken & Fredrich, 2012). The more competing companies cooperate, the less effectively and efficiently the coopetition might be. According to Ritala (2012), “a few carefully selected competitors may lead to more successful outcomes” (p. 319). Furthermore, Bouncken et al. (2016) point out the challenge of equal value appropriation among the involved firms, as each company might try to capture the biggest share of the created value. This part of the process in a coopetitive relationship is described to be more firm-specific and competitive.

2.4.3 Evaluation Phase

As one can derive from the above, coopetition represents a very complex relationship among competitors. However, it can be very advantageous and beneficial for the involved companies (Bengtsson & Kock, 2000). In the following, the main benefits of coopetition or, so to say, ‘possible positive outcomes’, as well as the most commonly referred risks, or as in the following context rather called ‘possible negative outcomes’, are be pointed out.

Possible Positive Outcomes

In literature, the term coopetition can be found to be described as a 'double-edged sword', which indicates the many advantages and benefits that come with it, but at the same time also renders several risks and difficulties (Bouncken et al., 2015; Bouncken & Kraus, 2013). In turn, Bengtsson and Kock (2000) describe coopetition as "the most advantageous relationship between competitors", where the main benefits that arise are said to be that firms will be able to share costs but also certain risks, mentioned in the next chapter. Due to synergy effects, organizations can engage in activities that they have in common and therefore achieve economies of scale (Bengtsson & Kock, 2000; Bouncken et al., 2015; Gnyawali & Park, 2009). Moreover, companies can benefit from coopetition by overcoming uncertainties in the overall market by accumulating thereupon needed complementary resources (Ritala et al., 2013).

Derived from these synergy effects, companies benefit from each other in terms of so called "In-learning" - they are able to learn from each other and gain new knowledge and know-how, as well as skills (Bouncken & Kraus, 2013; Kraus et al., 2017). On top of that, firms are able to build a mutual knowledge base, where both companies experience and expertise is brought into line (Bouncken et al., 2015; Ritala & Hurmelinna-Laukkanen, 2009). By combining such knowledge, resources and core competencies, corporations can increase their capacity to innovate. This can furthermore result in enhanced competitive advantages (Bouncken et al., 2015; Ritala, 2012).

Moreover, Gnyawali and Park (2009) argue that one of the main benefits of coopetition is the ability to accelerate product development processes, as well as shorten the general lead time or time-to-market (Bengtsson & Kock, 2000; Bouncken et al., 2016). Illustrated by Bouncken et al. (2015), coopetition can result in a win-win scenario for all actors involved. Thus, firms would be able to, for instance, increase their sales, grow their market share or increase their overall brand recognition. Bouncken et al. (2016) observed that, due to the collective power of the coopeting firms, high brand awareness among customers is either created through individual marketing tactics or simply by the word-of-mouth. Similarly, Bouncken and Fredrich (2012) have observed that coopetition can boost the involved companies' performance. Within the relevant literature, the improved performance is oftentimes related to economic ratios. However, it could also be seen against the background of 'non-economic' gains with regards to information, as well as social interchanges (Bengtsson & Kock, 2000; Walley, 2007). By the virtue of knowledge pooling, knowledge asymmetries can be overcome much easier.

Respectively to innovation, it leads to the ability to develop and introduce particularly radical innovations to the market. Thus, products or services can be developed that could not at all, or not to the same extent, be realized on a stand-alone basis since, according to Bouncken and Fredrich (2012), lock-in situations are dissolved in terms of groupthink (Bouncken et al., 2015; Dorn et al., 2016).

After all, it is important to state that possible positive outcomes of coopetition are strongly related to a broader economical context, as well as firm specific and industrial factors (Ritala, 2012). Moreover, not only companies are usually benefiting from coopetition, but also the end customers of products or services that are created in a coopetitive relationship (Dorn et al., 2016; Ritala, 2012). This is in terms of improved or new products with a wider installed base, for instance, or as Walley (2007, p. 16) puts it "[…] the interest of both the companies and the customers that they supply are best served by a coopetitive balance of both competition and cooperation". That goes particularly for industries in which compatibility and interoperability of products or services play a key role and where positive network externalities for the customer can be created by forming a common utilization base (Ritala et al., 2013; Ritala & Hurmelinna-Laukkanen, 2009). Besides, the mentioned positive network externalities can lead to the establishment of larger markets in a shorter amount of time or, how Bouncken et al. (2016) put it "the advantage of fast and strong market penetration" (p. 12). This can be seen to be driving the market in one distinctive direction, which can influence the overall industry in terms of that coopeting firms are able to benefit from first-mover advantages, which can beyond that, produce entry barriers for emerging competitors (Ritala & Hurmelinna-Laukkanen, 2009). However, this paper will not go into detail regarding the benefits out of the customer perspective since it does not lie within the scope of the thesis.

Possible Negative Outcomes

There are several possible positive outcomes in coopetition, however, many coopetitive relationships are not successful (Ritala, 2012; Vanyushyn et al., 2018) or even produce a "dangerous" situation for the actors involved (Pellegrin-Boucher, Le Roy & Gurău, 2013). By sharing knowledge openly between the coopetition partners, Baumard (2009) describes each individual firm's risk of losing their freedom, as well as giving up their flexibility to act discretely and independently (Bouncken et al., 2015). Particularly, if there are no or not yet established protection mechanism within a coopetitive relationship, there might be the danger of knowledge spillovers that were not wanted (Bouncken et al., 2016).

One of the main risks within coopetitive relationships is said to be opportunistic behavior (Bouncken et al., 2015; Vanyushyn et al., 2018), generally constituted by the theory of TCE. According to Kale et al. (2000), partners often try to outlearn each other and engage in learning races by taking on knowledge leakages, absorbing shared knowledge and crucial information quickly from the partner to only use it for their own intents in the forthcoming (Bouncken & Fredrich, 2012; Bouncken & Kraus, 2013; Walley, 2007). Furthermore, there is a high risk that coopeting partners change their attitudes from a cooperative to a more competitive notion in order to achieve individual goals rather than of the collective (Park, Srivastava & Gnyawali, 2014). Moreover, especially in horizontal relationships between two or more coopeting firms of different sizes, there might be an imbalance with regards to the company's' strength and power. Within that context, literature describes the risk of that the stronger and more powerful firm might use their superiority over the inferior corporation to force self-serving actions (Bouncken et al., 2015). Furthermore, this can result in absence of trust, imperiling the overall success rate of a coopetition (Bouncken & Fredrich, 2012).

As within the concept of coopetition initially two or more competitors cooperate, it comes naturally that each company has to continuously follow their daily business activities. Thus, there might be a risk of conflicting priorities among the firms (Bouncken et al., 2015). According to Ritala (2012), the more competitors cooperate, the less effective and efficient this relationship might be, as "coopetition is by nature risk-intensive and is hence likely to tie up significant amounts of resources" (p. 319).

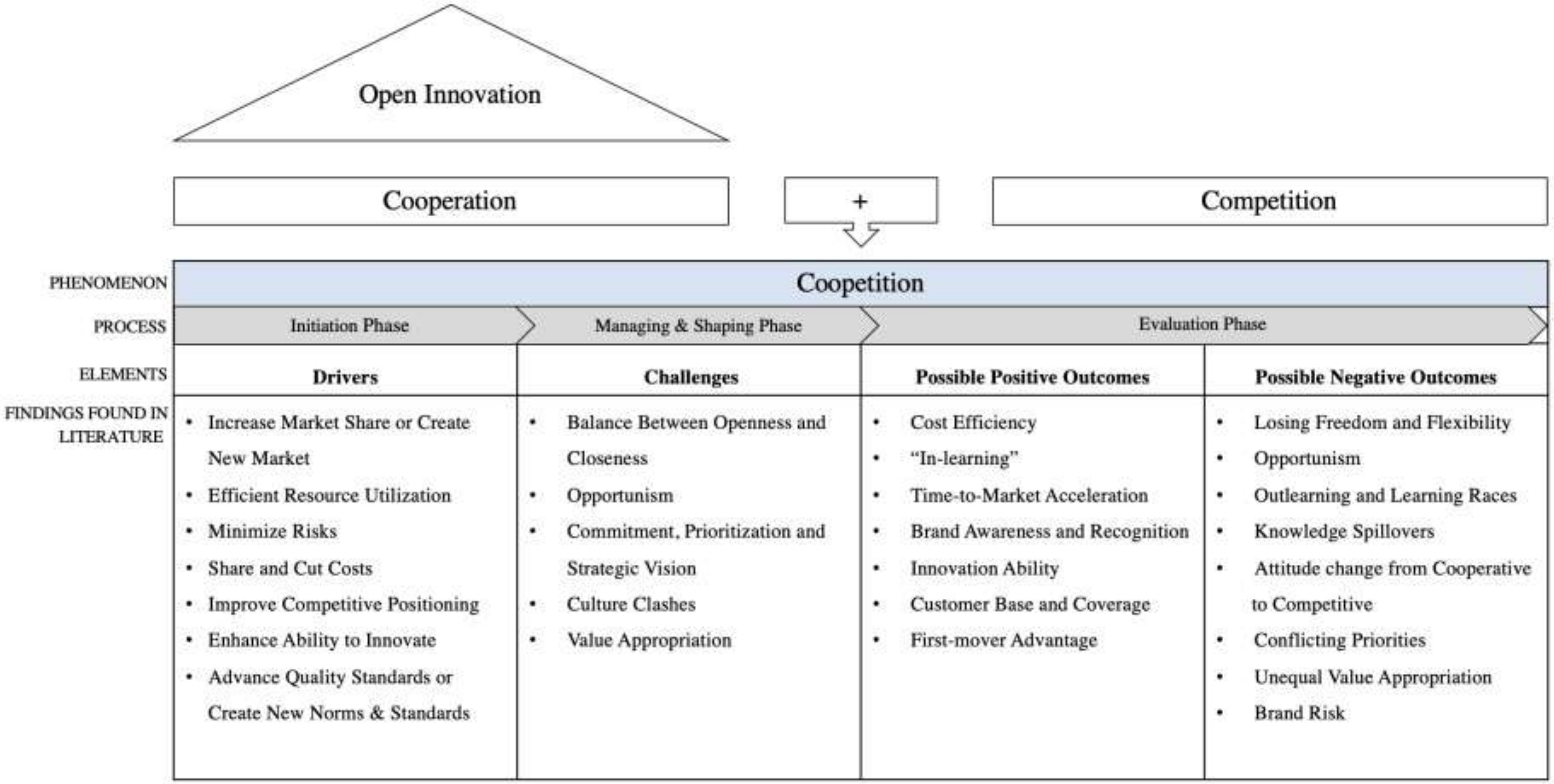
Another possible negative outcome of coopetition, described in literature, is that not all partners involved in the relationship might be able to appropriate the same amount of value once created (Ritala & Hurmelinna-Laukkanen, 2009), or might even result in a "zero-sum game" (Cygler et al., 2018). According to Ritala and Hurmelinna-Laukkanen (2009), equal value capturing between the coopeting firms seems realistic in theory, but not necessarily in practice. However, that depends on multiple factors, for instance how differentiated the actors involved operate, as well as which customer niche they focus on. According to Pfeffer and Salancik (1978), it all depends on the resource reliance and need. Hence, the actors, who possess resources that are more critical to the coopetition, are consequently able to capture a higher amount of value.

Additionally, Cygler et al. (2018) name possible negative outcomes of coopetition in their study, or as they call it "drawbacks". They highlight the risk concerning each company's reputation, as they state that any problem that could arise during the coopetitive relationship in general or for example, with a certain partner, could "[...] cast a shadow on [each] company's image" (p. 5).

2.5 Preliminary Framework based on Literature Review

With the following preliminary framework on the next page, the main and most important points derived from the literature review above are summarized and depicted for a better overview. Cooperation can be seen as a stand-alone concept that can be classified under the broader umbrella term of open innovation. Cooperation and competition simultaneously or when combining these two, from each other independent constructs, result in the herewith studied phenomenon of coopetition. Hence, coopetition can be divided in three different processual stages, to see below. Within these distinct phases, one can find drivers, challenges, as well as possible positive and negative outcomes of coopetition.

Figure 2. Preliminary Framework based on Literature Review



3 Methodology

This chapter highlights and underlines the relevance of the methodological choices that were made to address the research question of this paper. Therefore, this chapter firstly reviews the research approach, followed by outlining the research design that consists of a single case study. It will be specified how the empirical data was collected and thereafter, how it was analyzed. Furthermore, the quality of this study is underlined by pointing out its validity, reliability and ethical implications.

3.1 Research Approach

Within management and business studies, there are two main research methodologies, namely quantitative and qualitative research strategies (Bryman & Bell, 2015). Between these two lie fundamental differences. Within the quantitative approach, researchers employ measurement in terms of numerals, while within qualitative research the focus is set on words. Whereas quantitative approaches are most suitable to test an explanation or certain theory, qualitative research strategies are best suited for phenomena that need to be explored, either because there has still been relatively little research on the topic or because it has not yet been addressed, for instance, within a particular group of people or sample. Thus, the qualitative approach enables the researcher to be more innovative and allows to undertake individual designed frameworks (Creswell, 2014; Easterby-Smith, Thorpe & Jackson, 2015).

Given the fact that this study explores and identifies key drivers, challenges and possible outcomes of coopetition by having interviewed individuals, who have either been involved in the exemplary coopetition case and have therefore first-hand information, or further possess second-hand knowledge, this study followed a qualitative research approach, which made use of the phenomenological research strategy (Creswell, 2014). Moreover, against the background of the research question, it seemed more suitable to choose the qualitative research approach since this work is rather based on words and a general understanding, other than specific numbers or numerical assessments. Therefore, it seemed important to gain a deep insight and understanding by establishing personal interplays in form of interviews to collect the data.

Moreover, in literature, the qualitative research strategy is commonly linked to the inductive research approach in order to be able to address the research question. The inductive approach targets at the "bottom-up" creation of theory, while the deductive approach, typically entailed within the quantitative research strategy, aims at testing relevant theory or hypotheses against previously collected data "top-down" (Bryman & Bell, 2015; Saunders, Lewis & Thornhill, 2009). Hence, both approaches have the goal to make "logical inferences and [to] build theories about the world" (Bryman & Bell, 2015, p. 27). Although this paper can be mainly categorized using an inductive approach, entailed in the chosen qualitative research strategy, it to some extent demonstrates characteristics that would, under the above-described criteria, be related back to the deductive approach. According to Bryman and Bell (2015), this practice can be defined as an iterative approach, which "involves weaving back and forth between data and theory" (p. 25). In conjunction with this work, previously to collecting the relevant data, a literature review was conducted in order to create higher validity of the collected data. Additionally, this was done in order to be able to ask the right and to the context most relevant questions, which would lead towards being able to address the research question. At the same time though, relevant literature became evident by collecting the data through the interviews. Thus, later on, within the analysis of the collected data, it was possible to inductively build general themes derived from singular ones, which enabled one to interpret the meaning of the data (Creswell, 2014).

3.2 Research Design

Within this chapter, it is described how the data was collected. Further, it is explained, why this specific research design was chosen in connection with the research topic and the chosen research strategy mentioned above.

Among various design options, stated by Sreejesh, Anusree and Mohapatra (2014), which are the exploratory, descriptive or causal design, this paper does not follow only one certain research design. However, when wanting to classify the design outline of this paper, the exploratory style seems to come closest, as one can identify specific and coherent characteristics. Generally, the exploratory research design is used to investigate a certain problem, evaluate alternatives and to discover new ideas. However, there should not be any prior, already set expectations or even a desired result (Sreejesh, Anusree & Mohapatra, 2014). Thus, for the first formation phase of this paper - consisting of the literature review, as well as semi-structuring the interviews - the research design has to be rather seen as structured than exploratory. This is due to the fact that information needed to be narrowed down in order to suit the particular needs of this paper and to be able to address the distinct research question. Therefore, the exploratory approach of this research was confined to four sections, which are the drivers, the challenges, as well as the possible positive and negative outcomes of coopetition. The final presentation of the findings is also rather exploratory, derived from open questions in the interviews. Moreover, as mentioned in the previous chapter, the explorative design was primarily limited due to constraints in time and space by having structured the literature review beforehand.

3.2.1 Single Case Study

By utilizing a qualitative research approach with the aim to gain new insights and expand the understanding of the topic of coopetition, a single case study approach is applied. Generally, by applying a case study design, it allows one to obtain a holistic and real-world perspective (Yin, 2014). On top of that, according to Stake (1995), a specific case can be studied because it is seen as very interesting. Additionally, it can be used to study complexity and particularity of a single case with the aim to understand its activity within certain circumstances.

There are four different case study designs according to Yin (2014). These are either a single case design or multiple case design with a holistic single-unit analysis or embedded multiple-units of analysis. In this paper, however, it was decided to use a single case with a holistic single-unit analysis, as our study focuses on only one case company and the unit of analysis is the collaboration activity. Although, a multiple case design is advised by different researchers because it can provide deeper knowledge and more reliability, we favor the single case study. This is due to the fact that the chosen case company is a very strong and exemplary representative, showing unique success in the coopetitive world. Although, a single case study design can show disadvantages, such as a limited level of generalizability (Eisenhardt, 1989), we further limited the findings to one industry, even though it is our aim to generalize the findings, as much as possible, for multiple industries. Therefore, we needed to be cautious when presenting our final conceptual framework and distinguish between industry related drivers, challenges and possible outcomes. More information about the specific case will be described in the following section.

The case company that we have chosen can be classified as unusual since it shows great success regarding coopetition and is thus, a great case to study (Yin, 2014). Since this particular case was first of all chosen to provide the reader with a general understanding of the coopetition phenomenon, the findings can be seen in a broader sense and are not limited to the case company only. It is the goal of this study to generalize the findings later to make them applicable to other industries or companies. This makes the use of the chosen case study more like a best practice example against the background of coopetition. In order to decide upon a suitable case company, certain criteria were established that needed to be fulfilled. The constructed criteria are shown in the table below.

Table 1. Constructed Criteria for Finding a Suitable Case

Criteria	Description
Criteria 1: Experience	The company is created from coopetition.
Criteria 2: Horizontal coopetition	The coopetitive partners are direct competitors.
Criteria 3: Established	The coopetitive relationship has been in place over a certain and longer time frame.
Criteria 4: Accessibility	There is a possibility to access the engaged partner companies for e.g. interviews

With these criteria set, we decided upon a company that met these criterions. Thus, we chose the Swedish company "GetSwish AB", which owns the mobile payment application "Swish". Although the name of the company is GetSwish AB, we will most likely use the abbreviation Swish in the following, especially when referring to the case.

Choice of Case Study

As above-stated, Swish is a mobile payment application, owned by the organization GetSwish AB (GetSwish, 2019a). The application Swish was founded by the six biggest national banks in Sweden with the help of Bankgirot[3] and the Swedish Bankers' Association[4]. At that time in 2012, the largest banks in Sweden officially engaged into a coopetitive relationship -

[3] Bankgirot is provider for digital payment infrastructure and other financial services that national banks utilize in Sweden (Bankgirot, 2017)
[4] Swedish Bankers' Association creates regulatory framework for banks and financial institutions (Swedish Bankers Association, 2019)

cooperating, but at the same time being competitors in the Swedish banking sector - to launch Swish. However, first meetings took place in 2008 already, according to the participants in our study. Since 2012, the payment solution for mobile phones is available throughout whole Sweden and continuously rises in popularity. In April 2019, Swish had approximately seven million private users and has, since the launch, processed roughly one billion transactions (GetSwish, 2019b; GetSwish, 2019c). The application enables users to, for instance, split bills, collect money jointly for e.g. a gift or directly pay in restaurants or other physical stores (GetSwish, 2019d). Since the extremely successful mobile payment system is a result of the main financial institutions in Sweden cooperating, Swish represents a very good case example of how competing firms nowadays can form a successful collaboration and by doing so, create value for millions of people. In a way, the unit of analysis, which is the collaboration activity between the multiple banks to form Swish and therefore, the case as such, is a unique choice as one can observe the phenomenon of coopetition between multiple horizontal and competing companies and not only between two competitors, as often the case in literature. Thus, criteria one to three was fulfilled. On top, we managed to assure interviews at Swish itself and at most of the banks involved. Consequently, all of the previously mentioned case criteria was met. Below in table two, the match and validity of Swish, being a suitable case company, is shown:

Table 2. Suitability Checklist for Single Case Study

Criteria	Description	Swish
Criteria 1: Experience	The company is created by coopetition.	The case is a perfect example of coopetition since the six largest banks in Sweden cooperated in order to form GetSwish AB.
Criteria 2: Horizontal coopetition	The coopetitive partners are direct competitors	The banks cooperating are direct competitors with each other.
Criteria 3: Established	The coopetitive relationship has been in place over a longer time frame.	The coopetitive relationship between the banks began in 2008 and is still running.
Criteria 4: Accessibility	There is a possibility to access the engaged partner companies for e.g. interviews.	We managed to interview participants of most of the six banks and other relevant parties involved in the coopetitive relationship.

As Swish is created by the biggest national banks in Sweden, it would have been possible to do a multiple case study - scrutinizing each bank as a separate case. However, we decided to do a single case study, focusing on Swish for different reasons. First and foremost, not all of the banks might have wanted to participate in this study in terms of giving an interview, thus, it would have been an incomplete list of case companies and therefore, a lack of relevant data.

Secondly, not only banks were involved in the creation process of the coopetition to form Swish. Organizations such as Bankgirot and the Swedish Banker's Associations were also part of it in the beginning. Hence, for a complete and holistic picture, we wanted to include the view of these parties as well within our study. Lastly, we decided to do a single case study since we are studying the drivers and challenges that arose in particular within the creation process of Swish, and not within the creation process of any of the banks itself. Moreover, making use of a single case study seemed the most feasible, given the short amount of time and under the prevailing circumstances. Nevertheless, a comprehensive picture will be presented by covering the views of most of the involved banks and other engaged parties.

Above all, Swish can be seen as a true success in coopetition due to the fact that big and traditional Swedish banks decided to collaborate and launch Swish in 2012. By now, they jointly reached most of the Swedish market (GetSwish, 2019b). Besides, Swish is also one of the strongest digital brands (Thambert, 2016) and recently got ranked as most sustainable brand in Sweden (GetSwish, 2019d). As told in the interviews, Swish is a desired example of coopetition and thus, businesses, as well as newspapers abroad, are fascinated by the company's cooperative success. Therefore, we believe this case is of strong relevance for this study and will provide us with strong findings that we can generalize and present to other industries and companies, so that they can take part in coopetition and achieve a similar success like Swish.

3.3 Data Collection Method

This chapter is dedicated to the data collection method, as it builds the base and is key to further analyze the findings. When it comes to collecting data, there are various methods that one could make use of, such as conducting interviews, surveys or collecting data by having focus groups (Bryman & Bell, 2015). Moreover, one should distinguish between primary data and secondary data. Commonly, primary data is referred to first-hand information that is derived directly by the researcher, whereas secondary data stands for information that is rather written information in terms of, for instance, publications by a company, in the first place published for diverse reasons other than research (Easterby-Smith, Saun-Smith, Thorpe & Jackson, 2015).

3.3.1 Semi-Structured Interviews

The data collection method, we have adapted in this work, involves semi-structured interviews with practitioners, who were a part or have primary knowledge of the coopetitive relationship from when Swish was created. Hence, we have mainly interviewed practitioners at Swish, at the involved banks, as well as practitioners at Bankgirot and the Swedish Bankers' Association. Semi-structured interviews were chosen for two reasons. Firstly, against the background of the qualitative research method, the interview approach was chosen since it is described to be one of the best methods to gain relevant data and information within a case study (Easterby-Smith et al., 2015). Secondly, since the coopetition between the six banks to create Swish started to take place in 2008 already, as stated by an interviewee in our study, there was a need to collect data that is rather of historical kind in order to comprehend the drivers, challenges and outcomes. Thus, it seemed to be most suitable to interview individuals, who were part of or played an active role in the coopetition and therefore, gained in-depth knowledge at that time (Creswell, 2014).

Prior to the interviews, an interview protocol was created, which was mainly based on relevant literature derived from the previous literature review (see Appendix A and B). The interview protocol consisted of nine sections with a total of 31 questions. According to Creswell (2014), certain components need to be included in an interview protocol, such as an introduction, the request to audiotape the interview and an ice-breaking question in the beginning. All of these recommendations were taken into account when creating the protocol. Henceforth, the interview protocol was set up with different sections, which were: opening questions, questions regarding the topic and closing questions (Easterby-Smith et al., 2015). This was due to the aim to get in-depth knowledge of the perceived drivers, challenges and possible positive and negative outcomes by the experienced interviewees through conducting personal interviews. Subordinated to the sections, the protocol consisted of nine categories: 1) Introduction to the interviewees' role, 2) Introduction to Swish, 3) Creation phase, 4) Drivers, 5) Challenges, 6) Perceived benefits, 7) Perceived risks, 8) Roll-out phase, and 9) Future outlook. These predefined categories were enabling to get a holistic overview of the coopetition to form Swish. It should be noted that after having conducted the interviews, 'perceived benefits' were decided to be referred to as 'possible positive outcomes' and 'perceived risks' were referred to as 'possible negative outcomes' instead for reasons of preventing misunderstandings that came along with the previous wording.

As mentioned above, the interviews were conducted in a semi-structured way, consisting of open-ended questions to collect detailed and elicit views, as well as opinions from the practitioners (Creswell, 2014). By following the semi-structured interview approach, we made use of the pre-structured categories above and prepared questions that we wanted to cover during the interview accordingly. However, we were flexible at any point in time to e.g. add new questions or extend questions during the interview, if we for instance thought that they would benefit the final results (Saunders, Lewis & Thornhill, 2009). Moreover, by using semi-structured interviews, we had the opportunity to probe certain answers and to build on the interviewee's responses. Due to the open character of the semi-structured interview guide, not always all questions needed to be asked, as sometimes certain answers were given automatically by the interviewee. We also used the laddering technique, such as laddering up ('Why?') or laddering down ('Can you exemplify?') questions to get even deeper knowledge of the initial question asked (Easterby-Smith et al., 2015). Overall, the semi-structured guide helped us to avoid superficial answers given by the interviewees, as well as assisted the progress of generating rather heavy data. This was especially important in the course of these interviews, as this work wants to explore the drivers, challenges and possible outcomes in particular and highlight various perceptions or interpretations of the interviewees (Easterby-Smith et al., 2015; Saun-Smith, Thorpe & Jackson, 2015).

During an interview, one of us acted as the moderator, asking the interview questions and following the semi-structured interview guide, while the other one acted as the sub-moderator, focusing on taking notes and recording the interview. The recording of each interview was performed by making use of the iPhone audiotape function.

In order to collect the data and conduct the interviews preferable in person, we travelled to Stockholm, the 8th and 9th of April, 2019. Thus, we were able to conduct almost all interviews face-to-face with the practitioners such as executives and managers at Swish, as well as some of the founding individual banks (e.g. at Danske Bank, Swedbank, Handelsbanken, Länsförsäkringar and SEB). Face-to-face interviews were conducted to establish more trust between us and the interviewee's and to be able to observe non-verbal cues, such as body language when answering the questions (Easterby-Smith et al., 2015; Saunders, Lewis & Thornhill, 2009). On top of that, due to time constraints and scheduling difficulties, another interview with an executive manager at Bankgirot was conducted via Skype on the 11th of April, as well as a phone interview with an executive at the Swedish Bankers' Association on the 24th of April. Here, we missed out on the personal contact and thus, could not observe the interviewee's responses and body language due to the above-described procedure (Saunders, Lewis & Thornhill, 2009). Moreover, since these were scheduled as our last interviews, we had already reached a certain point of saturation and got similar and comparable answers to what we have observed in the previous face-to-face interviews.

In total, all interviews took approximately one hour each, which was sufficient to gain the information needed. The interviews were mainly with one interviewee at the time. Once however, an interview at Swish had to be conducted as a group interview by questioning two managers at the same time. This was requested by the participants due to time constraints on their site. Although, we preferred to have all interviews with only one participant at a time, we agreed to the group interview and turned it into our advantage since we realized, we would get the opportunity to get even deeper insight and more detailed answers by them, eventually probing each other, as well as reminding each other of what happened, leading to snowballing their experience regarding the coopetition.

3.3.2 Selection of Interviewees

By using a single case study, it was necessary to obtain primary data from practitioners, who were directly involved in the process. Therefore, we firstly searched on the networking-platform LinkedIn for participants that seemed suitable and sent them a message with explaining the aim of our study and thus, requesting an interview. Even though we got a first response on LinkedIn after a while, we did not seem to be successful at getting more messages back from the potential interviewees. Hence, we tried to reach these potential participants via their email address. However, their contact information was most of the time not public and thus, was not found easily. Though, we knew their names and the organization that they work for from our previous research on LinkedIn. Therefore, we were able to guess their email addresses and by doing that, we sent out the interview requests again. This strategy turned out to be a success, reaching most potential individuals via email. Moreover, some of the people we emailed recommended colleagues to us that they said could hold relevant or more in-depth knowledge than they themselves possess. Besides, one person helped us contact high-up executives from various parties involved in the coopetitive relationship and further, he asked them personally if they would support our research by participating in an interview.

All the people we confirmed an interview with, received information beforehand about the topic of our thesis and what knowledge we would expect them to have. By doing so, we knew that the interviewees were qualified enough to participate in an interview. Moreover, the interview protocol was sent out previously to the scheduled interview in order to make sure the interviewee could get prepared if they needed or wanted to. This was done because the creation phase of the coopetition between the banks took place over ten years ago. Below in table three (see: next page), the participating interviewees are listed according to the date of the interview, their role and the organization that they work for:

Table 3. Overview of Interviews

Interview	Position	Organization
Monday 8th of April - Stockholm		
Interview 1	Strategic Project Management	SEB
Interview 2	Card and Payment Development	Handelsbanken
Interview 3	Business Developer	Danske Bank
Interview 4	Chairman of Board of Directors (Previous Head of E-commerce & Consumer Finance at Swedbank)	GetSwish AB
Tuesday 9th of April - Stockholm		
Interview 5	Senior Business Developer	GetSwish AB
	Business Developer	GetSwish AB
Interview 6	Head of Business Development	Länsförsäkringar Bank
Thursday 11th of April – Skype		
Interview 7	Director of Financial Infrastructure (Former Chairman of GetSwish AB, first 5 years)	Swedish Bankers' Association
Wednesday 24th of April – Phone		
Interview 8	Head of Strategy and Business Development	Bankgirot

3.4 Data Analysis

Following the interviews, the collected material was analyzed. The first step in preparation for the analysis, was to transcribe the audio tapes of the interviews (Easterby-Smith et al., 2015). To transcribe the recordings, we used the online automatic transcribing service "Trint" (Trint, 2019). To ensure the correct spelling of words, we listened to each audio, while at the same time checking the automatically generated transcript for e.g. spelling mistakes. Afterwards, the corrected transcribed documents were coded. The transcribed interview documents and notes taken at the interviews was the main material for our analysis. To analyze our data, we followed Rennstam and Wästerfors (2015) three-milestone analysis plan, which consists of 1) the sorting phase - sorting and organizing the data, 2) the reducing phase - selecting and reducing the data, and 3) the arguing phase - connect the literature with data and empirical findings to develop argumentation and recommendations.

Sorting Phase

The transcriptions derived from the interviews seemed to be clear and in order. However, during an interview, there might be situations, where the interviewee or the interviewer jumped back and forth to a question or topic and thus, did not follow the set outline of the interview protocol. This often resulted in that for instance one question was answered throughout multiple sections. Hence, the empirical data needed to be sorted. Sorting can be done in various ways. There is no single or right way of how to sort data. Rennstam and Wästerfors (2015) metaphorically compare this phase to sorting LEGO. One way is to sort by color: all green parts go in one pile, all red parts in another pile and so on. Another way is sorting data by size or function. To make the coding process efficient, we used the qualitative analysis software "MAXQDA" (MAXQDA, 2019). Once we imported all transcripts, we ourselves were able to create codes by selecting to us sense-making text segments that we identified without the help of the program. Then we dragged and dropped these text passages into certain code folders that we previously created. The codes that were created were mainly based on often recognized topics or keywords that were discussed within our earlier conducted literature review. Besides that, we established four main codes derived from the interview protocol: drivers, challenges, benefits and risks, to cover the whole coopetition process. As mentioned previously, benefits and risks are now referred to as possible positive and negative outcomes. Furthermore, these categories had multiple sub-categories. Overall, we were in control of this entire process using MAXQDA and deciding on codes one after another. The qualitative analysis program only helped us to get organized by getting a better overview of all transcripts, as they were gathered in one place and also to categorize the sense-making text passages from all transcripts into common code folders. Secondly, it gave us the opportunity to analyze the interviews in more depth by being able to break down our data into specific components, as well as to later on visualize our data by the provision of certain tools such as code colors. To secure a better overview and clearer visuality, we used color coding within this process and therefore, selected a color for each independent category (e.g. drivers were represented by the color green) (Easterby-Smith et al., 2015). Besides, MAXQDA made it easy for us to find coding's quickly by offering convenient retrieval functions, as well as the possibility to excerpt a code book in the end, which was a summary of all our coded passages. Thus, by using MAXQDA, the validity of this paper got strengthened.

In parallel to coding text passages, we were also on the outlook for sense-making quotes corresponding to the topic that would, for example, be evidence of a match between the pre-understanding of the topic and the actual outcome. So to say, we were looking for statements from the interviewees that made sense, were meaningful or indicative and either summarized a finding well, or provided new information that was not described before. These quotes were then used to reflect the captured image from the interviews to the reader and therefore strengthen our analytical response. As Gibbs (2007) stated: “the inclusion of quotations gives the reader the feel for the aesthetic of the settings and the people [one has] studied. It enables the reader to get closer to the data and enables [the author] to show exactly how the ideas or theories [one] discuss[es] are expressed by those [one has] studied” (p. 8). These quotes are later used in the findings chapter as evidence and to underline the overall validity aspect of the thesis. Moreover, the sorting phase was continuous throughout the analysis process since we reorganized data and found new patterns (Rennstam & Wästerfors, 2015). The risk with sorting the data is that it can limit the fantasy and hence, can restrict the outcome (Rennstam & Wästerfors, 2015). However, by sorting, we eliminated chaos, that often occurs if data would not be sorted.

Reducing Phase

After we sorted the data by coding into categories, there was still a lot of data to comprehend from the eight interviews we conducted. We realized that we also created too many sub-categories, falling under the main categories. Therefore, after we have had coded everything for the first time, we sorted through the categories again and reduced the findings by deciding on broader categories that would cover more of the codes and also by removing those, which were not meaningful or in accordance with the topic and aim of our study (Rennstam & Wästerfors, 2015). Thereafter, we reduced the content within these categories. Rennstam and Wästerfors (2015) argued that there is a representation problem, in which one cannot present all data collected in a single paper. Therefore, we chose the most meaningful and sense-making quotes that were well-formulated by the interviewees to underline our main findings. Nevertheless, other material was also considered and incorporated into the findings. Overall, reducing the data was a very difficult and sensitive activity as we needed to remove some of the broader content from the interviews (Easterby-Smith et al., 2015; Rennstam & Wästerfors, 2015). Once the data was reduced and only a few categories were established, it was presented in the findings chapter later on.

Arguing Phase

After the sorting and reducing phase, we argued for the data that was chosen (Rennstam & Wästerfors, 2015). This was done by analyzing the findings and connecting them to existing literature that we presented previously in the literature review. The argumentation of the analyzed findings is addressed in the analysis and discussion chapter. More specifically, in the previous-mentioned chapter, we are presenting new findings in contrast to what existing literature has already stated. We also present the findings that are in accordance and congruent with existing literature. Subsequently, we thoroughly went through the literature again and highlighted the theory that seemed most important to connect to our findings. Additionally, when there was a gap between our findings and the reviewed literature, we further researched our findings, also related to other topics that are not specifically related to coopetition. This was done to underline the importance of our findings, connect to theoretical evidence and thus, to strengthen our findings. After all, we have developed our own argumentation for the findings, which is sometimes contrasting to existing literature and we were able to add theories that might be applicable to the research on the phenomenon of coopetition.

3.5 Quality of the Paper

For a research paper to be of strong quality, three components need to be considered: validity, reliability and ethical implications. These aspects are all presented below, connected to arguments regarding the quality of the paper.

3.5.1 Validity and Reliability

A qualitative study is said to be of substantial quality, if the validity of the paper is strong (Creswell, 2014). The study is valid if the explanations of the findings are accurately presented and if they correctly capture what actually happened (Gibbs, 2007). Furthermore, Creswell (2014) argues, that in order for a paper to be valid, it needs to be trustworthy, authentic and credible.

To assure validity, we have adapted two strategies: ‘Respondent validity’ and ‘Evidence’ (Gibbs, 2007). Respondent validity covers transcribing the interviews that took place and then send the transcribed document of the interview back to the interviewee to get confirmation or the contrary. Doing so, we made sure the transcription documents are highly accurate. Moreover, we used the strategy of evidence, which is about showing proof of the correct findings by using, for example, direct quotes from the interviewees, as mentioned previously. Furthermore, strategies such as triangulation could have been used to further strengthen the validity, however, due to given time constraints in the writing process of this thesis, another method was difficult to use and thus, not feasible. Moreover, as mentioned above, we based our interview protocol on existing literature in order to ask the right questions in accordance to our specific research purpose. Thus, the literature behind each question supported each interview. This was done to ensure the validity of the interviews. Moreover, we found that our interviewees had, more or less, the same or similar answers to the questions. This is an indication for their answers to be highly valid, which makes our findings even more trustworthy.

For a paper to be reliable, Gibbs (2007) argues that the findings need to be “consistent across repeated investigations in different circumstances with different investigators” (p. 9). In other words, for a research paper to be reliable, it needs to be consistent (Creswell, 2014). Moreover, since we are two researchers writing this paper, both of us analyzed the findings and came up with the same interpretations. Thus, we are both consistent with each other (Gibbs, 2007). To ensure an even higher reliability, we further decided to do cross-code checking within the above-described sorting phase concerning the data collection process, where both authors showed to have similar results.

Furthermore, we have tried to be as transparent as possible when explaining the details of our methodology. We granularly documented the procedures concerning our case study with the aim to make our paper more reliable and to make it possible for e.g. another researcher to repeat our study with a similar outcome (Yin, 2014). Due to certain specifications by the university concerning this thesis, as well as the request of some interviewees not to openly share the transcription documents within the appendix, the readers of our work are however more than welcome to contact us for further inquiries and questions about the reliability of our findings.

3.5.2 Ethical Implications

According to Gibbs (2007), when researchers are careless or make mistakes, it can have negative ethical implications. He further argued that “the key to ethics in research is to minimize the harm or cost and maximize the benefit” (p. 12). There are many things we have taken into account, when interviewing practitioners and writing this thesis, to assure ethical principles. One of the main ethical concerns in a study like ours is usually to ensure confidentiality and privacy of the interviewees, which sometimes can be difficult to maintain. To ascertain that, we firstly considered informed consent, meaning that we gave some information about our topic to the interviewees up-front and enlightened them with what we would like them to provide us with, so that they could consider if they are the right counterpart before agreeing to an interview with us. Secondly, we started each interview by asserting that no name will be mentioned in the paper. However, we asked each interviewee for consent to having their position and the company that they work for mentioned within the thesis. Thirdly, we asked for permission to audiotape the interview, as well as double-checked with the interviewees if we could make use of certain direct quotes within our findings section. Lastly, we kept the recorded interview tapes to ourselves. The transcription documents will only if requested be shown to our supervisor or grader.

4 Empirical Findings

This chapter presents the findings derived from the conducted interviews with the practitioners that were involved in the coopetition to form Swish. Specifically presented in the subsequent sections, divided into the initiation phase, managing and shaping phase, and execution phase, are the drivers, challenges, as well as the possible positive and negative outcomes. Thereafter, an analysis of the findings is presented in relation to the already existing literature.

4.1 Initiation Phase

First of all, this section reveals the mentioned drivers throughout the initiation phase of coopetition.

> *”’I might not be able to defend my own customer front - so let's talk to my peer here, is there something we can do together to defend the customer front? Which is exactly what we then did through Swish. And I think that's one unique thing with Swish, that you really moved the coopetition into not just a backbone thing, you moved it into the customer front”* - Strategic Project Manager, SEB

4.1.1 Drivers

Industry Specific Drivers: Industry incentives, Technological Changes and Competition

The first step into the creation of Swish started with an incentive given by the European Payment Council (EPC) regarding the future of mobile payment systems throughout the European Union (EU). The Swedish Bankers’ Association therefore created a group represented by different banks in Sweden, referred to the mirror group throughout our interviews, consisting of experts and practitioners with knowledge about payment systems. The EU incentive was initially based on a technological shift in the finance sector and the emergence of the smartphone. Therefore, they encouraged each country in the union to research future possibilities and trends. However, the EU wanted to rather focus on a problem solution that was not applicable or needed in the Swedish market. Thus, the mirror group and therefore, the banks, did not entirely follow the EU mobile payment development. At the same time as disruption and technological changes took place in the market, the banks in Sweden became an assignment from 'Riksbanken', which is Sweden's central bank (Riksbanken, 2019), to reduce the amount of cash circulating in the Swedish market for safety reasons and to minimize the black market. Henceforth, an alternative for cash was needed, excluding credit and debit cards. Another reason for the incentives given to the industry to innovate in mobile payment systems was due to the diminishing trust from the customer side towards banks. This was mainly due to the Lehman Brothers crisis in 2008, which influenced the banking industry heavily. Because of this, the banks needed to join forces to make the banking industry safer again and more transparent, which is why a suitable solution, namely Real Time Clearing[5] and settlement processes, were created in Sweden.

These factors - the initial EU incentive, the emergence of the smartphone, the aim to reduce cash in the market and the Lehman Brothers crisis - was mentioned to be a motivation to engage in coopetition among the banks. The Chairman of the Board at Swish stated:

> *"I think we all had incentives to do this because it was really a change in the payment landscape."*

Because of the technological changes in the market, an interviewee mentioned that the banks also noticed new entrants to the market, therefore, not only influenced by the above-mentioned factors, the banks had to cooperate even more now to move the industry forward as a whole and in order to secure their place in the industry. The Strategic Project Manager at SEB stated:

> *"We had common enemies to fight. So, it was not that difficult working in the same interest and direction."*

Common Goal

With the banks in Sweden having, what some of the practitioners have referred to as "common enemies", they had a common goal that welded them together and all of the banks were, more or less, on the same page of what was needed to be done. The Business Developer at Danske Bank stated:

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[5] "Real Time Clearing is an electronic payment product that allows you to clear inter-bank, time-critical payments in real time. Once a payment is released, it is cleared, and reflects in the beneficiary's account within 60 seconds – giving them immediate access to their funds." (Standard Bank, 2019)

> *"It was a very common understanding and common view of making this happen."*

Share or Cut Costs

Another finding that came across in our interviews regarding the drivers for engaging in coopetition, was to share investment costs. It was mentioned that some of the banks had already tried to invent and develop a mobile payment system solo, on their own, without collaborating with other banks. Early on however, they noticed, that it was not possible since they would need to invest a lot of their capital. Therefore, by sharing the investment costs, as well as other operational and information technology costs, it was possible to build that kind of mobile payment solution or service, meeting the requirements of the end-users.

> *"It was obvious for the banking industry - Swish as well as the net bank solution - they were inventions, driven by the banks in order to save costs."* - Business Developer, Danske Bank

Efficient Resource Utilization

By cooperating, the banks were also able to share resources and utilize them more efficiently. This was most beneficial for the smaller banks (in this case Handelsbanken and Länsförsäkringar), which naturally do not have the same resources and capital as, for example, the bigger banks (here: Nordea, SEB, Swedbank and Danske Bank). Therefore, it was said to be the bigger banks, which were able to offer more resources, in terms of human and financial capital. However, it was up to each owner bank of Swish how much resources they wanted to invest and participate with.

Increase Market Share and Coverage

> *"To be the number one solution, you have to have the reach. It's a little bit like the telephone - if you can't call anyone you don't have a useful product. Same with Swish, if you can't Swish anyone, you don't have any use for it."* - Head of Strategy and Business Development, Bankgirot

Another driver for the coopetition, identified by the interviewees, was to cover most of the Swedish market. Since there are many different banks in Sweden that compete over customers, having multiple platforms would not have achieved the same amount of reach or coverage that the banks have managed to cover today with Swish. This is especially important - as the Head of Strategy and Business Development at Bankgirot stated above - in order for the mobile payment solution to work, it needs to work across the different banks in Sweden and all users should be able to 'swish' any other user, even though this user might be a client at another bank in the partnering network.

Create New Norms and Standards

Moreover, by having a coopetitive relationship and reaching the critical mass, the banks have created and set a standard for mobile payment solutions in Sweden, which has also been identified as a driver derived from the findings.

> *"As I see it, this is the entire point with coopetition, to really use the possibility to build a proper and solid infrastructure. You can compare it with the railroad network for instance. Nobody would come up with the idea with different tracks, you need to have a standard. And we created to some extent the standard here."*
> - Business Developer, Danske Bank

Moreover, some of the interviewed practitioners, referred to Swish as a network product, meaning that instead of each and every bank creating their own platforms with different standards, it would not get as big of a market reach. Therefore, by unifying and cooperating, the banks are creating one standard for the entire market. Henceforth, it was mentioned that it creates an ecosystem, where users of the application are requesting their friends and family to become users as well. Thus, the six largest banks in Sweden were able to jointly reach most of the Swedish population by having created one standard for the whole market. At the moment, approximately 70% of the Swedish population is using the application on their phone, taking aside children and elderly, leading to the fact that they have almost reached the maximum coverage.

> *"*[...] [W]*e managed to convince everybody that you cannot do this on your own, you need to collaborate to get the reach. Without reach it's no value."* - Head of Business Development, Länsförsäkringar Bank

Previous Experience

The banks have previously been engaged in coopetition, for example, in the 1950's, when Bankgirot was created and also in later years when 'BankID[6]' was established. In both scenarios, the largest banks in Sweden were involved. Therefore, some of the banks, have already built relationships among each other, which influences their motives to engage in a coopetitive relationship once more. The long history, marked by multiple coopetitions between the banks, came also always into existence for, more or less, the same reason. This reason is explained below by the Director of Financial Infrastructure at the Swedish Bankers' Association:

> *"There's always been a good collaboration and a knowledge gap in the market - a small market with quite a few players, but quite big players, where* [...] *the banks* [...] *need to collaborate to get better services."*

This became further underlined by the Senior Business Developer at Swish by stating:

> *"It's a history of doing it together to solve infrastructure because we are a small country. If one bank does it, it doesn't work."*

Trust

Trust was also identified as a driver for the Swish coopetition, which is in relation with the previous coopetition experience of the banks. Since the banks had already built relationships with each other by having been engaged in previous coopetitions, they have also established a trustworthy base, which they could base future coopetitions on. The Business Developer at Swish:

> *"*[...] [T]*here's always been a level of trust in all of these coopetitions that, you know, the smaller banks know that the bigger banks have more resources* [...]*. So, there's a high level of trust between the banks when it comes to the rulebook and that type of basic common ground or the foundation."*

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6 "BankID is a citizen identification solution that allows companies, banks and governments agencies to authenticate and conclude agreements with individuals over the Internet." (BankID, 2019).

The banks in Sweden have a long history of cooperating, especially regarding the payment infrastructure and therefore, they are good at separating competition and cooperation by, for example, not discussing their individual pricing models, which is at the same time enforced by competition law. Thus, this has created trust in their relationship.

Market Characteristics and Culture

Another driver, identified with undertaking the interviews, was that the unique Swedish market characteristics and culture played a role in the formation of the coopetition. Both due to previous experience in coopetition among some of the Swedish banks, but also the fact that Sweden is a relatively small country, compared to other EU countries, with an often-described culture of consensus. Therefore, coopetition can prosper more easily, when comparing it to cultures where, for example, cooperation is rather frowned upon based on fearing opportunism. The Chairman of the Board at Swish stated:

> *"Maybe that* [banks are cooperating] *is unusual worldwide, but in Sweden it's not the first time we cooperate."*

The interviews revealed that the Swedish culture is benefiting the coopetition in this case, which was described to be a relatively smooth processes and easy-going relationships, since they all have had roughly the same attitude when it came to discussions about the project. The interviewees even mentioned that it does not matter if you are a big or small bank - internally, they are all seen to be on the same level.

4.2 Managing and Shaping Phase

This chapter presents the empirical findings regarding the challenges corresponding to the managing and shaping phase of coopetition.

4.2.1 Challenges

Commitment and Strategic Vision

A challenge, derived from the interviews, was that, at times from the outset, some of the involved banks seemed to not have the same mind-set in terms of commitment, as well as the same direction, in terms of strategic vision. It was mentioned that it was a long process for everyone to be on the same page, as stated by the Head of Business Development at Länsförsäkringar:

> *"It took almost two years to establish that everybody was on board and to start up the project for real."*

Culture Clashes

Another finding is that there were some clashes within the different organizational cultures of each bank that were involved in setting up Swish. Although, the banks might have similar cultures by being in the same industry and by operating in such a small market, there are still some clashes related to each banks heritage, background and also their business offerings. Therefore, these cultural differences were something the banks had to deal with in order to find common ground. However, by having been engaged in previous coopetitive relationships, they were to some extent aware of the differences in culture beforehand.

> "[...] *All the banks they have different DNA's. They all have different geographies."* - Chairman of Board of Directors, GetSwish AB

Value Appropriation

Value appropriation was also a challenge named in the interviews. The challenge was that not all of the participating banks captured an equal amount of value generated by the mobile payment service. Mainly, it was up to each and every bank, to decide how much value they would want to capture. Those banks that were more involved, seemed to engage more in terms of resources and time and thus in the end, got more value out of it. However, the banks also created more value for themselves, depending on how well they utilized and promoted the service to their customers. Therefore, it was up to each individual participant how to appropriate the value internally. As the Director of Financial Infrastructure at the Swedish Bankers' Association stated:

> "[...] [T]*he banks that had the resources to do both - both to engage fully in the coopetition environment, but also with their own development - they succeeded and locked the most.* [...] *In general, there were not so big differences, they were quite alike but of course, those who engaged the most, got the most value."*

Determined Employees

Moreover, it was described to be challenging to find the right employees to engage in setting up the coopetition since they need to be very driven, passionate and convinced of the idea and concept behind the coopetitive relationship in order to succeed in the long-term. However, one interviewee also mentioned that if you found the right individuals eventually to set up a team and to bring the coopetitive relationship forward, the energy or determination could also sometimes revert towards a negative direction, where they would get too involved personally:

> *"*[...] [I]*t is difficult to find, where everyone is so passionate about the product and it is a lot of energy, and of course, sometimes the energy can go the wrong way."* - Business Developer, GetSwish AB

Number and Size of Partners

Furthermore, from the interviews, it was found that it turned out to be quite challenging to coordinate activities, decide on matters, but also implement objectives successfully in each entity due to the relatively large number of banks involved in the coopetition. Each actor involved had their own opinion and agenda and therefore, interviewees mentioned that it took time to find consensus and to establish common ground, as the communication with multiple players was found to be difficult and resulted in high coordination efforts:

> *"And as you can understand when you have a like 11 participants, that's big business to do, then we need to coordinate all those integrations and that tends to be complex and that's not fast."* - Head of Business Development, Länsförsäkringar

On top of that, it was said to be challenging to decide on how much each actor is determined to contribute to the coopetition and how to overcome the fact that some parties involved were of bigger size and could therefore, possibly contribute more resources than smaller companies. In that context, it was thus mentioned that it was challenging to establish the right proportions and to avoid the situation that, for example, a stronger player exercises their power disproportionate and out of scale towards a smaller actor.

"[...] *Another challenge is if you have someone really, really big and someone much smaller how do you like get the right proportion of what you should contribute with. That is a big challenge also."* - Chairman of Board of Directors, GetSwish AB

Consequently, it was said to be challenging in the set up phase of the coopetition to establish trust among all of the involved parties, as the Business Developer at Danske Bank put it:

"First of all, it was a matter of trust and just create trust. You need to learn to know all the other banks representatives."

Resource Distribution

Another challenge that came through when conducting the interviews was that not all of the participants of the coopetition had the same preconditions. Some banks that were initially interested in being part of the coopetition had to, for instance, reconsider their engagement and interest due to the fact that they would not have been able to provide the necessary resources that were needed at that point. As the Business Developer at Danske Bank stated:

"[...] [T]*wo of the smaller banks they jumped off that cooperation because they felt that* [they] *don't have resources enough.* [...] *We will join you later on. Sorry guys but we can't provide you with resources right now, we do not have that internally."*

Moreover, it was challenging for the involved parties to provide unlimited resources in terms of employees, as most of the individuals involved were occupied with activities in their main position and had to prioritize their daily tasks and duties as, for example, holding a managerial role in one of the banks.

"You also have a huge challenge to synchronize all the banks because everybody involved needs to do their homework. Every bank had their project at home to do the things in parallel with the central work." - Head of Business Development, Länsförsäkringar

Governance Structure and Processes

Aside from what was already stated above, the findings discovered the governance structure and processes to be a main challenge in the coopetition setup to create Swish. The governance system was described to be complicated and slow due to the nature of the organizational bodies of the banks. Banks are generally characterized by having rather slow processes coming from established and traditional backgrounds.

> *"The tricky part was that every time we changed something in the product set up or established a new product, we had to go home to six, eight, ten, fifteen banks telling "Hey guys, there is a new product coming out, you need to adjust your IT systems". And here we are sitting as most banks with old legacy systems that are pretty expensive to change and so forth. So that was the real show stopper,* [...] *it prolonged the process and our time-to-market was not as short as we wished for."*
> - Business Developer, Danske Bank

The set up of the coopetition to form Swish however, needed to be more flexible and fast in structures, as well as in the processes to speed up the development and time-to-market. Within the banks, Swish initially started off as being run like a project. Everyone involved needed to take care of it, while focusing their attention primarily on their daily core business. This project format however lasted until the mobile payment service became already very popular and widely used in Sweden. Thus, one of the interviewee's stated that:

> *"I think we employed the first employee when we had like more than 4 million customers. It's insane. It's also a responsibility issue, that's not good governance to me, running something in a project format, when you have four million customers and all of these project people are 100% employed with other things"*
> - Strategic Project Manager, SEB

Supporting that, the Chairman of the Board of Directors at Swish stated the following:

> *"*[...] *Banks are not that fast as a small company of course.* [...] *So, that's still a challenge to be quick and fast and agile in that sense."*

On top of that, he adds that processes were slowed down due to long processes and multi-layered hierarchies at each bank involved in the coopetitive relationship:

> *"*[...] [T]*here are very long processes for getting decisions in the banks and that didn't make us faster."*

4.2.2 Overcoming Challenges

This section reveals the findings on the mentioned measures to overcome the above-mentioned challenges.

Open and Multiple Discussions

One of the mentioned measures to overcome challenges, listed above, was to frequently get together at one table in order to openly discuss issues and address problems. These discussions should proceed in a structured way with the aim to solve most of the problematic points. A structure to the discussions was said to be helpful in order to also speed up debates and to be able to reach consensus. It was said that it helps to tackle obstacles by having as much dialogue as possible between the involved actors.

> *"But when you bring up the discussion and openly discussed the possibility of the interested conflicts then I think most people do understand this and take the right position."* - Business Developer, Danske Bank

Therefore, the banks met many times on a regular basis. These meetings took place in person to establish personal contact and thus, Skype or phone calls were not used, as the Director of Financial Infrastructure at the Swedish Bankers' Association stated:

> *"I can say there were no Skype calls, it was meetings. It was very tight, and it was so many meetings that it could not be hosted by like the association or the banks. So, it was meetings between the banks and all the banks providing the space for it."*

Facts and Analysis

Another way to overcome challenges within a coopetition is to always go back to the basics and undertake an analysis of gathered facts. According to the Strategic Project Manager at SEB, decisions based on non-facts are too biased by own opinions, personal views or emotions. Therefore, he describes that facts and analysis will always win when facing an argument or discussion on a topic.

> *"I've been involved in in a couple of them and I think the only thing is what will always win, is facts and analysis. That's the only thing."* - Strategic Project Manager, SEB

Structures, Procedures and Teamwork

Besides overcoming challenges by setting up scheduled and structured meetings, the Head of Business Development at Länsförsäkringar also expressed the implementation of overall structures, not only concerning the meetings among the banks. That way the representatives of the banks would not only go back to their, so to speak, "home organization" and discuss open questions or controversies within the bank, but more within the team that was formed to establish Swish.

> *"*[It was] *to build structures, where the banks got their team and meeting even more within the Swish organization instead of going back home, so to say to their own bank, and have the discussions with their colleagues and then come back with six different views"* - Head of Business Development, Länsförsäkringar

Another interviewee added to this by pointing out a roadmap that is in place, which contains all future activities and desired developments at Swish. By building such maps, including structures and procedures, the Head of Business Development at Länsförsäkringar emphasized the fact that it was very important to build teams such as as expert groups or steering groups. Depending on what issue would need to be faced, either all bank representatives were involved, or only the certain ones that seemed to have the most expert knowledge. Thus, he put emphasize on the following:

> *"*[...][We] *spend a lot of time together, formed into teams, where it was in some teams important that all six banks were represented, but there could also be a team, where you have only a couple of banks represented because it was certain skills that were needed. But teaming up an organization to get the feeling of that we do things together all the way, that was very important instead of like getting back home."*

Independent Board of Directors

Another important role to reduce the challenges was said to be an independent Board of Directors that clearly knows their tasks and duties to allow good governance to take place. The board should always act in the interest of the coopetition and its emanating organization, in this case Swish, and not so much in the interest of each individual bank. Moreover, the board should stay informed at any time and furthermore, as the Strategic Project Manager at SEB put it:

> "[...] [Y]*ou must see to that you have board members that are on top of things*."

External Advice

Furthermore, the findings show that in order to beat obstacles, but also in order not to be trapped into precarious or risky situations regarding market regulations, and thus, so to say as a prevention measure, the banks made use of external advisory. Therefore, an external advisor was hired to support the banks decision-making. This adviser helped them out concerning questions and issues of various kind such as legal advice. The Strategic Project Manager at SEB said that:

> "[...] [W]*e utilized external legal expertise and have done so throughout to just make sure that we are not coming in breach with the competition regulation."*

The interviewed practitioners explained that even today, that Swish is an established and stand-alone company, there is still an external consultant or as the Senior Business Developer at Swish called this person a "coordinator" in place:

> *"We had one that was what we called the GetSwish coordinator. So, he did what the CEO does, he did what the CTO does. He did everything and then got help from the banks, of course* [...].*"*

4.3 Evaluation Phase

Herewith, the main findings related to the evaluation phase of coopetition, possible positive and negative outcomes are highlighted.

4.3.1 Possible Positive Outcomes

Cost Efficiency

When conducting the interviews, it became clear that achieving cost efficiency by coupling together capital-intensive activities was one of the main benefits of this coopetition. Each bank was able to contribute with a limited investment that fit their individual needs and capacities. Additionally, by sharing incurred costs arising from e.g. the development of the mobile payment application, each participant was better off and thus, operated more cost-efficient.

> *“*[...] [I]*t is about creating a standard for a market and also cost reduction either limited investment or shared investment.”* - Head of Strategy and Business Development, Bankgirot

In-learning

Another outcome conveyed in the interviews regarding possible positive outcomes of coopetition was said to be that through collaborating with competing banks, one could learn from each other and implement certain learnings in terms of e.g. what the competitor does really well within their own corporation. By being open and sharing ideas, the banks were able to exchange knowledge and actively share ideas that were to some extent jointly developed from there on. On top of that, it was described that by working close with each other and having the opportunity to learn from each other, a strong relationship was formed that could be possibly helpful and used in other areas or for other complex and pushing questions that could come up at a later point in time.

> *“*[...] [T]*hose who put in resources, they learned a lot from others that they could use, of course, for their own and their own banks development because you get their ideas and the environment and the learning from that.”* - Director of Financial Infrastructure, The Swedish Bankers’ Association

Innovation Ability

Along with the previous findings, the interviews revealed that by engaging in the coopetition, the banks felt like their ability to innovate increased and therefore their innovation capacity was boosted, as described by the Strategic Project Manager at SEB in the statement below:

> *“*[...] *I think in general if you look at Swish then* [...] *you can see* [...] *it increases the innovation capacity and efficiency extremely much for all the participants because you get focus, you share investments, you share cost* [...]*.”*

Employee Branding

Furthermore, we found that one advantage of the coopetition was seen to send a positive signal to future employees that might want to work for Swish. Through the strong brand identity that was created by the banks establishing Swish, talented people are increasingly motivated to apply for jobs at Swish, as stated by one of our interviewees working for SEB in the position of Strategic Project Manager:

> *“*[...] [Y]*ou can also build something that is attractive for the best people to start working with. If you have 7 million customers - that attracts good people.”*

Customer Base and Coverage

Equally important, it was found that a major possible positive outcome of coopetition was said to be the market coverage that Swish reached. If every bank alone would have had developed an individual mobile payment service, they would have possibly not have obtained that large coverage. As the Strategic Project Manager at SEB stated:

> *“The real advantage with going together - five to six partners to create something - is the coverage.”*

Hence, coopetition in this case did not only benefit the involved coopeting partners, but also the end-consumers, in that case the Swish users. Due to a large customer base derived from the extensive network among the banks, the customers benefited largely from a unified, thus convenient, service - as stated by the Director of Financial Infrastructure at the Swedish Bankers’ Association:

> *“*[...] [T]*he greatest benefit was for the customers, that the customers could get something. They could get a service that was harmonized and that works.”*

Brand Awareness and Recognition

Additionally, the findings show that by creating Swish as a coopetitive set up between the largest banks in Sweden, consumers seemed to trust the coopetition due to the fact that the banks are established and traditional organizations that, as one interviewee put it, send out a signal of security and reliability. This would further indicate that they will be here for a while. Since the banks decided to operate under just one common brand “Swish” from the beginning on, as well as invented only one mobile application with the help of Bankgirot providing the common infrastructure, high and distinctive brand awareness was created. That was supported by having solely one logo and trademark. Accordingly, an interviewee from Swish in the role of a Senior Business Developer said:

> *“I think that also made the cooperation easier, you know, it's the same trademark, it is the same logo - easy for the consumer.”*

Thus, convenience was constructed for the end-consumers by having only one common product and service that is easy to use and is, at the same time, interlinked with multiple banks. Therefore, Swish was able to reach a lot of customers and thus, covers most of the Swedish mobile payment market, facilitated by word-of-mouth, according to the Business Developer at Danske Bank:

> *"When you reach a certain volume, it is settling itself because you are starting to ask other people 'Don't you have Swish?'- 'You must have Swish if you would like payments from me'* [...]*."*

It quickly became a self-marketed service, as described by the Head of Business Development at Länsförsäkringar:

> *"*[...] [T]*hey will push it towards their parents and they will push it towards their friends and so on."*

Therefore, Swish managed to lock-in a lot of consumers, which resulted in e.g. winning rankings, prizes or awards as mentioned earlier in the case description (see: Choice of Case Study, under section 3.2.1.) and throughout our interviews:

> *"*[...] *Swish as such has been priced several times for the Fin-tech of the year in Sweden, most likable payment solution, most well-known brand etc.* [...]*."* - Business Developer, Danske Bank

The brand Swish has a high impact on the consumers and their daily lives since one could observe a development regarding the use of "swish" becoming integrated as a commonly used word in the Swedish language, standing as a synonym for "sending money over to another person", for example, 'I will swish you the money later':

> *"*[...] [T]*he verb swisha* [...] *became part of the vocabulary*."

4.3.2 Possible Negative Outcomes

Brand Risk

A possible negative outcome identified from conducting the interviews was that, although the coopetition has created a strong brand, it could always be harmed by scandals. For example, if something negative would happen and Swish would be associated with it, it might not only affect Swish itself as a company, but might also affect the banks, who are the owners. Because of the fact that the banks are interlinked with the company and connected to the brand somehow, negative incidents could be ascribed to the individual banks by the customers and result in diminishing trust and loyalty towards all the actors involved.

Strategic Vision and Conflicting Priorities

Another risk of this coopetition that the interviewees mentioned was that it will always be difficult to know if all the banks have the same vision for Swish in the end or not. Especially in current times, this particular risk was described to take place, due to that Swish is now an established company and product, where new product developments are being discussed for future realization. In these later years, it was said to become more difficult to agree on new milestones and for the banks to have the same vision in terms of development opportunities regarding Swish.

> *"All the banks have their own agenda. On their own."* - Card and Payment Manager, Handelsbanken

Governance and Decision-Making

Another possible negative outcome that has been identified are the governance and decision-making structures at Swish and the banks. It was mentioned that the banks are still very involved in the decision-making of Swish's operations, although it is now a separate entity with their own employees and their own Board of Directors. However, since the banks are the owners, they seem to be very involved in the decision-making, which was said to slow down the overall processes of deciding on new developments and thus, time-to-market.

Furthermore, some of the people coming from the banks, that have been involved in the creation of Swish from the start, are very passionate, emotional and thus, often path dependent concerning the companies progress and therefore, want to be a part of and included in every single step, even though they are officially not working at the separated entity. Regarding this point, from the interviews conducted, mixed answers were given. Some interviewees felt like that they would operate rather independently and as a separate entity encapsulated from the banks, while some others had the feeling that the banks were still too involved in the overall decision-making processes. For instance, the Strategy Project Manager at SEB was one of the interviewees who thought that the banks are still too involved in Swish's business operations. He stated:

> *"*[...] [M]*anagement comes up with questions on issues and topics and the board members are referring back to the advisory board*[7]*. So, you basically don't have an efficient board. They should take decisions.* [...] *I mean you must reduce the number of small issues going into a board and you must see* [...] *that you have board members that are on top of things. That's what we need* [...]. *And it's a bit infected."*

This statement is underlined by the Business Developer at Danske Bank:

> *"But employees at the banks tend to forget that this is a separate entity, they have their own management, a separate board of directors and as a member of the board of directors you must be their ring fence in the company's interest, not the banks."*

Opportunism

Although, strong trust among the banks was identified, the possible risk of opportunism was said to be always existent. This risk is highlighted by the Director of Financial Infrastructure at the Swedish Bankers' Association:

> *"There are always some obvious things that could be that - is the coopetition really for real or are you more interested to compete? Do you have your own agenda and things like that. That is also on company level, but it is also on individual level, so you need to be careful* [...]*."*

4.3.3 Key Success Factors

Due to our focus and the limited space that is given for this thesis, we would like to only briefly mention the key success factors (KSF) specified by the interviewees in order to derive some recommendations accordingly later on.

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[7] Individuals from each bank that support GetSwish AB.

Coverage and Sector Solution

Multiple interviewees stated that one of the KSF for this coopetition of Swish was the possible reach and to be able to create a sector-wide solution in Sweden. Thus, standardization took place, as well as the creation of an ecosystem.

> *"*[...] [O]*ne of the key success factors I would say* [is] *also that this is a sector solution. You have all the banks on board. So you have a receiver in every bank."* - Chairman of Board of Directors, GetSwish AB

One interviewee was convinced that on top of that, Swish became so successful because it represents an infrastructure product for mobile payment, where, when it comes to the customer offering, every bank is given leeway to. Having invented an easy, self-explanatory product, was said to be one of the KSF because it is convenient for the customers to connect with Swish. Thus, as above-stated, a sector-wide solution was prompted that covers almost the whole Swedish market by now.

Trust

Besides, it was mentioned by some interviewees that the KSF of this coopetition between the banks lies within the long history of cooperation and the fact that they knew each other from before. Thus, there is an already established and relatively strong base of trust among the organizations that could further be strengthened.

> *"*[...] [T]*he key success factor and that we really established trust, that's extremely important!*" - Business Developer, Danske Bank

Moreover, it was explained that this trust base did not only facilitate the coopetition between the banks, but that the customers have also a lot of trust in Swish and how the company is set up since they know that Sweden's biggest banks are behind it.

Endurance

Another KSF, emphasized by the Director of Financial Infrastructure at the Swedish Bankers' Association, are the people and individuals involved in the coopetition. He described that there was endurance throughout the whole creation process of Swish, which was needed in difficult times. This, as he called it "endurance", allowed the company to succeed:

> *"*[...] [I]*n such a project there are many times that things could actually go to a dead-end, where it could stop. So, I think that probably* [is] *the most important piece* [...]*."*

Other interviewees also saw the key success laying in the people's engagement and passion to bring the company forward - determination seemed to be unstoppable.

4.4 Overview of the Findings

The findings regarding the coopetition process to form Swish have been presented above. Below, in figure three, an overview is given:

Figure 3. Overview of Findings

PHENOMENON	Coopetition			
PROCESS	Initiation Phase	Managing & Shaping Phase	Evaluation Phase	
ELEMENTS	**Drivers**	**Challenges**	**Possible Positive Outcomes**	**Possible Negative Outcomes**
EMPIRICAL FINDINGS	• Industry Specific Drivers • Common Goal • Share or Cut Costs • Efficient Resource Utilization • Increase Market Share and Coverage • Create New Norms and Standards • Previous Experience • Trust • Market Characteristics and Culture	• Commitment and Strategic Vision • Culture Clashes • Value Appropriation • Determined Employees • Number and Size of Partners • Resource Distribution • Governance Structure and Processes	• Cost Efficiency • In-learning • Innovation Ability • Employee Branding • Customer Base and Coverage • Brand Awareness and Recognition	• Brand Risk • Strategic Vision and Conflicting Priorities • Governance and Decision-Making • Opportunism

5 Analysis and Discussion

As the findings are presented above, an in depth-analysis and discussion of the findings with connection to literature is presented below aiming at addressing the research question of this paper.

5.1 Initiation Phase

5.1.1 Drivers

The initial objective of this paper is to identify the drivers of coopetition. Therefore, the drivers identified and analyzed in the findings will be connected and discussed to the ones presented in the literature review. Some drivers found seem to be congruent with the ones mentioned in literature, while some others are not. Contrary, a few drivers were identified in the findings that were, however, not found when reviewing the literature of coopetition.

Firstly, one interesting and widely mentioned driver for coopetition is the sharing of costs. Several reports have shown that by engaging in coopetition, firms can save expenses by e.g. splitting investment capital and R&D costs (Bouncken et al., 2015; Bouncken & Kraus, 2013; Gnyawali & Park, 2009; Gnyawali & Park, 2011; Ritala & Hurmelinna-Laukkanen, 2009). In the case of Swish, dividing the investment costs was one of the main reasons to engage in coopetition because a huge capital investment was required to build the infrastructure of the mobile payment platform. Therefore, by coopeting, the banks were able to afford the creation of a well-functioning and successful platform of high quality. The banks also had the capital for further development and the daily operations at Swish. Henceforth, companies, who realize that they lack in enough assets to innovate and move their industry forward on their own, can engage in coopetition.

Besides, efficient resource utilization is named as another driver of coopetition, in literature and the findings. For some firms, resources might be limited, or they might not possess all the necessary resources internally. Therefore, coopetition might give them access to these needed resources (Bengtsson & Kock, 2000; Bouncken & Kraus, 2013; Ritala & Hurmelinna-Laukkanen, 2009). Moreover, by coopeting, firms can utilize resources more efficiently. Due to the different sizes of the banks, the smaller banks could rely on the bigger banks, which were able to bring more resources to the table in terms of e.g. personnel and the previous mentioned capital.

Another important finding regarding the drivers to engage in coopetition is the motive to improve the competitive positioning in the market. The findings showed that industry incentives and technology changes motivated the banks to initiate and drive the development of Swish. This finding has also been reported by Ritala (2012) and Ritala and Hurmelinna-Laukkanen (2009). With the arrival of the smartphone, new products and services were invented, which disrupted the traditional finance sector. Thus, untraditional competitors, meaning companies other than banks such as FinTech[8] companies, entered the market. Therefore, a driver for the traditional banks to enter in a coopetitive relationship, was to compete with these novel market players and to improve their competitive positioning. Henceforth, once a market is rapidly changing by emerging new technological advancements, it is often suggested in literature, that firms should adapt in order to survive. Some businesses do this by activating innovation processes or increased R&D. However, a step further into the future to keep up with market changes, might be to coopete.

As mentioned in the literature review, Bengtsson and Kock (2000), as well as Gnyawali and Park (2011), argued that another driver to engage in coopetition can be the desire to create a new standard or norm in the industry. This was also mentioned in the findings, where the banks wanted to create one standard by developing Swish for the entire Swedish market. To create one standard benefit not only the banks because they get a bigger market share (Bouncken et al., 2016), but it is also favorably for the end-users because they can use the Swish application across different banks in Sweden (Dorn et al., 2016; Ritala, 2012; Ritala et al., 2013; Ritala & Hurmelinna-Laukkanen, 2009; Walley, 2007). Covering all potential customers is a goal most businesses aim for. By coopeting, the possibility arises to reach the maximum of all potential customers, which one can observe in the case of Swish. Therefore, market coverage has also been identified as a driver in the empirical findings. The banks would not have been able to achieve the same reach they have today, if each bank would have had created their own

[8] Abbreviation for Financial Technology

platform. By coopeting on national scale, they might not have gained potential customers in a different market, but instead increased their customer reach up to 70% of the Swedish population at this juncture.

Additionally, having a common goal is driving coopetition. This was discovered in the empirical findings, where it was described as having one common enemy to fight or facing a joint threat, motivates firms to engage in coopetition. Such a common goal or challenge is influenced and strengthened by other drivers, such as technological changes and industry incentives, since it further forces firms to innovate and adapt. Although this finding was not identified in literature regarding coopetition, the researchers Batson, Pate, Lawless, Sparkman, Lambers and Worman (1979), studying psychology, argue that when individuals, or in this case competing companies, face a common threat, it creates a “we-feeling” and therefore, they help and support each other to a larger extent as they can put themselves easier in the other one's position.

One interesting finding is the identified driver of previous coopetition experience. Since the same banks have participated in multiple coopetitions prior to creating Swish, they have gained trust and expertise in how to carry out such a coopetition. Therefore, if a company has engaged in a successful coopetition before, it has experience in how to best establish a relationship with e.g. one specific company or a set of multiple companies. Once they then face a challenge, which they might not be able to overcome by themselves, they may be likely to reach out to previous cooperation partners and to confidently engage in another coopetitive relationship. When reviewing coopetition literature, we did not come across this finding as a driver for coopetition. However, researchers in biological science seem to support this finding, as studies in the field describe that past experience help to make complex decisions, especially when the situation is uncertain. It is further stated that “learning from experience actually changes the circuitry in our brains so that we can quickly categorize what we are seeing and make a decision or carry out appropriate actions” (Biotechnology & Biological Sciences Research Council, 2009).

In close connection to previous experience is the identified driving factor of trust. Since the banks have been a part of coopetitive relationships in the past, they have built strong relationships among each other and built a trustworthy base that they can rely their operations on. This can also be found in collaboration literature, although, not in coopetition literature. For a collaboration to function effectively and efficiently, a solid foundation of mutual trust needs to be established (Holton, 2001). By having such a trusting ground, it might motivate companies to engage in coopetition again. This trust is, however, usually formed over time. Therefore, if previous successful coopetitions have taken place between competitors and a sense of trust was established, as well as reliability, then these might be good potential competitors to engage in an iterative coopetition.

Lastly, another motive identified for engaging in coopetition, is that of the specific market characteristics and distinct culture. In this study, the coopetition among the competing banks is taking place in Sweden only, which is a relatively small market. Furthermore, one widely known feature in the Swedish culture is the drive to reach consensus. This kind of culture, characterized by consensus, is quite unique in the world, especially outside of Scandinavia and therefore it influenced and smoothened the coopetition of Swish. Geert Hofstede, studying cultural dimensions within and between organizations, argued that organizations commonly reflect cultural and national values (Hofstede, 1999). Differences in culture between organizations can therefore influence the synergy potential between competing firms (Madhok & Tallman, 1998). A study by Sarkar, Cavusgil and Aulakh (2001) suggests that once companies wanting to collaborate "share similar organizational cultures, they are likely to enjoy a better quality of relationship, which in turn will facilitate an effective intermingling of skills and competencies and ensure that the project is efficiently and effectively carried out" (p. 369f). This can be seen to be in line with the reported findings of our case study. Besides, as this study investigates a national, domestic coopetition, it should be mentioned that cross-cultural coopetitions underlie different conditions. Although, this goes beyond our research scope, one can take note of the study by Rijamampianina and Carmichael (2005) on cross-cultural coopetitions between organizations for more insights.

5.2 Managing and Shaping Phase

5.2.1 Challenges

Another initial objective of this paper is to identify challenges of coopetition. Thus, challenges addressed in the findings and literature review will be analyzed and discussed below. After all, not all challenges named in the literature review can be confirmed by the findings and vice versa.

Prior studies have noted the challenge of equal involvement and commitment of the parties involved in the coopetition (Bengtsson, Raza-Ullah & Vanyushyn, 2016; Bouncken et al., 2015; Bouncken et al., 2016). These studies further argue that a challenge in coopetition is how devoted they are in creating value, and as well to prioritize matters to the same level of significance. This challenge was also identified in the findings, where it was said to be a challenge to ensure that each bank was committed to the same extent, as well as has the same or similar strategic vision in the coopetition project. A possible explanation for this might be that each party involved in the coopetition has their main company as a priority. In the case of Swish, being run as a project for the majority of time over the years, selected employees did not work full-time for Swish. Instead, employees from the banks worked across their bank and with Swish at the same time.

Another important challenge is culture clashes between the parties. This has been discussed by both Bengtsson, Raza-Ullah & Vanyushyn (2016), as well as Chou and Zolkiewski (2017). They argue that firms naturally have different cultures that could eventually clash and further, lead to multiple challenges such as misunderstandings or emotional ambivalence within coopetition. This named challenge is aligned with the findings in this study, where it was mentioned that the banks involved in the Swish coopetition have different heritage and backgrounds, as well as have different business offerings and thus, show varying organizational cultures. Therefore, this was, in different scenarios, a challenge for the coopetition in place.

Additionally, the current study found that equal value appropriation is a challenge of coopetition. In regard to the case study of Swish, the challenge was described that not all banks captured an equal amount of the value created. To great extent, in the exemplary coopetition, it was up to each and every bank to decide how much value they wanted to capture. This depended, for example, on how much the banks promoted the offering of Swish to their customers or how much resources they were able or wanted to provide for the coopetition. This finding was also reported by Bouncken et al. (2016). They argued that it is a challenge for the parties involved in coopetition to capture equal value since some parties might try to gain more than other. Although the reasons for not capturing equal value such as differences in power or size, as stated in literature, compared to the actual findings in this study, are quite different. Though, one thing they both have in common, is the fact that equal value capturing is difficult to ensure.

As mentioned in the literature review, Bengtsson, Raza-Ullah & Vanyushyn (2016) have argued that a challenge in coopetition can be opportunistic behavior and a self-centric mindset. This is something that was found in the collected empirical material, although it was mentioned as a possible negative outcome by the participants in the study. Therefore, we will present it later in the correlating section of this chapter.

Furthermore, very little was found in the literature respective coopetition on the challenge of finding determined employees. The commitment and involvement were discussed previously, however, associated in a broader sense and in relation to the competing companies involved in the relationship, and not specifically pointing at the individual employees. The findings revealed that it was a challenge to find the right people, suitable to engage in the coopetition since they need to be driven, passionate and most of all convinced of the concept and the idea behind the coopetitive relationship. The importance of determined employees in coopetition may be explained by a study within organizational behavior, arguing that passionate people are usually more persistent to complete tasks and they are also taking their own initiative to solve problems (Perrewé et al., 2014). Therefore, they are seen to be more self-efficient and thus, an asset to organizations. Although companies, not engaging in coopetition, face this challenge as well, it can be argued that the collaboration between employees from competitors is more complex. Hence, it could even go beyond being driven and passionate, as the employees will have to find the right balance between being collaborative and open, while simultaneously being rather secretive and thus closed up about their own companies' strategies, as also mentioned by Bengtsson, Raza-Ullah & Vanyushyn (2016). Moreover, a downside to having passionate employees is that they might also get too involved personally. This result is likely to be related to Perrewé et al. (2014) findings, which show that passionate employees can become obsessive. Therefore, it can, on the one hand, not only be a challenge to hire determined employees, but on the other hand, those determined employees could at the same time also result in a challenge and lead to a possible negative outcome, presented later in this chapter.

Another finding, that was linked to the challenge of culture clashes in literature, is the challenge of having the same strategic intent, coordinating tasks, and communicating (Bouncken & Fredrich, 2012). In our findings, this was in conjunction with the number of partners that were involved in the coopetition, e.g. the more partners - the bigger the challenge. Each participating actor has their own strategic vision and agenda, as mentioned previously. Therefore, it might be difficult to get everyone on the same page. As this process of getting everyone on the same level is time consuming, it might affect the time-to-market. Moreover, it is challenging to decide who should contribute what and how much in particular. As stated before, the banks in the Swish coopetition are of different sizes and in their case, it was implicitly known that the bigger banks were to contribute with more resources. However, by having different dimensions and by contributing with varying amounts of resources, the issue might arise that the stronger and bigger coopetitors exercise their power over the smaller parties (Bouncken et al., 2015).

In contrast to a prior identified driver, namely combining resources to secure competitive advantages, is the challenge to contribute with equal resources. As mentioned, not all coopetitors may have the same kind of resources, due to, for example, the size of the firm. Therefore, some firms might not have the possibility to offer the needed resources to take part in coopetition. However, as previously mentioned, a motivation to engage in coopetition is to access resources one does not possess (Bengtsson & Kock, 2000), and therefore coopetitors should be aware that not all partners have the necessary resources. Instead, the coopetitors can complement each other, e.g. one could provide the necessary resources, while the other one might contribute with valuable experience. Additionally, in the case of Swish, the coopetition was run as a side project for many years. The people working on the development of the mobile payment solution had still major responsibilities to their banks and therefore, could not provide unlimited resources and attention to Swish itself. It can thus be suggested that when engaging in coopetition, it might be better to establish a separate entity from the outset, than treating it as only a side project because then, full-time employees could be recruited, focusing only on the coopetition.

Moreover, the current study found that the governance structures and processes can also turn into a challenge of coopetition. Due to the fact that the coopetition has been run as a project for many years, rather slow processes, as well as established and traditional structures hindered faster movements. This, in turn, affected and slowed down the time-to-market. According to Vesey (1991), the time-to-market was already, back in the 90s, a critical success factor across markets. Therefore, it underlines and encourages the previous suggestion to establish a separate coopetition, which strings are loosened or cut from e.g. traditional and hierarchical institutions behind it. As DeToro and McCabe (1997) describe it in their article ‘How to Stay Flexible and Elude Fads’, traditional companies that are managed hierarchically need to become more flexible by shifting to flatter and more process-oriented business structures because “under a process management structure, process owners, team, and job performers are thinkers and doers [...] [that] secure improvements.”

5.3 Evaluation Phase

Much in line with Bouncken et al. (2015), as well as Bouncken and Kraus (2013), there are many positive, but also some possible negative outcomes of coopetition. These, derived from the findings above, will be listed and analyzed subsequently.

5.3.1 Possible Positive Outcomes

During the process of coopetition to create Swish, there were certain possible positive outcomes or benefits perceived by the involved firms. In the findings, similarly to one of the identified drivers above, cost efficiency was also mentioned as a possible positive outcome. By cooperating, the banks shared investment and R&D costs. Thus, engaging in coopetition benefitted the banks by making the development process more cost-efficient compared to if each bank would have developed such a complex mobile payment service on its own. This advantage was also discussed by a few researchers presented in the literature review, who further argued that with cost efficiency, synergy effects may arise and thereafter, the coopetition may achieve economies of scale (Bengtsson & Kock, 2000; Bouncken et al., 2015; Gnyawali & Park, 2009).

Likewise, being a driver, while at the same time said to be a positive outcome of coopetition, is the wide market coverage and hence, large emanating customer base. The banks jointly managed to create a standardized and convenient service to their customers and were therefrom able to penetrate the Swedish market for mobile payment solutions, as suggested in literature by Bouncken et al. (2016). Consequently, by being the first-mover in the Swedish mobile payment market, the market was driven in one distinctive direction and it seems like Swish created entry barriers to possible new market players, as there are barely direct competitors on a national scale. Thus, this finding is much in line with Ritala and Hurmelinna-Laukkanen (2009). Therefore, Swish was able to build an extensive installed base and thus positive network externalities, where the end-consumers could likewise benefit from (Ritala et al., 2013; Ritala & Hurmelinna-Laukkanen, 2009).

Another finding revealed that in-learning is also considered a possible positive outcome of coopetition, as mentioned in the literature review. Bouncken and Kraus (2013), as well as Kraus et al. (2017) argued that when firms coopete, they are able to learn from each other, gain new skills and knowledge, which these firms can use, for example, in their own ongoing operations later on or at the same time. In the case of Swish, it was mentioned that the banks involved in the creation process were able to learn from each other and by being open and sharing ideas, they were able to exchange valuable knowledge.

Furthermore, coopetition implicates combining resources, knowledge and core competencies, which, in turn, can lead to stronger innovation capacity for each individual party (Bouncken & Kraus, 2013; Kraus et al., 2017). This was also shown in the findings, as it was mentioned that each bank's ability to innovate seemed to have increased since being engaged in the coopetition to form Swish. This is therefore much in accordance with the work of Bouncken and Kraus (2013), as well as Kraus et al. (2017) argumentation above. Moreover, by combining complementary resources and thus, being rather broadly positioned in the market, each bank benefited, in accordance with Ritala et al. (2013), by overcoming uncertainties in the financial sector, such as the transformation from traditional banking to digital banking and the need for innovative mobile payment solutions.

Additionally, a stronger brand and recognition has also been identified as a possible positive outcome, both in the literature (Bouncken et al., 2015; Bouncken et al., 2016) and in the findings. The coopetition by the six biggest banks in Sweden to create Swish was very successful and created one of the strongest Swedish brands. By cooperating, while having one common brand name, creating high brand awareness among customers, almost the whole market was reached. This was mainly due to word-of-mouth, as the interviews revealed that there was barely any investment into marketing and promotion activities within the creation phase. This finding is therefore much in line with that of Bouncken et al. (2016). Similarly, Bouncken et al. (2015) argued that a positive outcome of coopetition may result in an increased overall brand recognition, which can also be found within the case of Swish. In connection to that, one interesting finding is, as earlier mentioned, a seemingly correlation between coopetitive activities and employer branding. As described by especially one interviewee, once the strong brand with a remarkable identity was created jointly between the coopetitors, there seemed to be a positive effect regarding the attractiveness of Swish signaling an appealing employer to the broader public. Thus, talented future employees would feel tempted, in this case, to either work at the individual banks or directly at Swish. This could be related to literature on employer branding, such as the book 'Employer Brand Management' by Mosley (2014), where the author states and therewith supports our findings that "[a] strong […] brand enables you to attract more candidates, through building greater awareness, consideration and preference among key target groups, providing the organization with a wider range of talent to select from" (p. 16).

However, contrasting to what was stated earlier in the literature review, according to Gnyawali and Park (2009), when engaging in coopetition, one common positive outcome can be the acceleration of the product developing process. It is said that this can further shorten the time-to-market. However, the findings of this paper suggest that by setting up Swish in coopetition between the multiple banks with different backgrounds, the lead time from the initiation to the final offering took a rather long time. This might be due to industry specific factors such as decelerating and complex rules and compliance mechanisms in the finance and banking sector, as well as the fact that all of the coopetitors are big, traditional institutions with established structures that might hinder flexibility and fast pace in this case.

5.3.2 Possible Negative Outcomes

When comparing the findings with the most common possible negative outcomes described in literature, the empirical material is in accordance with some of them. As stated above, the findings revealed the possible negative outcome or brand risk for each of the banks involved in the coopetitive relationship. There is a possible risk that once something goes wrong or some kind of negative incident occurs, it could, in the worst case, be led back like a boomerang to the coopetitors and thus, harm their image. This is much in line with what Cygler et al. (2018) describe, as there will always be a certain risk for companies involved in coopetition to suffer from occurrences that have a negative impact on all of the companies' image or reputation. In the case of Swish, either the brand itself could be damaged or certain images of the banks could get hurt, if, for example, Swish's activities go into a wrong direction and would then be referred back to the banks being behind it.

Furthermore, the empirical findings showed a link, to what was earlier on mentioned in literature, regarding the theory of TCE and resulting opportunistic behavior (Bouncken et al., 2015; Vanyushyn et al., 2018). Even though, none of the interviewees reported that they saw opportunism actually happening during the creation of Swish, they still described it as one of the major and general drawbacks of coopetition that could actually turn into reality at any point in time.

As mentioned in the literature review, conflicting priorities among the coopetitive actors can be a possible negative outcome of coopetition (Bouncken et al., 2015; Ritala, 2012). The case study of Swish confirms this possible negative outcome in association with coopetition, that due to different daily agendas in the banks, there has been a differing prioritization among them. Besides, it was found that in coopetition, it is always difficult to have full transparency and insight to make sure everyone involved shares the same vision. Especially now, that Swish becomes a more and more mature company and is offering additional services apart from the initial mobile payment service for only private persons, expanding to e.g. Swish for merchants, the conflict potential in terms of differing strategic visions and priorities was described to be increasing. An implication of this is the possibility that, as outlined by Park, Srivastava and Gnyawali (2014), the notion of a coopetitive relationship changes over time to a rather competitive one.

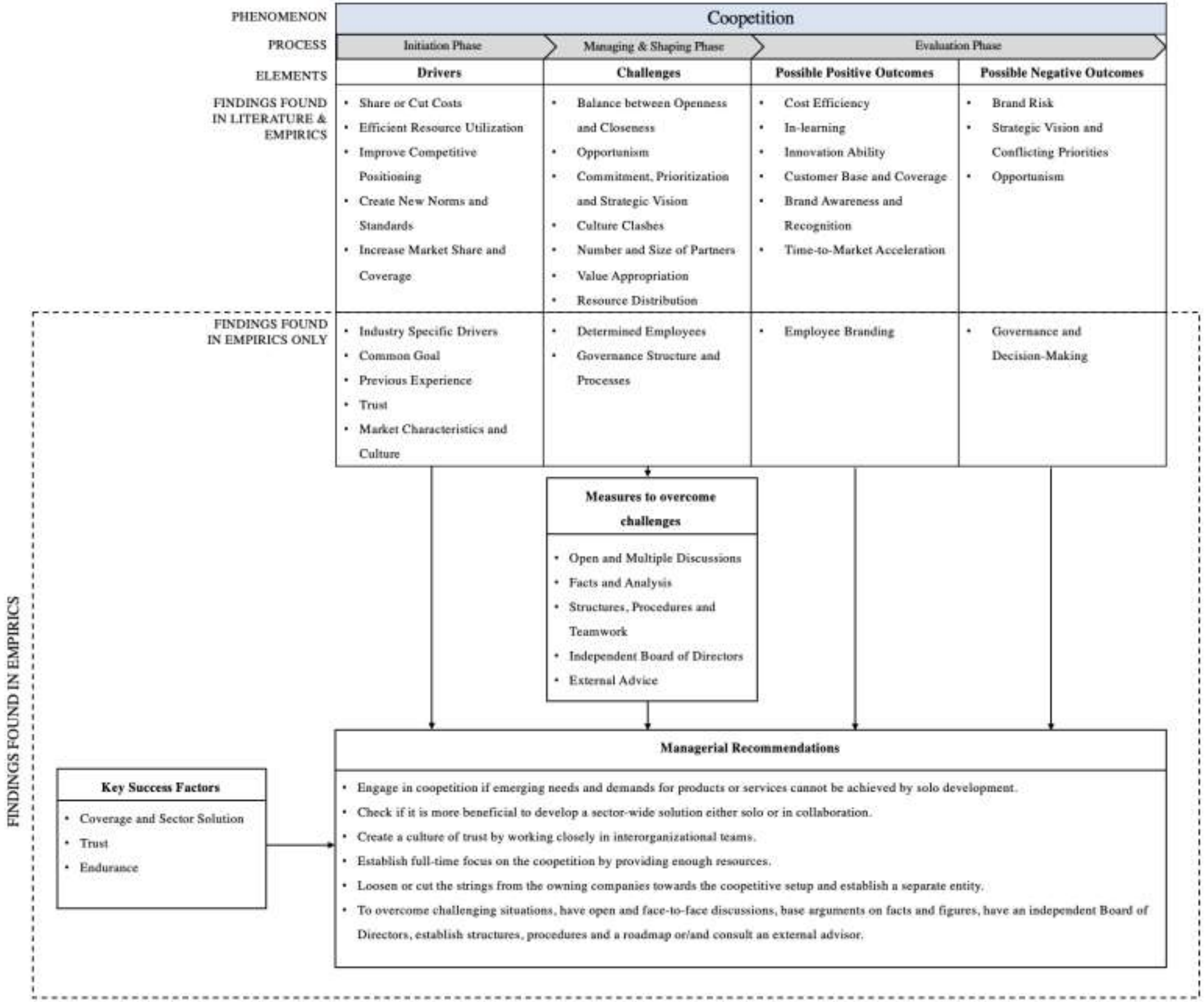
Several studies focusing on coopetition describe that once companies engage in coopetition, they might lose their independency, freedom and flexibility to act as a separate entity (Baumard, 2009; Bouncken et al., 2015). In accordance to these studies, our findings suggest that coopetition works best if the project as such is cut off from other activities and therefore becomes a separate entity, for instance, with an independent governance structure, Board of Directors and distinct processes. The governance as such should then not be heavily influenced by the partners of the coopetitive relationship anymore. In the case of Swish, it was mentioned that the banks are still way too much involved in the decision-making of the independent entity GetSwish AB today and therefore, hinders flexibility and progress. Henceforth, Swish's governance structure and processes should be cut off entirely or at least to be loosened up even more from the owning banks in order to become more independent and flexible. In a way, this outcome is contrary to that of Baumard (2009) and Bouncken et al. (2015), who stated foregoing, that the involved coopeting partnering firms would lose their flexibility and freedom with coopetition. However, our findings suggest that a project or company as outcome of coopetition needs to have quickly responsive structures in order to meet the often fast-moving market requirements and thus, need to be of flexible character. For that to happen, governance structures need to be clarified from the beginning on and should ideally be separated from the initiating companies. If done so, in an early enough stage in the process, coopeting firms are not to be seen to lose their flexibility and freedom, as suggested by Baumard (2009) and Bouncken et al. (2015), since they would not be much more involved in the actual activities of the new entity created by coopetition. Therefore, this paper suggests that another possible negative outcome of coopetition is that the coopetitive relationship can be too much influenced by the initiating companies, if governance structures and activities are not early enough detached or untightened. If that is not the case however, as in the case of Swish, the banks are still too much involved in decision-making processes of Swish. This could result in that, for instance, one of the bigger banks, in terms of size and ability to provide more resources, uses their superiority in decision-making processes over smaller banks to achieve results that would benefit only them the most, as in opportunistic and self-serving actions (Bouncken et al., 2015; Kale et al., 2000; Ritala & Hurmelinna-Laukkanen, 2009; Ritala, 2010, Vanyushyn et al., 2018).

Contrary to what was expected, this study did not find, as described by Bouncken et al. (2016), the danger of unintentional knowledge spillover to the partnering banks, nor that the coopetitors tried to outlearn each other and get actively involved in learning races - a drawback of coopetition outlined by Kale et al. (2000). Moreover, this study has been unable to demonstrate that the stronger and more powerful firms, in this case the bigger banks, used their superiority over the smaller banks in order to induce self-serving actions, as mentioned by Bouncken et al. (2015). In literature, it is on top of that described by Bouncken and Fredrich (2012), that as a consequence, there can be a lack of trust among the coopetitors, which then can have an effect on the success of the coopetition. However, in correlation to that the findings of the current study do not support the previous research. In the coopetition to form Swish, the partners trust each other, even though there are differences in size and power, and it was not stated that one of the bigger actors played their power.

5.4 Revised Conceptual Framework

By analyzing the findings and connecting them to existing and above-mentioned literature in chapter two, a conceptual framework was created to clearly outline drivers, challenges, as well as possible positive and negative outcomes of coopetition. Thereafter, the framework presents the derived KSF and findings on how to overcome some coopetition challenges. Following, recommendations are presented in the framework, which are based on the findings. This overview could be used by firms to get a better view on coopetition for instance. It might therefore be a helpful guide when setting up a coopetition process with the aim to establish a strong and rewarding relationship. The framework is thus covering the whole coopetition process in correlation to what has been identified before, differentiating between the initiation, managing and shaping, as well as the evaluation phase. On the next page, in figure four, the final framework is illustrated:

Figure 4. Revised Conceptual Framework



6 Conclusion and Implications

> "*Effectively, change is almost impossible without industry-wide collaboration, cooperation, and consensus.*" – Simon Mainwaring

This study focused on the phenomenon of coopetition, a topic that is seen to be of growing interest in literature and practice due to discontinuous and rapidly changing industries and markets. These changes or transformations are, among other things, accelerated by globalization and digitalization, forcing companies to develop or reinvent their ever-changing products or services, which are becoming increasingly complex with each day (Coy, 2006). In order to keep up with industry and market changes, firms will need to continuously rethink their business models and strategies. In this day and age, marked by fast movements and complexity, organizations should therefore open up and engage in collaborations, such as to cooperate with competitors. By joining forces, combining resources and brainpower, firms might be able to jointly face threats and fight common enemies such as new market entrants originating from completely different industrial sectors. Subsequently, coopetition is seen as a valuable strategy for firms dealing with uncertainty or going through a process of market changes or industry-wide transitions. As shown in this paper, coopetition can result in a win-win scenario for all actors involved and once being successful, be done iteratively. Thus, in accordance with Gnyawali and Park (2011), companies should "consider co-opetition to pursue opportunities and deal with threats stemming from environmental changes" (p. 659).

Even though coopetition is addressed in numerous studies, it was found that the topic is still seen to be premature, missing depth in research and not going beyond "naming, claming, or evoking" it, as described by Dagnino and Padula (2002), we saw the possibility to do a more extensive research covering most of the coopetition process. Besides, as found by reviewing coopetition literature, the phenomenon has been studied in many industries, however, not yet in the finance sector (e.g. in relation to the information and communication technology by Dittrich & Duysters, 2007 and Gueguen, 2009 or in correlation to the air transport industry by Garrette et al., 2009 etc.). Therefore, this paper extends the literature of coopetition regarding that and further contributes to the rather narrow scope concerning, for example, the drivers and challenges of coopetition (Ritala, 2010). Thus, this paper offers a foundation for future research regarding coopetition.

The aim of our research is to offer the reader a holistic picture of the whole coopetition process, addressing drivers, challenges, and possible positive and negative outcomes of coopetition. To address our research question, a single case study was conducted, studying coopetition between multiple competing companies. Therewith, the focus was on the cooperation between multiple organizations, instead of only bringing into focus the relationship between two companies, which existing literature has mostly done. Therefore, this study can be seen to add to existing literature on coopetition by addressing the subsequent research question, which was firstly presented in the introduction chapter:

> **What are drivers and challenges behind coopetition, as well as possible outcomes of the relationship?**

By having applied a qualitative research method, which consisted of multiple interviews, different findings were derived, reflecting different perspectives and views regarding the studied coopetition process. The conceptual framework was created to address the research question more clearly and to give an overview of what drivers, challenges and possible positive and negative outcomes were found in the distinct phases.

Concluding, a few findings were congruent or similar to existing literature on the topic, while, on the other hand, the findings also revealed recent and interesting insights, which complemented existing research. Among the novel findings concerning the drivers of coopetition were for instance having a common goal, previous coopetition experience, trusting relationships among the coopetitors and being influenced by market characteristics.

Additionally, new insights on coopetition challenges were found. These challenges consider for instance the difficulty of finding determined employees, the challenge of deciding on the right number of partners to coopete with and how their sizes affect the relationship, limited resources or the challenge to establish independent governance structures and processes.

Thereafter, our paper contributed with novel findings concerning possible positive outcomes of coopetition such as employee branding, as well as a new finding regarding possible negative outcomes, namely the governance and decision-making.

As above-mentioned, these new insights together with what can be found in literature, led to the creation of the conceptual framework. Since Bouncken et al. (2015) argued that there is a "lack of generalizability" in coopetition studies, our framework is established to fill this gap and to be able to generalize the findings. Overall, we believe that our paper delivered contribution to minimize the mentioned research gap and that our findings provide a further foundation for future research by having provided an in-depth analysis of the coopetition process from the practitioner's point of view.

In conclusion, coopetition is a complex business strategy. There are multiple drivers, challenges and possible positive, as well as negative outcomes. However, our study showed that engaging in coopetition with competing companies can be rewarding and promising for firms.

“Alone we can do so little; together we can do so much.” – Helen Keller

6.1 Managerial Implications

This paper does not only provide theoretical implications, but also managerial implications that are herewith given. Those, who will benefit the most from our findings are, for example, firms or other institutions. So to speak, any organization that has one or multiple direct competitors and wants to cooperate with them in terms of engaging in a coopetitive relationship. It is our aim, to provide practical recommendations to managers, who are currently interested in coopetition and are confronted with environments that are changing rapidly and are in state of upheaval. Our recommendations are based on the findings and further derived from identified key success factors in our case that has been investigated, such as the importance to create a base of trust when engaging in coopetition. Thus, managers, who will be initiating and leading a coopetition process, could utilize our given recommendations and follow our framework above. We further provide advice on how to overcome challenges that an organization could be facing during coopetition. All of these suggestions are provided in order to help coopetitors establish a strong and prosperous relationship, to achieve a similar outcome to that of our case study. Moreover, in our framework, we are presenting drivers and challenges of coopetition, so e.g. firms can possibly recognize comparable drivers, become increasingly aware of them and perhaps prepare to face and overcome similar challenges. By also presenting possible positive and negative outcomes, firms can evaluate if coopetition is a valuable strategic choice for them.

First of all, it is recommended that before deciding on engaging in a coopetitive relationship with direct competitors, market developments, changes or trends in the applicable industry should carefully be analyzed in order to understand emerging needs or demands for new products or services. A firm should further ask themselves if e.g. market developments or changes in the industry are a threat to their current business model and identify whether or not it would be possible to overcome disruptions in the market by themselves with only in-house knowledge and their own resources or if coopetition might be of greater value by combining resources for instance.

A firm should further ask themselves, if the service or product being developed could achieve the same reach when developing something solo or if it is more beneficial for the organization, as well as for the customers, to establish a sector-wide solution and to create only one standard for the whole market. If a sector-wide solution turns out to be more beneficial or is even needed, coopetition will be one of the most fulfilling solutions. If coopetition is the answer, corporations should brainstorm on with whom of their competitors they might have had a similar business relationship prior or even unfold, if they have ever experienced coopetition before. As the findings revealed, previous experience and relations can increase trust among the coopeting firms, but also between the coopetitors and end-consumers, and thus, supports coopetitive relationships in a positive way. On top, the creation of only one common brand is recommended to achieve strong brand awareness, recognition and trust among the users.

Furthermore, it is important to create a base of trust, especially if the coopetitors have had no previous experience with each other. It is advised to, from the beginning on, establish a culture of teamwork. This is crucial in coopetition to jointly come up with new ideas in the coopetitive relationship.

Thereafter, a recommendation to companies that have successfully chosen their coopetition partners already, is to make room in each individual organization in terms of time and attention. This means, not only treat the coopetition as a side project, but establish full-time focus by providing enough human resources. Thus, the coopetition process is faster, and employees can be fully determined to their tasks. This in turn, might have a positive effect on the time-to-market of the product or service formed in coopetition.

Moreover, it is highly recommended that a separate entity is created in the coopetition process, where the governance systems, both - from the initial coopetitors and the established coopetitive company - are separated in order to eliminate clashing strategic visions of the partners. If the coopetitors are not detached entirely, their control should at least be loosened up in order for processes and structures to become more flexible and thus, being able to shorten time-to-market. Nevertheless, in order to establish a successful coopetition, it is proposed to encourage endurance from all parties involved, which is needed to overcome challenges and obstacles along the way.

Another recommendation, derived from the findings regarding how to overcome challenges in the coopetition process, is to, first of all, create an open environment, where active and face-to-face discussions are welcomed and appreciated in order to come to joint conclusions or tackle obstacles in coherence. At the same time, it is advised to promote personal contact between the coopetitors in order to strengthen business and human relationships.

An additional advice when facing a challenging situation in coopetition, especially when facing an important decision, is to rely on facts and figures and to conduct a thorough analysis of researched data. Thereupon, obstacles might be overcome more accurately, as facts usually present actual conditions that cannot be as easily distorted as if to rely on e.g. gut-feeling that is commonly biased and influenced by personal views or emotions.

One more recommendation to firms wanting to possibly form a coopetitive relationship with one or more competitors in the near future, is to establish procedures and a clear roadmap with the most important milestones and goals from early on, to facilitate and structure the overall process. However, it is suggested, that these structures are not too hierarchical and static and thus, more of a flexible kind in order to keep up with the nowadays often very fast movements in markets.

Furthermore, it is recommended to set up a Board of Directors that is mostly independent from the coopetitors and therefore, is only in charge of overseeing the coopetition as such. This board is suggested to consist of members that do not stem from the coopetitors, but are rather independent of the engaged actors, as they would then act in the interest of the coopetition and not solely in the interest of each contributing party.

Lastly, it can be recommended to organizations that aim at taking part in coopetition, to consult one or more external advisors with the necessary expertise, to not only ensure objectivity of decisions, but to also give advice on situations, where none of the involved actors have expertise or previous experience.

We are trying to generalize our findings presented, including the recommendations, to make them applicable to industries that have something in common or are alike and not only refer them to the exemplary case study in this paper. Although, due to the chosen qualitative research approach in form of a single case study, generalization is seen to be a limitation of this study, addressed in the following section, the findings still show the major driving factors, challenges and possible positive and negative sites of coopetition. This helps to develop a clearer picture and raise overall awareness concerning e.g. coopetition drawbacks. Thus, the managerial implications should be consciously considered when figuring out if coopetition could be a possible businesses strategy for the future.

Lastly, this paper can be seen as inspiration to managers wanting to cooperate with competitors, as the presented case study shows a best-case scenario in terms of a successful outcome. It shows, that even in industries, such as the financial sector, which can be categorized as rather traditional and closed in terms of collaboration potential, coopetition can be a viable strategy. This could therefore encourage competing companies in a likely situation to engage in coopetition.

6.2 Limitations and Future Research

This section will outline the research limitations of this study and will further give recommendations for future research on this topic. Although the research questions guiding the content of this paper is addressed to a certain extent, the outcome of this thesis might be affected by possible limitations. For the most part, these limitations come into existence due to the nature of the underlying qualitative study of this paper.

As mentioned shortly within the methodology chapter, the downside of making use of a single case study design, is the fact that findings are limited in terms of their generalizability. This is due to the matter that only one distinctive case has been studied, operating in only one market and industry on national scale. Thus, it is not clear to what degree the empirical findings can be related to other sectors or organizations. Moreover, as the chosen single case study can only be found to be operating in one market so far, which is constituted by a distinct culture and market characteristics, the possibility to generalize the findings beyond that, in terms of a prevalent pattern for industries or companies, is limited. Therefore, the findings are interpreted cautiously and should be tested on a wider-reaching scale. Aside from that, the single case study, as above-stated, can further be seen as a best-case example due to its success. Henceforth, this research is limited due to the fact that there was no comparison to a rather unsuccessful case of coopetition made.

Besides, as the empirical data was gathered by conducting interviews, the results might be distorted due to the fact that the interviewee’s might have been biased in their opinions and views on the topic or, for example, might have been very passionate about this topic, which again, would then have had implications on their perceptions and thus, the findings. In correlation to that, some of the interview questions were aiming at precedent events, lying in the past, which might have had an influence on the interviewee's capacity for remembering the exact occurrences. Therefore, important information might not have been reported and hence, the results might not show the complete picture.

Overall, the few limitations of this study appear most of all because of the given time constraint. Due to that, it was feasible to only get one interview with each and almost all involved actors in the coopetition. However, to get a more detailed perspective, as well as an increasing objective picture, one should have interviewed more than one person from each company involved.

After all, this thesis should not be seen as a conclusive study, but rather as an exploratory study, whose findings are only tentative and follow the objective to achieve enhancement, such as to increase managers knowledge about coopetition by giving recommendations that could be helpful when wanting to engage in coopetition. Even though, this paper adds to the actual literature on coopetition, there is, nevertheless, a need for further future research. Respectively, one could undertake a multiple case study in e.g. numerous markets or industries, since coopetition is multifaceted and complex. Doing that would further increase the generalizability of the findings and its significance, while at the same time, minimizing the above stated limitations. Moreover, future research could focus on an ongoing coopetition that gets initiated in the present and thus, one could follow the processes contemporaneously. Additionally, further research could conduct a case study spanning over multiple years to gain an even richer understanding and receive even deeper insights.

Concluding, we believe, that we provided a fundamental step, which could lead to possible future empirical, as well as conceptual research. Further, we believe, that our provided framework will help researchers in the forthcoming to conduct their studies on this continuously evolving and important topic of coopetition.

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Appendices

Appendix A: Interview Questions Connected to Prior Literature

Number of Interview Questions	**Theory**	**Literature/ Authors**
Questions 12 - 13	Motives for engaging in coopetition and objectives driving coopetition.	Ritala and Hurmelinna-Laukkanen (2009) Bouncken and Kraus (2013) Bouncken et al. (2015) Ritala (2012) Devece et al. (2016) Bengtsson and Kock (2000) Gnyawali and Park (2011) Gnyawali and Park (2009) Bouncken and Fredrich (2012)
Questions 14-18	Challenges when engaging in a coopetitive relationship.	Devece et al. (2016) Dorn et al. (2016) Bouncken et al. (2015) Chou and Zolkiewski (2017) Bengtsson, Raza-Ullah & Vanyushyn (2016) Bouncken et al. (2016) Kraus et al. (2017) Bouncken et al. (2015) Bouncken and Fredrich (2012)
Questions 19-22	Benefits when engaging in a coopetitive relationship.	Bouncken et al. (2015) Bouncken and Kraus (2013) Bengtsson and Kock (2000) Gnyawali and Park (2009) Ritala et al. (2013)

		Kraus et al. (2017) Ritala and Hurmelinna (2009) Ritala (2012) Bouncken et al. (2016) Bouncken and Fredrich (2012) Walley (2007) Dorn et al. (2016)
Questions 23-26	Risks when engaging in a coopetitive relationship.	Ritala (2012) Vanyushyn et al. (2018) Pellegrin-Boucher et al. (2013) Baumard (2009) Bouncken et al. (2015) Bouncken et al. (2016) Kale et al. (2000) Bouncken and Fredrich (2012) Bouncken and Kraus (2013) Walley (2007) Park, Srivastava & Gnyawali (2014)

Appendix B: Interview Protocol

Introduction to Interviewee's role	
Question	**Answer**
1. Can you explain what your role is at *(Name of the company)* currently?	
2. Can you tell us where you have gotten your expert knowledge for today's interview regarding the creation of Swish?	
Introduction to the case company: Swish	
3. Can you briefly explain how Swish came into existence and how it got formed? Who funded the project? Who came up with the idea? How long did it take to establish Swish?	
4. Who was in charge of the coordination of the whole creation process?	
Creation Phase	
5. What was the role of *(Name of the company)* in the creation process? What exactly did *(Name of the company)* contribute in terms of resources, such as personnel or financing?	
6. How did *(Name of the company)* select the employees working within the coopetitive relationship? - Did only experts with experience work on it or was it a mixed team?	
7. How many people were involved in setting up Swish?	

Was it for instance a local project team focusing only on developing Swish? Or did you work from different locations?	
8. Did you get external help in the set up phase and make use of e.g. external consultants? If yes, what did they help you with?	
9. How was the partner selection process? Why did just these six banks collaborate, why not more banks or why not fewer? What was the most important criteria in the partner selection process?	
10. How intense was the contact with the partnering firms?	
11. How was and still is the coopetitive relationship managed? Does somebody take the lead? Are there any agreements/ contracts?	
Drivers	
12. What did you perceive to be the main drivers for engaging in coopetition when creating Swish? What were in your opinion industry specific drivers that you can identify?	
13. What were the main reasons for coopetition instead of solo development?	
Challenges	
14. What were the main challenges in the coopetitive relationship between the banks (e.g. different organizational cultures, different strategic orientation, emotions) Where there any culture clashes?	
15. What management challenges did you in particular face?	

16. How did you manage conflicts/ tensions?	
17. How did you overcome these challenges? Did you get external help in overcoming these challenges? Where there any standardized procedures created?	
18. How did you manage equal value appropriation/ capturing between the banks? Do you perceive it to be equal? Did this create tensions/ conflicts? How did you overcome it?	
Perceived possible positive outcomes	
19. What did you perceive to be the main benefits of the coopetitive relationship?	
20. What impact does this coopetitive relationship have on your ability to innovate?	
21. What impact did it have on your overall performance?	
22. What in your opinion were the most critical success factors in the coopetition?	
Perceived possible negative outcomes	
23. What did you perceive as the main risks when engaging in coopetition to form Swish?	
24. How did you make sure there was/ is equal commitment from all sites?	
25. How do you make sure every actor within the coopetition is working in the same interest?	
26. How did you overcome risky situations?	
Roll-out Phase	

27. Does Swish operate under the control of the six banks today, or is it operating solo as a separate company?	
28. Is there anything you would have done differently now that Swish is established? What could have went better? What went really well?	
Future Outlook	
29. Is it planned to expand the coopetition network with for instance more banks?	
30. What are the next steps? Is there for example entry in new markets planned?	
31. Do you think there are any future trends within your industry influencing the success of coopetition?	