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SCHOOL OF ECONOMICS AND BUSINESS

MASTER'S THESIS

**COOPETITION AMONG NEW TECH VENTURES AND THE IMPACT OF
COVID-19**

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PETER STRELEC

AUTHORSHIP STATEMENT

The undersigned Peter Strelec, a student at the University of Ljubljana, School of Economics and Business (hereafter: SEB LU), author of this written final work of studies with the title Coopetition among new tech ventures and the impact of Covid-19, prepared under the supervision of Anja Svetina Nabergoj, Ph.D., Associate Professor

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INTRODUCTION

One of the most fundamental questions studied in academia is: how companies create a competitive advantage and differentiate themselves in the market by leveraging their unique resources (Baker, Black & Hart, 1988; Srivastava, Fahey & Christensen, 2001).

Thus, many scholars have studied a resource-based view theory of a firm that helps us understand how entrepreneurs can access and leverage company-specific tangible and intangible resources to gain a competitive advantage and achieve long-term market growth (Alvarez & Busenitz, 2001; Barney, 1991; Kamaluddin & Rahman, 2013). According to the theory, to develop sustainable competitive advantage, firms must possess resources that are scarce, valuable, hard-to-imitate, or substitute, durable and imperfectly mobile (Peteraf, 2018). It has been concluded that companies with a wider variety of unique resources and capabilities tend to perform better than those that lack valuable assets. (Barney, 1991).

Coopetition is an organizational phenomenon that describes the relationship between cooperation and competition among rival firms intending to gain access to new assets, positively influencing business performance (Crick, 2019; Gnyawali, Madhavan, He & Bengtsson, 2016). While resource-based view theory of a firm primarily emphasizes the importance of companies using their unique resources, companies often lack access to specific resources that would improve or even enable them to achieve company's objectives. Researchers, therefore, suggest that the only way to achieve those objectives for companies is to get involved in coopetition, which enables them access to much-needed resources and capabilities (Bello, Katsikeas & Robson, 2010; Crick, 2019). Findings show that the optimal degree of cooperative and competitive behavior leads to improved performance on the market due to complementary assets (Bello et al., 2010). Albeit no or too little coopetition is leading companies to underperform due to lack of resources, too much coopetition can also lead to negative consequences such as power imbalances, opportunistic behaviour, and loss of intellectual property. To achieve better business performance, decision-makers need to choose the optimal degree of involvement in coopetition influenced by moderating forces such as competitive intensity, paradoxical forces of cooperativeness and competitiveness in the industries, mutual deterrence that restricts competitive interaction, possible opportunistic behavior from competing firms, and current market environment (e.g., COVID-19) that impact the relationship (Czakon, Srivastava, Le Roy & Gnyawali, 2020; Hoffman & Lavie, 2018). Market stability and environment are the most prominent moderating factors in strategic decision-making on whether the companies will engage in coopetition (Crick & Crick, 2020). In this thesis, I will thus focus on how the worldwide pandemic crisis impacts coopetition and whether it is a business-enhancing strategy in such an unstable environment.

Global crises create events that cause uncertainty and put the company's survival at stake. In times of crisis like a world pandemic, health is at stake and the world's economy. A worldwide crisis, like a pandemic, results in a shortage of goods, supply chain disruption, and financial crisis. Crisis hurts all subjects in the value chain: organization, employees, competitors, consumers, suppliers, and other relevant stakeholders (Grewal & Tansuhaj, 2001; Crick & Crick, 2020).

Pangarkar (2007) discusses that firms that engage in alliances will achieve a greater likelihood of surviving financial crises since this will lower production costs and increase productivity and output. He also argues that older firms are more likely to survive when not engaging in alliances since they have accumulated important assets and gained consumers' loyalty and trust. World-class companies like GM and Volkswagen form a dozen alliances and joint ventures to collaborate on capital-light, low-risk growth initiatives and improve their market presence and stability even during economic downturns (Ernst, 2020). One of the latest examples is GM creating a joint venture with South Korea-based Pocso Chemical to improve their in-house supply chain of critical battery materials and reduce costs (Wayland, 2021). Another notable example is Microsoft extending its partnership with Open AI, a world-leading artificial intelligence research laboratory and creator of Chat GPT (Open AI, 2023).

In 2020 economic activity plunged to an annualized rate of around -3.2%, while global trade fell by 5.3% due to COVID-19 and related restrictions (Jackson et al., 2021). The restrictions have disrupted supply chain funnels for raw materials and electronic value chains and caused product inflationary risks. Simultaneously the restrictions accelerated remote work and extremely high demand for software and electronic services and products (Sallomi, 2020). While consumer demand has increased in some sectors, all the above factors still increase the failure rate of many firms in the market. Therefore, firms must look for more resilient business models and cooperation with competitive firms. To mitigate the consequences of the pandemic, even the policymakers have engaged in coopetition to balance economic and health-related goals (Crick & Crick, 2020).

Research done so far has led us to understand how coopetition can positively affect companies' performance by giving them access to valuable resources. Those understandings have been concluded in times of economic prosperity, yet not much research has been done regarding coopetition during the global crisis like pandemic. Therefore, there needs to be a reliable and clear understanding of how coopetition can influence companies' behavior and success and how the global crisis is affecting the companies' behavior in competition. Especially since new policy regulations have been placed to mitigate the COVID-19 consequences and impact the growth and survival of many firms.

In this thesis, I apply a resource-based view theory of a firm to analyze and understand how COVID-19 is impacting tech startups to engage in competition or whether they will pursue individualistic business models by utilizing their resources and capabilities to survive the crisis on a global level. In addition, this thesis aims to investigate and understand the resource acquisition strategies of both startups and incumbents to survive through economic prosperity and in time of global crisis.

The thesis consists of theoretical and empirical parts based on a qualitative approach. The theoretical part is outlined in three main chapters. I discuss the resource-based view theory of a firm and the related concepts and explore the different strategies and capabilities of resource acquisition between startups and incumbents. I continue introducing and examining the concept of coopetition among companies as a viable strategy for long-term company growth. The theoretical part of this thesis is based on a descriptive method that helps us understand how, when, and what are variables this master's thesis focuses on (McCombes, 2019). In the second empirical part of the thesis, I describe the research design and methodology, interview settings and participants, data collection, and data analysis process. The empirical part of this thesis is based on semi-structured in-depth interviews with decision-making personnel in tech European startups. I continue with research results and analysis, where I analyze the interview transcripts with the inductive thematic analysis method (Caulfield, 2019) to find similarities and differences among the participants' perspectives on coopetition. In discussing the master thesis, I explain the thematic analysis results and compare them with the findings of the theoretical work.

The aim of this thesis is to:

- Understand the changes in companies' behavior towards competition in the turbulent market environment.
- Understand how COVID-19 impacts tech startups and their willingness in engaging in coopetition.
- Understand if the world health crisis leads to more individualistic business models.
- Contribute to the resource-based view theory of a firm and its implications under extraordinary situations (pandemic).

Research questions of this thesis:

- How is COVID-19 impacting companies' coopetition and interaction with other companies operating in their markets?
- What is the immediate effect of COVID-19 on competition and company behavior?
- Does the global pandemic lead to pursuing more individualistic business models to survive crises on a global level?

1 RESOURCE-BASED VIEW THEORY OF A FIRM

1.1 Theoretical background

I have already mentioned in the introduction that scholars have introduced and developed a resource-based view theory of a firm to explain how companies create and obtain a sustainable competitive advantage. The theory's origin goes back to 1959 when Edith Elura Tilton Penrose published a book titled: *The Theory of the Growth of the Firm*. The book made Edith the first economist trying to explain the growth of a firm due to its internal capabilities and resources. Edith proposed how internal company knowledge and human resources can lead to innovation and firm growth (Pitelis, 2004).

Before the resource-based view theory of a firm was introduced, scientific findings on firms' potential mainly focused on the industry-level and external factors of market dynamics (Porter, 1979). The resource-based view theory of a firm proposes that companies achieve competitive advantage and, therefore, higher earning potential due to internal resources that are hard or too expensive to replicate by competitive firms in the industry (Barney, 1991; Della Corte, Asli Arikan, Jay Barney & Mauro Sciarelli, 2012). The resource-based view theory of a firm explains how companies' specific tangible and intangible resources relate to their performance and are the main moderators of the company's success. Therefore, companies with a larger pool of those assets will be more successful than companies with fewer resources available (Barney, 1991). Firms achieve sustainable competitive advantage when they can outperform competitors in the industry and generate more revenue and economic value since other firms are unable to replicate the strategy of the winning firm due to a lack of resources and capabilities (Della Corte et al., 2012; Kozlenkova, Samaha & Palmatier, 2014).

The logic behind creating a sustainable competitive advantage in line with the resource-based view theory of a firm is that firms across the same industry possess different resources that help them accomplish objectives faster, more efficiently, and better. The second point behind the theory is that resource differences may persist over time since some resources are difficult to share or transfer across different firms. Therefore, firms will benefit from these unique resources (Peteraf & Barney, 2003). Continuing this chapter, I will further investigate the resource-based view theory of a firm to help us understand its implications and its link to creating a sustainable market advantage by companies obtaining unique resources and capabilities (Peteraf & Barney, 2003).

1.2 Firm resources and capabilities

Company resources and capabilities play a vital role in the context of value creation opportunities and differentiating itself from the competition. Under resources, we understand all company assets, knowledge, and skills that are the main drivers of creating market and strategic opportunities. Capabilities are defined as the company's ability to effectively use its resources to achieve a competitive advantage (Nijssen & Frambach, 2001). Resource-based view theory of a firm suggests that the more unique the company's resources and capabilities, the higher the chance to create a sustainable competitive advantage (Open Textbook Library, 2016). The development of the theory does not limit the company's potential only by using the current critical resources but also by constantly improving and adding new capabilities with learning, talent acquisition, and the accumulation of tangible and intangible assets over time (Utami & Alamanost, 2022). Another factor when creating a competitive advantage is the company's ability to recombine or reconfigure its resources to keep up with the market demand. The better the ability to adapt, the faster the company can offer unique value when the market shifts (Reeves & Deimler, 2011).

In resource-based view theory of a firm, resources are all tangible and intangible assets that the company controls. Resources thus refer to financial and physical assets, know-how, information, and human capital (Amit & Schoemaker, 2016). The resources can come from within the company, like R&D capabilities, logistics, branding, and engineering procedures and skills (Kozlenkova et al., 2014), or from outside the company, like business partnerships, market demands, the role of suppliers and customer loyalty (Lewis, Alistair, Slack & Howard, 2010). Barney (1991) has categorized resources into three primary classifications, namely physical capital resources, human capital resources, and organizational capital resources. Physical capital resources include plant and equipment, technology, access to raw materials, and geographical location. Human capital resources include training, experience, know-how, intelligence, unique skills, and relationships within the company. Organizational capital resources refer to the company's formal structure, workflow, standard organizational procedures, and controlling and coordinating systems (El-Chaarani, El Nemar, Dandachi & Castellano, 2022).

Resources can also be categorized as tangible and intangible assets, as shown in Figure 1. Intangible resources refer to all the company assets related to access to capabilities, knowledge, and strategic and organizational benefits (Utami & Alamanost, 2022). Intangible assets include brand power, copyright, and creative assets, new architectural and engineering designs, market knowledge, and know-how (Thum-Thysen et al., 2019). Intangible assets do not depreciate with use and over time and can be used simultaneously by multiple people (Molloy et al., 2011). Tangible resources are all assets with finite monetary value and a physical form. Tangible resources include real estate, machinery, land, inventory, and products (Schriber & Löwstedt, 2015). In contrast with intangible

assets, tangible assets have a transactional exchange value and drive visible business contributions (Kenton, 2022). Tangible resources include real estate, machinery, land, inventory, and products (Schriber & Löwstedt, 2015).

Figure 1: Types of resources



Source: Own work.

Resource-based view theory of a firm states that economic opportunity is created by how effectively a company can use its valuable resources (Chin & Rowley, 2018). Madok (2001) defines capabilities as organizationally embedded, nontransferable firm-specific resources that help companies effectively leverage their internal and external assets. Capabilities must be scarce, appropriable, and specialized and can consist of tangible or intangible processes (Kozlenkova et al., 2014). They can not be bought but built and developed over time to help the company improve efficiency and productivity (Kozlenkova et al., 2014; Chin & Rowley, 2018).

Teece (1997) introduces an extended definition of capabilities by splitting them into dynamic and operational capabilities. Operational capabilities are all skills and knowledge that determine a firm's efficiency and success in executing current business activities and tasks (Wright, 2015). They can be understood as activities determining the company's survival and strategic setting in its current settings. Thus, operational capabilities do not change a company's strategic direction (Chin & Rowley, 2018).

Dynamic capabilities are the company's ability to modify and reconfigure internal and external skills to develop new capabilities and create new resources (Chin & Rowley, 2018; Teece et al., 1997). Dynamic capabilities enable companies to react to market shifts

and align their operational capabilities according to trends and customer needs (Wright, 2015). In contrast with operational capabilities, dynamic capabilities do not occur from the company but are strategically built by the company's decision-making and actions (Utami & Alamanost, 2022; Chin & Rowley, 2018; Gebauer et al., 2015).

In conclusion, owning a specific combination of unique resources and capabilities drives companies to obtain a fair market share and survive the competition and long-term growth. The bigger the ability of companies to add new capabilities and resources with different strategic approaches and learning, the more enormous their potential is (Utami & Alamanost, 2022). The more the company can recombine or reconfigure its resources in the market dynamics, the better value can provide to its customers (Reeves & Deimler, 2011). However, companies must understand what combination of resources and capabilities can help them differentiate themselves from their competitors. In the next chapter, I will investigate the VRIO framework to help us understand what firm-specific resources can improve the company's performance and earning potential (Kozlenkova et al., 2014).

1.3 The VRIO framework

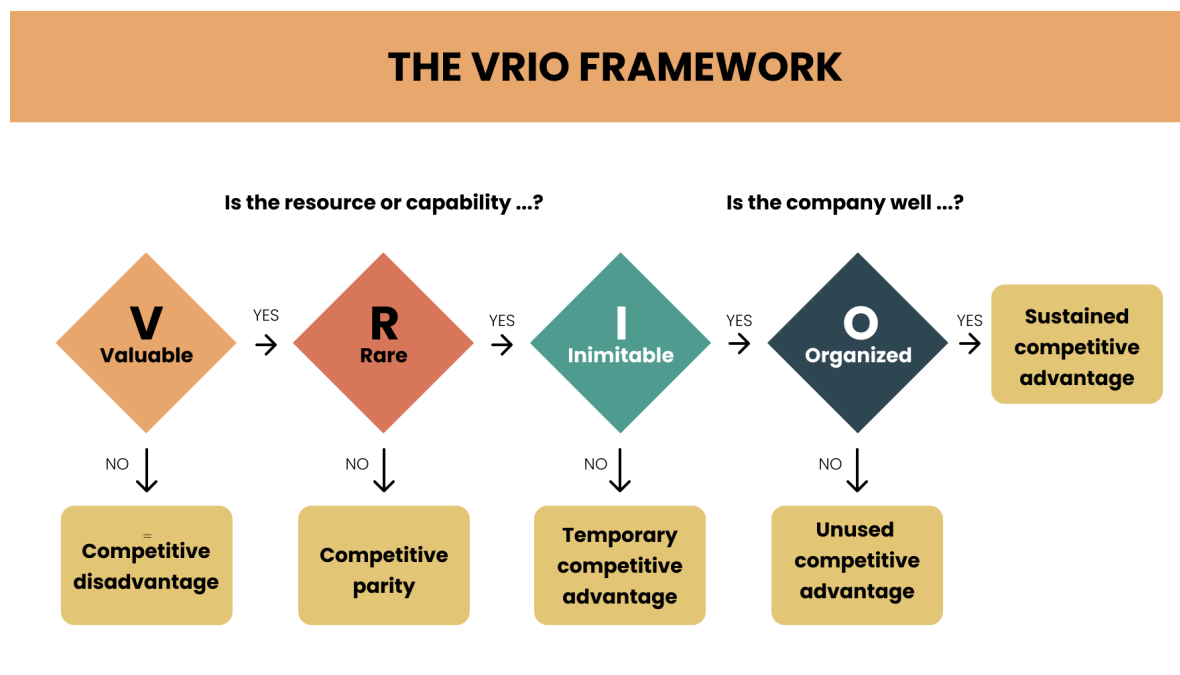
Not all resources can create a competitive advantage. Therefore, the VRIO framework has been developed, which helps decision-makers create a business strategy to increase earning potential. In line with the VRIO framework, firm-specific resources can create a competitive advantage if they are valuable, rare, imperfectly imitable, and organized to capture economic value (Kozlenkova et al., 2014). Valuable resources contribute to meeting the market demand and are correlated with generating more revenue potential and company growth (Cardeal & Antonio, 2012). A resource becomes valuable only when it helps capture economic opportunities and defend a company from other market threats. The other important factor to consider is that valuable resources will stay valuable only if the company can use them efficiently (Barney, 1991). A valuable resource helps the company position its products or services as a superior alternative in the eyes of its current and potential customers. The company can achieve this by adding attractive features to its products which raise the perceived value of the product or service and thus increase the firm revenues and profitability. A resource is also valuable when it helps the company lower costs and increase profitability by offering services and products at lower prices than the competition (Rothaermel, 2015).

Next, resources must be rare to achieve a competitive advantage. Resources available to multiple firms will only generate revenue potential if all the competitors use them similarly strategically (Barney, 1991; Kozlenkova et al., 2014). When the resource is valuable but not rare, this will result in perfect competition and competitive parity (Rothaermel, 2015).

Resources must be imperfectly imitable to prevent competitors from copying them and diminish their potential for creating a competitive advantage. We can classify resources into property-based and knowledge-based when talking about imitability. Under property-based resources, we classify all legal properties and resources legally protected by owners' rights and cannot be used without the owner's consent. Property rights are human resources, patents, contracts, copyrights, trademarks, registered designs, and physical resources. Knowledge-based resources are intangible assets that take work to copy due to knowledge and information barriers. Those are organizational, technological, and managerial resources. (Cardeal & Antonio, 2012; Das & Teng, 2000).

The last and fourth condition is that the firm must possess the know-how to use those resources to capture economic values. The firm must establish frameworks and policies and employ a skilled workforce using valuable resources to fulfill the earning potential (Cardeal & Antonio, 2012; Kozlenkova et al., 2014). Achieving a sustainable competitive advantage will thus depend on the internal capabilities of exploiting the company resources. When the company needs to establish an organized process to exploit the potential of valuable, rare, and imperfectly imitable resources, the company can achieve only a temporary competitive advantage. To gain and maintain a competitive edge, a company must arrange its resources and abilities to generate distinct core competencies, as shown in Figure 2. (Rothaermel, 2015).

Figure 2: The VRIO framework



Source: Own work

1.4 Limitations of the resource-based view theory

As with every scientific view, we must be aware of the limitations that come with resource-based view theory of a firm. The theory suggests that a company will outperform its competitors when it has unique, valuable, non-imitable, and rare resources, contrary to the competing firms (Tehseen et al., 2019). The first concern with the resource-based view theory of a firm is thus focusing solely on the company resources but forgetting the market demand, regulatory policies, and other external factors that impact the company's growth (Hamdi, 2022). In one of his essays, Graham (2008) writes that customers do not care about how hard a company or a startup works, only whether it solves their problems. Because of the heterogeneity of companies, the resource-based view theory of a firm also does not allow us to compose an empirical study measuring companies' performance (UKEssays, 2018). Tehseen and others (2019) propose that the resource-based view theory of a firm is only a viable framework for studying some types of companies. The framework is thus especially inapplicable for small companies since they rarely possess rare resources meaning that according to the theory, they can not achieve competitive advantage (Luo & Child, 2015). Luo & Child (2015) further discuss that small companies can achieve competitive advantage without resource advantages but can compromise good results with cheaper labor (less overhead cost, lower seniority of employees) and dynamic and flexible operations.

Next, we must acknowledge that the theory lacks actionable implications for managers (Barney et al., 2011; Kraaijenbrink et al., 2010). While the theory emphasizes the importance of obtaining valuable, rare, imitable, and non-substitutable resources, it does not instruct how to leverage them to create a competitive advantage (Connor, 2002). Resource-based view theory of a firm further assumes that all managers can predict the future value of the company resources and thus align company operations around the most promising ones (Tehseen et al., 2019). In his study, Connor (2002) reports that firm growth will ultimately depend on the manager's decision-making processes in responding to external market changes by linking the company resources and capabilities in a strategically efficient way. It is possible that some resources negatively impact the company's performance, yet the resource-based view theory of a firm does not acknowledge them in the research (Armstrong & Shimizu, 2017). Thus, the resource-based view theory of a firm serves as a framework for analyzing already successful firms but needs more guidance for managers seeking to create strategic assets.

Another drawback of this theory that I want to point out concerns creating a competitive advantage solely with the resources that a company already possesses. With the market and customer demand shifting, so are the necessary resources and skills to meet the demand and keep the competitive advantage (Tehseen et al., 2019). This is especially relevant in today's markets when new internationalization opportunities and technological advancements impact both the competitive and organizational dynamics in emerging and

developed markets (Cooper et al., 2023). Finally, the resource-based view theory of a firm lacks tangible evidence that only valuable, rare, non-imitable, and non-substitutable resources can lead to staying competitive in the market and the survival of resource-poor firms in today's economy (Li et al., 2016).

It is imperative to acknowledge that competition within the market encompasses companies operating across various stages, sizes, reputations, and ownership of resources, among other factors. Following the resource-based view theory of a firm, all companies, no matter the market establishment and size, need to possess unique resources and capabilities to gain a competitive advantage and achieve long-term growth (Barney, 1991; Della Corte, Asli Arikan, Jay Barney & Mauro Sciarelli, 2012; Madhani, 2010). In the following chapter, I investigate the difference between resource acquisition ability among startups and incumbents and the strategies entrepreneurs take to access unique resources that lead to startup growth.

2 RESOURCE ACQUISITION

2.1 Startups

A startup refers to a company in the initial stages of operations and market value creation. A startup is founded by one or more entrepreneurs who believe they can provide a high-in-demand solution for a market pain that still needs a satisfactory solution. Startup founders are thus focused on developing their innovative products or services, accompanied by a high level of risk, in return for the expectation of fast growth and significant earning potential (Potušek, 2015). Ries (2011, 27) defines a startup as *"a human institution designed to deliver a new product or service under extreme uncertainty."* Paul Graham (2012) defines a startup as a company designed to grow fast and states that not every new company can be considered a startup. He sees growth as the only accurate indicator that sets startups apart from lifestyle companies. Most startups are financed by their founders or friends and family. While some founders self-finance the organic growth of their startups, most seek external financing to move to the next phase of business and get a step closer to becoming a prominent company in the market.

No matter the entrepreneurial knowledge of its founders, startups operate as agile organizations without a fully developed business model and usually lack sufficient funding (Grant, 2022). Scholars state that the business model must be both scalable and replicable. Scalability refers to the ability of the business model to multiply, while replicability refers to the transferability of the business model to different markets (Potušek, 2015). The viable business model is considered the primary requirement for a startup's existence and a way to deliver value that the customer will pay (Slavik et al.,

2021). The business model is thus a company plan to deliver value, cover costs, and earn profit. It must identify the target market, all anticipated expenses, and the value of products or services the startup is considering selling (Kopp, 2022). Due to the startup's agility, startups can easily and rapidly test and iterate new business models to achieve fast growth (Dopfer, 2016). An effective business model creates a competitive advantage and helps a startup accumulate tangible and intangible assets (Kopp, 2022).

Since I focus on startup companies in this thesis, we must clearly distinguish between a startup and an ordinary but newly formed company. Only some newly founded companies are startups, yet many wrongly assume this. To understand this, we must break down what a startup company is not.

A startup is a dynamic company that starts as a small technological business but achieves a tremendous competitive advantage due to its flexible business model and resources to follow new market opportunities. One of the main differences between a startup and a traditional company is the strategy around a business model execution. Traditional companies are trying to optimize the execution of an already existing and proven business model. Startups are trying to revamp or create a new business model (Blank, 2013). Following a well-established business plan enable traditional companies to avoid considerable uncertainty and get the needed resources via traditional routes, e.g., banks (Ries, 2011, p. 29). Next, traditional company founders are not chasing rapid scalability and earning potential but following a goal to achieve a certain living standard (Potušek, 2015). Those companies initially spend their early phases creating a high-performing team of employees to achieve a competitive advantage (Pšeničný & Novak, 2012).

2.2 Resource acquisition ability of Startups

Startups are known for their unique business models, innovative ideas, and ambitious goals. However, they must first acquire the right resources to achieve rapid growth. The ability to acquire resources such as funding, talent, and technology is a crucial factor for the success of startups. However, it is essential to note that following an innovative business model often results in startups needing more resources due to a lack of legitimacy and liability of newness (Montoya, 2019). A startup's ability to successfully acquire resources depends on several factors, such as the founder's background, market size, nature, current stage of the venture, entrepreneurial network, social capital, and the environment (Anderson et al., 2010; Yang et al., 2018).

To secure critical resources and form relationships with resource owners, startups and their founders must first create a sense of legitimacy seen as approval that comes from outside (Wang et al., 2017). A study by Yang and colleagues (2018) suggests that legitimacy does not always come from the outside but can also arise internally. Yang

(2018) reports that startups focused on internal legitimacy focus on hiring employees able to fulfill startup survival goals, while startups focused on external legitimacy ally with other organizations that possess the needed resources.

As mentioned in this research, the startup is a synonym of a high growth-oriented company with ambitions to scale rapidly. While entrepreneurs usually have unique resources in terms of knowledge and skill, they often need more funding to translate this knowledge into a scalable business model. Therefore, entrepreneurs will pitch their business idea and secure funding from Venture capital firms that believe they have long-term growth potential (Hayes, 2022). Due to innovative and unique business plans or products, most startups need more funding than the capacity of founders and their families to finance to become profitable (Ralston, 2023). The potential to initially acquire resources from external partners such as venture capital will depend on the existing network of a startup and its founders (Peng et al., 2022). The strength of the relationship ties between an entrepreneur and the resource owner will significantly impact the success and survival of a new venture (Peng et al., 2022; Zhang et al., 2010). When startups initially partner with highly reputable firms, this may lead to a dramatic rise in legitimacy in the eyes of prospective future partners (Chang, 2004).

Johansson (2007) reports that entrepreneurs who once worked in a corporate environment and created a spin-off of an existing incumbent gain a quicker advantage because of their industry knowledge and formal and informal ties with parent firms. In addition to prior experience, such startups form a dynamic environment between former employees and outsiders. While former employees bring a detailed understanding of the acquired assets, capabilities, and market, the outsider brings in additional know-how and support to achieve a high growth potential (Vantrappen & Polastro, 2015).

Due to the scarcity of startup resources, startups must vastly leverage their intangible assets like knowledge and human capital (Blank, 2020). Scholars thus report that startups should focus on knowledge management strategies across the company to promote business innovations and company culture, creating a startup's sustainability in the growth phase (Centobelli et al., 2017; Cerchione & Esposito, 2017). Such knowledge-based startups promote continuous knowledge creation and exposure to external knowledge, which leads to more efficient and effective leveraging of new technological opportunities (Burger-Helmchen, 2008). Lu and Sexton (2009) further discuss how knowledge influence:

- Founders' technical know-how
- Product idea
- Entrepreneurial network
- Tangible resources
- Customer orders

2.3 Incumbents

In a modern market where goods vary in quality, reputation, and market partnerships, the incumbent is in a stronger competitive position than potential entrants, referred to as startups, in my master's thesis. Understanding the theory behind incumbents with a strong and long-term market reputation and connections is essential in helping us understand the phenomenon of coopetition among startups.

According to the Cambridge Dictionary, the word incumbent can have different meanings. Depending on the context in which it is used, incumbent refers to an individual with specific responsibilities in a corporation, the leader of a company, or a good company itself. The word incumbent in our master's thesis refers to a company with a well-established and reputable position in the market and a large part of the market share (Chen & Berry-Johnson, 2021). Incumbents are mature companies with well-known products and loyal customer following and are thus very reluctant to the threat of new market entrants (Kenton, 2023)

Well-established and market-leading companies own unique resources and assets, creating a strategic advantage against small invading firms called the incumbent's advantage (Malnight & Buche, 2022). This advantage arises from (MacMillan & Selden, 2008):

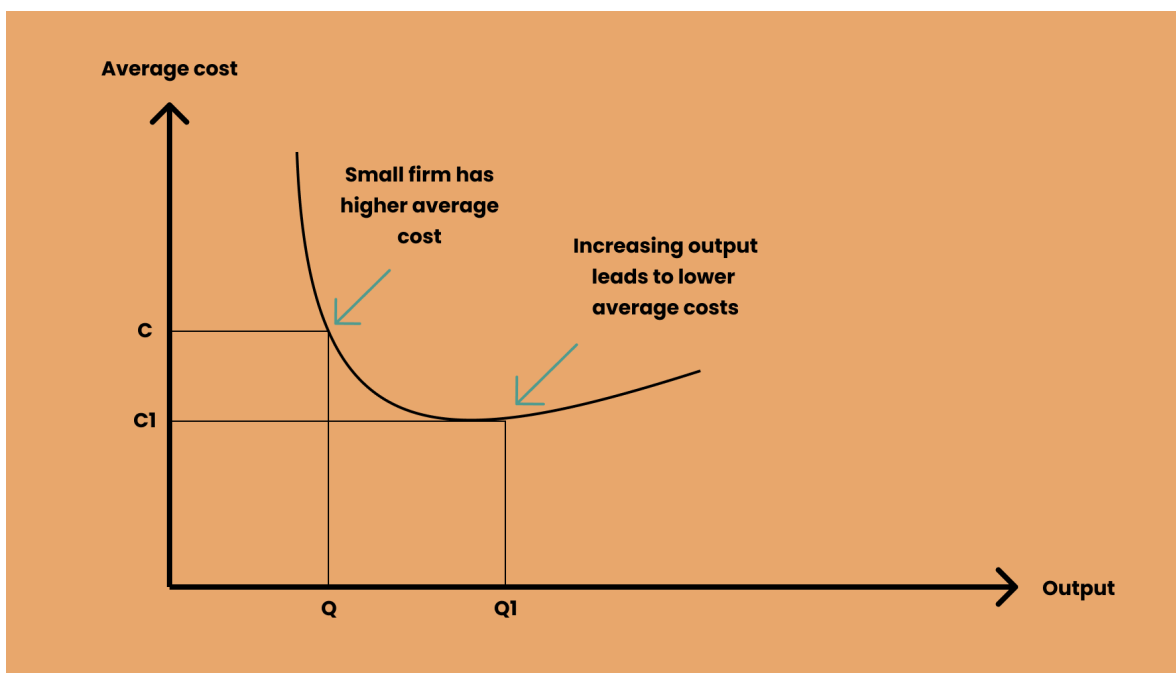
- A better understanding of the market segments and customer needs than potential new entrants.
- Knowledge in optimizing business processes to maximize profitability and better allocate resources.
- Industry and customer knowledge are far less susceptible to imitation than the product or service itself.

Another definition that explains how incumbents achieve competitive advantage and protect themselves against new entrants is the concept of incumbents advantage (Lee et al., 2012; Malnight & Buche, 2012; Hit et al., 2017). Malnight and Buche (Malnight & Buche, 2012) define incumbents advantage as the ability of an established company to convert age, size, and tradition into the critical advantages of market power, trusted relationships, and deep insights.

One of the primary advantages that established companies have is their brand recognition (Kenton, 2022). Consumers trust and purchase products from familiar companies (Latif et al., 2014). Due to the effects of time in the market, incumbents had the time and resources to build their brand and reputation, making it difficult for new entrants to gain the same level of trust and recognition (Solomon, 2019).

Another advantage that incumbents have is economies of scale. Due to their size and available resources, those companies often follow the strategy of economies of scale, allowing them to produce and sell products at a lower cost than new entrants due to their ability to leverage their size and resources (Hit et al., 2017). The advantage arises from mass production when incumbents can spread fixed costs across a larger output, reducing their per-unit costs (Rothaermel, 2015; Porter, 2008). In Figure 3, we can observe the concept of economies of scale. An example of economies of scale is a car manufacturing company that can reduce its average production costs by increasing its production volume.

Figure 3: Economies of scale



Source: Own work.

Established companies also have the advantage of established distribution channels. They have built relationships with suppliers, distributors, and retailers over time, making it difficult for new entrants to gain access to these channels (Rothaermel, 2015; Seiringer, 2022). Finally, incumbents have the advantage of existing customer relationships. They have a built-in customer base already familiar with their products and services (Hawkins, 2014). This advantage can make it difficult for new entrants to gain a foothold in the market, as they still need a loyal customer base (Malnight & Buche, 2012).

2.4 Resource acquisition ability of incumbents

Incumbents, characterized by their mature companies, renowned products, and loyal customer base, are inherently averse to the threats posed by new market entrants (Kenton

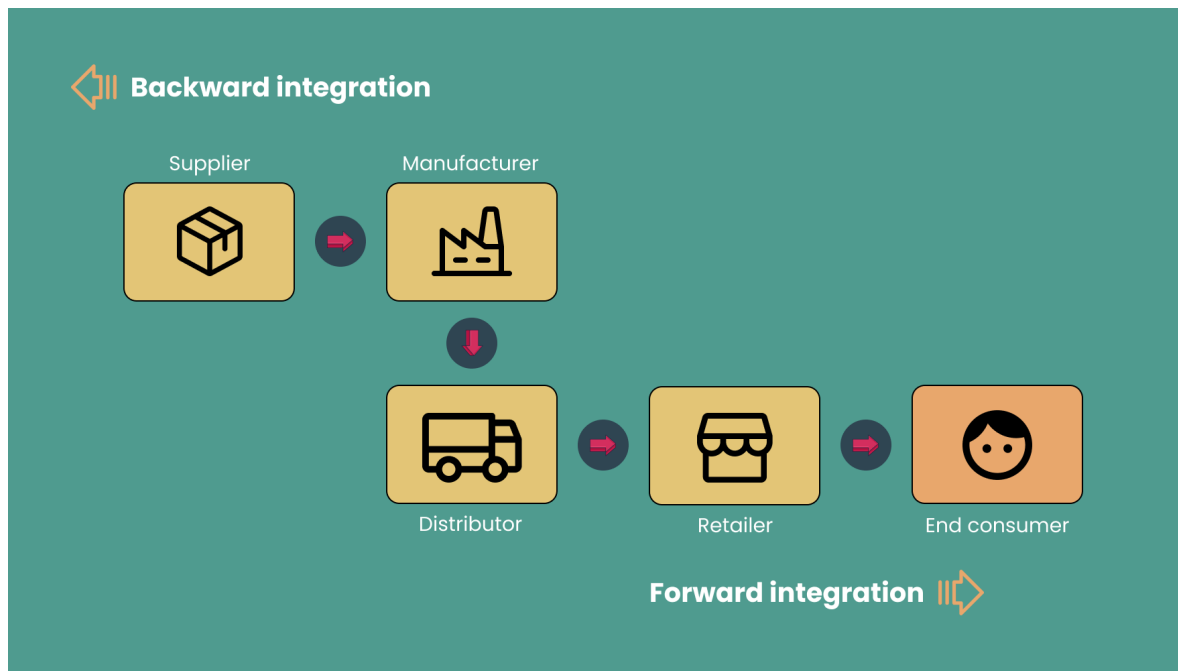
& Anderson, 2023). To retain their competitive edge and uphold their established reputable position, incumbents must continually acquire and manage resources in line with the VRIO framework. However, it is crucial to note that attaining competitive advantage occurs progressively over time as a company evolves from a new market entrant to an incumbent by enhancing its resources and capabilities (Teece et al., 1997).

Engagement in coopetition allows companies to access particular resources from rival companies or companies working in other industries to better respond to market dynamics and needs. The success of forming such alliances will depend on the value a company can offer and managerial interactions and established networks with other actors (Zaefarian, Henneberg, & Naude, 2011). Companies include coopetition in their corporate strategy to coopt legitimacy and underutilized goods (Star & MacMillan, 1990). Zaefarian, Henneberg, & Naude (2011) in their research indicates several categories of strategic resources when forming business relationships:

- Financial resources
- Market positioning
- Asset utilization
- Skills and intellectual property
- Credibility and reference

An opposite strategy is vertical integration, where a company takes direct ownership of various stages of its production and eliminates external contractors or suppliers from the process (Buzzel, 1983). A company can achieve vertical integration by acquiring suppliers, manufacturers, distributors, or locations rather than partnering with them (Hayes, 2022). In the integration strategy, companies choose either backward or forward integration. Integration includes at least two parties, and the incumbent will invest in an organizational form where it becomes the owner of all resources. The decision between backward and forward integration will thus depend on the importance of the producer's investment relative to the supplier's investment and the market environment. (Egger, Erhardt & Masllorens, 2023). Apple Inc. is a tangible demonstration of backward integration, whereby it internally manufactures the required hardware for its software products, enabling it to produce new products swiftly and cost-effectively (Investopedia, 2021). On the other hand, forward integration is exemplified by Amazon.com, Inc.'s acquisition of Whole Foods Market, Inc., which enabled Amazon to secure a 2% share of the American grocery market and gain profound insights into customers' in-store behavior (Grilo, 2019). In Figure 4, we can observe a difference between backward and forward integration. Backward integration refers to a company's strategy of acquiring or controlling suppliers or resources in the earlier stages of the supply chain. Forward integration concerns a company expanding its operations or acquiring distribution channels or retailers downstream in the supply chain to access customers directly.

Figure 4: Difference between backward and forward integration



Source: Own work.

Due to their size and slow R&D processes, incumbents are often slow and late in identifying new technologies and trends. Incumbents thus invest in new market entrants to improve their R&D and company performance. By purchasing a stake in newly founded startups, incumbents get access to emerging technology from startups (Benson & Zideonis, 2009). However, the success of an established company acquiring a startup will depend on several factors. When an incumbent and a startup lack strategic and organizational-cultural fit acquisition, it can diminish both firms' effectiveness and overall performance (Korshunova, Tiberius, Cesinger, & Bouncken, 2021). Korshunova and colleagues (2021) study that this can occur when incumbents have a more bureaucratic organizational culture. Compared to a more fast-paced and agile entrepreneurial culture.

Further, the ability to effectively leverage new technologies obtained through acquisition will depend on the incumbent's internal knowledge base and commitment to external venturing activities (Benson & Zideonis, 2009). While acquiring startups may result in organizational learning, the incumbent will achieve the full potential of acquired technology only when investing enough resources in their internal R&D (Wadhwa & Kotha, 2006). The following challenge incumbents face in acquiring a startup is integrating startup employees. Not knowing the distribution of human capital in an acquired startup might take ample time to create a compelling and cohesive culture (Korshunova, Tiberius, Cesinger & Bouncken, 2021). To effectively acquire a startup, incumbents must distinguish between two different objectives (Freytag, 2019a):

- Develop growth strategy through detecting new trends, identifying new fields for innovative growth, and developing hypotheses for growth strategies.
- Execute growth strategy to improve revenue growth and reach new markets and audiences.

2.5 Resource acquisition strategies of startups

Through literature analysis in this thesis, we observe that both startups and incumbents need specific resources and capabilities to participate in the market successfully and gain a competitive advantage for long-term success and survival. Since incumbents and startups are mature, they use different strategies to acquire much-needed resources to generate revenue and deliver services or products. In the 1.2 chapter of this thesis, I categorized resources into three primary classifications following the theory by Barney (1991). Organizational resources are not relevant for further discussion in my thesis. Thus, I will discuss how startups acquire crucial financial and human resources for long-term growth.

2.5.1 Financial resource acquisition

As a startup emerges, it must deal with the scarcity of resources that are often a result of a lack of legitimacy, negative cash flow, and being a new "player" on the market (Montoya, 2019). The lack of funding is the first obstacle entrepreneurs must overcome to scale a unique business idea to a high-growth business. There are different strategies entrepreneurs can pick from to finance their startups. I will describe crowdfunding, venture capital, and European Union funding.

Crowdfunding is a digital strategy wherein entrepreneurs use digital platforms such as Kickstarter and Indiegogo to directly ask for small amounts of money from a potentially large audience of individuals ready to help finance their startup (Hassna, 2022). In recent years, the popularity of crowdfunding has grown immensely among entrepreneurs seeking external funding and thus made crowdfunding an important funding method along with more traditional strategies (Belleflamme, Omrani, & Peitz 2014). According to Statista (2023), Surprise is the most backed Kickstarter project ever! Four Secret Novels by Brandon Sanderson raised almost 42 billion U.S. dollars. Individuals that participate in the Kickstarter campaign get an inside look at the project development and become an essential part of bringing the product to life. In exchange for pledging a specific amount of money, they can pick different rewards as an early contributor to the startup (Kickstarter, 2023). Crowdfunding platforms differ from V.C. and other traditional investment possibilities by democratizing venture financing by enabling small retail investors to fund the projects (Mollick, 2014). Compared to traditional investing,

consumers engage with entrepreneurs to invest in their product before brought to the market, meaning entrepreneurs can overstate their product quality and are thus more likely to have a successful campaign (Chen & Liu, 2023). Since crowdfunding platforms like Kickstarter apply an all-or-nothing mechanism, this is necessary to meet the entrepreneur's targets within a given time and receive the funding (Kickstarter, 2023).

When meeting specific criteria, newly founded companies in Europe can apply to get funded by the E.U. investment funds. European Union offers different types of funding, such as grants, loans, equity, subsidies, trust funds prizes, and public contracts. The funding is available to startups, micro, small and medium-sized companies, and corporate businesses operating in European Union (European Commission). Grants provide vital investment incentives to firms with good investment opportunities and enable them to expand their production and efficiency and thus impact firm-level growth and labor productivity (Muraközy & Telegdy, 2023).

Lastly, entrepreneurs can receive the necessary funding to finance the growth of their companies through venture capital. Venture capital is a form of private equity and financing type that invests in startups showing long-term growth potential (Hayes, 2022). Venture capitalists help companies achieve the next stage of the innovation life cycle, where entrepreneurs can monetize their business idea. More than 80% of V.C. funding is allocated toward R&D and building the infrastructure required to scale the business (Zider, 1998). With fast technological advancements, technological startups have been growing faster than the global economy and thus become an attractive investment opportunity for V.C.s looking to fund the next unicorn (startups with valuations exceeding \$1 billion) (PwC, 2017). To acquire investment, entrepreneurs compete against each other by signaling their projected company valuation to potential investors. By evaluating their startups accurately, entrepreneurs can determine their exit value and equity rights after every investment round and help V.C. funds calculate the ROI (Hidayat et al., 2018). After the investment, V.C.s join the board of startups to participate in corporate activities to help achieve the joint objectives of both the V.C. and the startup (Wasserman, 2015). With their recognition, V.C.s help attract and recruit top talent to improve the company's performance and foster new relationships with other companies, suppliers, and clients (Hidayat et al., 2018). Startups require V.C. funding to convert their idea into tangible products and lift their company from the ground. Entrepreneurs must communicate the idea through pitch decks and shape the investor's impression of the future potential (Garud, Schildt & Lant, 2014). Without actual market data, entrepreneurs must convince investors through storytelling and thus influence their investment decision (Piazza, Mazzola, Perrone & Wanhaverbeke, 2023).

2.5.2 Human resource acquisition

Human capital resources include training, experience, know-how, intelligence, unique skills, and relationships within the company (El-Chaarani, El Namar, Dandachi & Castellano, 2022). In the early startup stage, human capital is one of the crucial factors that impact future growth and help entrepreneurs lift the idea from the ground (Blank, 2020). However, new entrepreneurs deal with the liability of newness and a small external network, meaning they need help attracting qualified employees (Jeong et al., 2020).

Continuing to discuss resource acquisition through venture capital, such companies do not only provide the necessary funding to startups but also intangible resources such as legitimacy, knowledge, and networks (Teece, 1992). With their expertise and entrepreneurial network, V.C.s signal the future potential of a startup and improve the recruitment process to hire the top-level talent needed to scale the company (Baum & Silverman, 2004).

Entrepreneurs must signal quality, give potential employees the right incentive to hire top talent and compete in a market with more established companies (Chung & Parker, 2022). However, how do entrepreneurs attract employees before accessing an entrepreneurial network of V.C. firms? By having a slim chance of success, startups offer low job security for their first employees and serve as a lesser good reference for a future career path (Campbell, 2013; Moser, Tumasjan & Welp, 2017). Compared to incumbents, startups lack achievements or a distinguished track record that could be used as a signal of legitimacy and market stability. Research shows that one strategy for expanding the hiring pool for startups is affiliation with prestigious/prominent entities. Such affiliations evoke credibility and attract investors and potential employees (Chung & Parker, 2022; Moser, Tumasjan & Welp, 2017).

Given their agility, startups have the potential to offer distinctive employment packages, such as flat hierarchies, task diversity, flexible work practices, and a strong emphasis on individual development (Williamson, Cable & Aldrich, 2002). Tumasjan, Strobel, and Welp (2011) contend that entrepreneurs can leverage healthy team chemistry as an exceptional job attribute when attracting new talent. Consequently, startups should cultivate a work environment prioritizing interdependence, camaraderie, and team commitment. Moreover, research indicates that the lack of autonomy in large corporations significantly contributes to employee turnover and propensity to join startups (Moser, Tumasjan & Welp, 2017; Stark, 2007). Thus, one of the primary incentives that startups should focus on in their recruitment strategy is providing meaningful responsibility to their employees (Tumasjan, Strobel & Welp 2011).

Next, startups can provide an environment that yields better non-financial returns for employees, such as opportunities for fast learning and building a close relationship with

founders and other entrepreneurial team members (Rocha & Praag, 2020). Younger employees decide to join startup companies with the intent to interact with founders and build their social capital and have the chance to learn from the founder itself (Chung & Parker, 2022). Unlike in large corporations, employees get the opportunity to get an executive role faster. Next, the employees will not perform narrow and specialized tasks like in corporations, leading to better personal and professional development (Tumasjan, Strobel, and Welp, 2011).

In conclusion to our discussion on human resource acquisition, I will elaborate on a final mechanism employed in the recruitment process of startups. Offering stock options is an overall strategy utilized by fast-growing startups to attract, compensate, and retain top-tier human capital (Hand, 2008). This approach allows startups to share the company's success with their employees and reward them for their contributions without incurring direct cash expenses (Harroch, 2016). Stock options not only help attract potential employees but also positively impact firm performance compared to competitors who do not offer stock options. Equity ownership in the company motivates employees to work harder toward achieving future monetary rewards (Hillegeist, 2003; Hand, 2008). Thus, startups employ stock options to recruit the best talent, enhance job satisfaction, and incentivize employees to help the company grow and share in its success (Picardo, 2022).

3 COOPETITION AMONG COMPANIES

Many companies require additional resources and capabilities to stay competitive and achieve long-term growth potential. To access these assets, incumbents, and startups often form strategic alliances with companies in similar industries, a phenomenon known as coopetition (Crick, 2019). In this chapter, I explore the existing research on how participating in coopetition during various economic environments is linked to acquiring valuable resources and accomplishing business goals (Kozlenkova et al., 2014).

3.1 Coopetition and the company performance

As I have already discussed in the earlier chapters of my thesis, startups, and incumbents require a specific combination of resources and capabilities to survive in the market and achieve steady long-term growth. Due to the scarcity of such resources and capabilities, organizations only possess some such assets to achieve their business objectives and enhance their company performance. To access resources that are valuable, rare, imperfectly imitable, and organized to capture economic value (Kozlenkova et al., 2014), companies participate in coopetition.

Coopetition is when competing companies in the same or related industries engage in both cooperation and competition. For example, companies cooperate in product development but then compete in the market to sell it. By leveraging each unique strength, they have developed multiple business apps helping users across different industries save time, reduce costs, and improve their business processes (Strauss & Snider, 2014). Such an example is a successful collaboration between Apple and IBM that integrated Apple's machine learning framework with IBM Watson, which helps organizations predict future outcomes and optimize workflows (IBM). Another example is Google's collaboration with Unity technologies to provide developers with a better infrastructure and tools to develop and launch new games (Shaukat, 2018). Unity developers can now build multiplayer games at a lower cost and easily integrate Google Ads and Display & Video 360 into their deployed games with the help of an alliance with Google Cloud (Bannerman, 2023).

Despite having different motives and identities, IBM and Apple pursue common values to achieve their business objectives (Gnyawali et al., 2016; Pattinson, Nicholson, & Lindgreen, 2018). Regardless of their size, companies often form alliances with their rivals to gain access to specific resources and foreign markets, enhance their product/service development, acquire industry-relevant knowledge, and apply it to their operations (Hsu, Chen & Jen, 2008). In business strategy, coopetition is a phenomenon where companies engage in capability-sharing activities to achieve business objectives that would not be reachable if the company operated independently (Crick, 2019). The primary motivation behind coopetition is to access specific resources controlled by others, thus improving the company's performance and expanding its market share (Heide, 1994). Studies suggest that coopetition can be particularly advantageous for smaller firms facing resource scarcity compared to more established organizations (Crick, 2019). By forming alliances with more prominent and established organizations and institutions working in the same industry, smaller companies like startups can increase the size of the current market, create new markets, optimize their workflow, reduce costs, and gain a competitive edge (Golnam, Ritala & Wegmann, 2014). A coopetition is a popular approach for incumbents exploring emerging markets, acquiring new disruptive technologies, and expanding their core business (Freytag, 2019a). While incumbents gain access to new products, markets, technologies, and business models, startups gain access to customers, technologies, and production capacity to develop their products/services (Freytag, 2019b).

For coopetition to be successful, firms must evolve trust towards a competitive firm to share resources and capabilities for all parties to gain performance benefits from participating in the alliance (Czakoń & Czernek, 2016). Another driver is the intensity of rivalry. Competitive pressure fosters the co-optative phenomenon since firms want to counterbalance the strength of their rivals (Crick & Crick, 2020). Firms must collaborate with an appropriate partner for the relationship to succeed and avoid negative consequences. Apart from being trustworthy, partner firms must possess relative

complementary knowledge and share problems where coopetition would result as an optimal strategy (Czakon & Czernek, 2016).

3.2 Coopetition in the economic prosperity

Coopetition represents a strategic occurrence when two competing companies form an alliance that yields positive market outcomes for both parties (Hayes, 2022). Leveraging in coopetition is lucrative for many companies because it allows a positive-sum game. In game theory, a positive-sum game is a scenario in which all gains and losses exceed zero. In a positive-sum game, all companies engaging in coopetition gain a strategic or financial advantage, and the needs of all parties are met (Britannica). Coopetition also fosters sustainability since companies face many challenges that are rather industry-specific than firm-specific. Rival companies can tackle those challenges and form sustainability-oriented industry-level solutions that benefit all parties involved in coopetition (Manzhynski & Biedenbach, 2023).

Since its first introduction in 1996, the phenomenon has been shared among many industries and companies, such as Apple and Samsung, DHL and UPS, Ford and G.M., and Google and Yahoo (Brandenburger & Nalebuff, 2021). Despite being large competitors, Apple and Samsung formed a strong alliance in 2005, when Samsung became the sole memory chip card provider for Apple's iPod (Economic Times, 2020). Despite Samsung being one of the largest phone manufacturers in the world, it also has a vital role as a hardware supplier to other competing brands like Apple (Samsung, 2023). Apple is a receiver of this hardware and helps Samsung with R&D to improve product quality. The partnership between Apple and Samsung leads to a better market position and competitive advantage for both parties engaging in coopetition (Son & Kim, 2022). In 2008, UPS formed a strategic alliance with DHL, which was suffering significant losses. With a much larger operating capacity, UPS agreed to carry some international packages within the United States to save DHL \$1 billion annually (Forbes, 2008). This deal allowed DHL to enter the U.S. market while boosting UPS profits at the same time (Brandenburger & Nalebuff, 2021). Another and last example I will touch on in this chapter is the strategic alliance between Ford and G.M., which agreed to share transmission technologies starting in 2013 (G.M.). The alliance resulted in cost saving through R&D and freed their engineers to focus on electric vehicle development, giving each company an advantage over other car brands' R&D departments (Brandenburger & Nalebuff, 2021). Ford formed another strategic alliance with V.W. making V.W. invests \$2.6 billion in self-driving startup Argo AI - an autonomous vehicle startup (Korosec, 2019a). In 2022, Argo AI got acquired by both Ford and V.W., which gave them technology and an engineering team to further develop in-house without needing to start from scratch (Korosec, 2019b). Concrete market examples show that world-leading corporations and new market entrants form different forms of coopetition to gain market

share, explore new markets and audiences, and access strategic resources and capabilities. Literature shows evidence that companies that build their business models around coopetition result in positive effects such as (Ritala, Golnam, & Wegmann, 2014):

- Improved market position and share.
- Reach new audiences.
- New market creation.
- Improved efficiency of resource utilization.
- Increased competitive advantage.

The question remains under what conditions do companies decide to pursue coopetition? Czakon & Czernek (2016) observe the high uncertainty and firms' interdependence as drivers of coopetition. By further studying existing literature, they acknowledge other factors impacting the likelihood of coopetition, such as shorter product life cycles, a convergence of multiple technologies, and vast R&D costs (Gnyawali & Park, 2011; Czakon & Czernek, 2016). Other drivers of coopetition are market pressure and customer demand, pressuring competitive firms to form alliances to create the best possible product or service (Fernandez, Le Roy & Gnyawali, 2014; Pellegrin-Boucher, Le Roy & Gurau, 2013). Research shows that companies should enter coopetition with a coopetition-specific business model to form a strategic alliance and avoid conflicts over capturing values by utilizing shared supplementary and complementary resources (Ritala, Golnam & Wegmann, 2014). Through a coopetition-based business model, Ritala, Golnam & Wegmann (2014) further explains the evolution of Amazon.com and its success in creating the world's leading ecosystems in media and web services.

3.3 Coopetition during the pandemic

Global crises generate conditions of uncertainty that threaten the survival of companies. During times of crisis, such as a global pandemic, the safety of individuals and the stability of the world economy are at risk. A crisis of such magnitude can lead to scarcity of goods, disruptions in the supply chain, financial instability, and other detrimental effects. The negative impact of a crisis is felt by all actors in the value chain, including organizations, employees, competitors, consumers, suppliers, and other stakeholders relevant to the situation at hand (Grewal & Tansuhaj, 2001).

Pangarkar (2007) discusses that firms that engage in alliances will achieve a greater likelihood of surviving financial crises since this will lower production costs and increase productivity and output. He also argues that older firms are more likely to survive when not engaging in alliances since they have accumulated important assets and gained consumers' loyalty and trust. During a crisis or market disruption, certain assets are vital

for survival. These include our reputation, knowledge, established distribution channels, long-term relationships with customers and suppliers, collaborations with R&D departments and other firms, and our market experience. In line with those findings, Crick & Crick (2020) suggest that coopetition can help firms survive and meet their objectives during a global pandemic. In a recent paper, he investigated that coopetition occurs in health-related environments and other sectors. Legal, political, and bureaucratic laws that otherwise hinder coopetition existence have been lifted to counterbalance pandemics' impact. Rival companies have therefore been able to change individualistic business models and start cooperating with rival firms for the greater good.

Crick & Crick (2020) discuss how British supermarkets share valuable assets to navigate the COVID-19 pandemic. The public panic created high demand in buying items such as canned food, toilet paper, dairy products, meat, and vegetables leading to U.K. competition laws in the U.K. being relaxed (Williams, 2020). Relaxed competition laws allowed popular supermarkets like Tesco, Sainsbury's, Morrison, and others to share stock level data, coordinate closure times, loan employees between rival stores, and access supply chain networks (Chapman, 2020). Another example is pharma companies around the globe closely collaborating and jointly developing the necessary vaccine. A concrete example would be the joint development of the COVID-19 vaccine by Pfizer Inc. and BioNTech S.E. By engaging in coopetition, Pfizer Inc. and BioNTech S.E. increased their manufacturing capacity and met the needed global supply. (Hayes, 2022).

Pharmaceutical companies have demonstrated admirable cooperation in a commendable effort to prioritize public welfare over commercial gain. By sharing their extensive knowledge, data, and equipment, they have accelerated the development of vaccines for the greater good (David & Bennhold, 2020). In another compelling instance of "coopetition" amid the COVID-19 pandemic, tech giants Apple and Google have joined forces. Their partnership aims to track the spread of the disease and closely monitor the environment to contain its rapid transmission (Hern & Paul, 2020). Furthermore, non-profit organizations have formed meaningful alliances to assist those in dire need during these challenging economic hardships. With many companies facing bankruptcy and rising unemployment rates, such endeavors offer a glimmer of hope amidst the bleakness (Crick & Crick, 2020).

4 EMPIRICAL STUDY

4.1 Research purpose and aim

The master's thesis aims to research and study recent studies that show the immediate effect of COVID-19 on competition and company behavior. The purpose of this master's

thesis is to study and understand how COVID-19 impacts tech startups to engage in coopetition, or whether they will pursue individualistic business models by utilizing their resources and capabilities to survive global crises. Coming from resource-based view theory of a firm, another aim of this research is also to understand how future behavior will shift due to the global pandemic and all regulations and restrictions that came with it. The final aim of the master's thesis is to contribute to the resource-based view theory of a firm and its implications under extraordinary situations (pandemic).

4.2 Methodology

This master's thesis consists of two parts – a theoretical part and an empirical part- based on a qualitative approach, as there is no generally valid literature on the behavior of companies regarding coopetition in the COVID-19 pandemic. To achieve »qualitative rigor, « I methodically followed Gioia's approach to set up the research and the data collection and analysis (Gioia, Corley & Hamilton, 2012). The aim is to derive interpretive assumptions from the interview partners' understanding of specific frameworks. Through the inductive research design, content and patterns in the texts can be identified and abstracted with the help of the formation of clusters. Finding so-called first-order concepts and grouping them into second-order themes is essential in the first step. Completing the first step enabled me to recognize patterns and thus form a well-founded statement on the topic (Gioia et al., 2012).

In this chapter, I will discuss the research design and methodology used in this thesis's theoretical and empirical parts. I will explain the reasons behind selecting specific research methods and provide details on the interview settings, participants, sample, and time frame. Additionally, I will cover the data collection and analysis process, including a detailed explanation of how the interviews were conducted and analyzed.

4.2.1 Research design and methodology

The first and primary research method I used in this thesis is a theoretical part based on the descriptive method that helped us understand how, when, and what are variables this thesis focuses on (McCombes, 2019). The whole theoretical part relies on secondary resources. I define relevant concepts by reviewing and analyzing academic and scientific articles, journals, books, encyclopedias, dissertations, master's theses, and other credible sources. The method is supported by a synthesis method to make finding from relevant and related studies more applicable to this case. The synthesis method is a research method for gathering evidence from multiple sources to support one argument and help identify how selected sources relate to my thesis's central idea. Literature on coopetition in non-pandemic times is an essential building block for my research and further elaboration.

The theoretical part of my thesis will be followed by an empirical part based on semi-structured in-depth interviews (Hennink, Hutter & Bailey, 2020, p. 10) with executives, CEOs, CTOs, founders, and other decision-making personnel in tech European startups. A semi-structured interview is a qualitative research where a set of pre-determined open questions is created to prompt further discussion and allow me to explore particular themes in further detail (George, 2022). With these in-depth interviews, I gain deep insight into a specific topic by motivating an interviewee to share their perspective on a specific topic. I have created a guideline for conducting the semi-structured interviews in advance to ensure uniform and consistent data collection. With the help of semi-structured interviews and gaining in-depth perspectives from the experts, I will be able to answer my research question as efficiently as possible. To analyze the interview transcript, I will use the inductive thematic analysis method allowing themes to emerge directly from the data (Caulfield, 2019) to find similarities and differences among the participants' perspectives on coopetition. Thematic analysis is a research method that helps us analyze qualitative data by identifying common themes, topics, ideas, and patterns related to the research phenomenon - coopetition (Rajmangal, 2017).

4.2.2 Interview settings and participants

All in-depth and semi-structured interviews took place between 27.12.2021 and 14.02.2023. The research participants were executives, CEOs, CTOs, Founders, and other decision-making personnel in tech European startups. I approached the participants via LinkedIn, email, and personal networks. All participants were selected based on their company profile and the inclusive criteria shown above. I tried to keep the collection time short, as the interview guideline was already made-up front, and I didn't make any changes to it to remain the main topics of the interview consistent. There were 9 participants, among which seven of the nine interview partners were in the role as the founders of their companies. The other participants are either from the design or marketing departments. All participants have an executive role in their companies and are involved in forming strategic decisions. All participants took part in the study voluntarily and received no remuneration. They allowed me to use their data for my studies. I used theoretical sampling to select the interview partners. To ensure comparable outputs of the interviews, I picked the firms according to their company profile, core business, and size.

The first participant is a senior UX / UI designer at a software development agency Equaleyes. Equaleyes is a London and Maribor-based multi-award-winning agency that builds, develop, and manage digital product for a wide range of corporate customers (Equaleyes Solutions Ltd). The second participant is a senior marketing executive at BitPanda. BitPanda is a mobile app that provides a cryptocurrency exchange, commodities and securities trading, and ETFs to retail investors (BitPanda). The third

participant is a co-founder of Flowout, an unlimited webflow design & development subscription service (Flowout). The fourth participant is a co-founder of Angsar Robotics, the company developing autonomous cleaning machines for green areas (Angsar). The fifth participant is a founder of a Design MBA. A startup focused on providing E-learning services through mini-MBA for designers and other creative professionals (design MBA). The sixth participant is a co-founder of Taia Translation, a Slovenian-based technology and translation platform that enables users to translate in-house with the help of A.I. technology (Taia Translations). The seventh participant is the CEO of Erento GmbH, an online retail marketplace that rents motorhomes, campers, caravans, and more (Erento GmbH). The eighth participant is a co-founder of DeltaHub, a Slovenian-based award-winning startup specializing in creating desk accessories (DeltaHub). The ninth and last participant is the co-founder of Kingsbox. Kingsbox is a company that manufactures and designs world-class sports equipment and aims to help people become the best version of themselves (Kingsbox). Detailed information on research participants and conducted semi-structured interviews can be found in Table 1 below.

Table 1: Sample and interview information

Participant	Job position /	Company name	Company core business	Year of launch	Foundation
I	Senior UX / UI designer	Equaleyes	Software development	2015	Self-founded
II	Senior Marketing Exectuive	BitPanda	Crypto trading	2014	\$564M total funding
III	Co-founder and CEO	Flowout	Software development	2021	Self-founded
IV	Co-founder	Angsar Robotics	Robotics and software development	2019	State founded
V	Founder	Design MBA	E-learning	2017	Self-founded
VI	Co-founder and CEO	Taia Translations	Software development	2015	\$1.4M total funding
VII	CEO	Erento GmbH	Online retail marketplace	2003	Self-founded
VIII	Co-founder and CEO	DeltaHub	Design hardware	2019	Self-founded
IX	Co-founder and CEO	KingsBox	Strength equipement	2015	Self-founded

Source: Own work

4.2.3 Data Collection

Before conducting the semi-structured interviews, I developed a guideline to ensure uniform and consistent data collection. The guidelines are attached to this thesis in Appendix I and were used to moderate and minimize the individual bias arising due to individual conduct of the interviews and personal characteristics.

I divided the guidelines for the interview into three main parts. All three parts combined have 17 questions altogether. After the short introduction of the project, I started with the personal details of the interview partners. I start with collecting personal data as an interview opener to get a feeling about the dedication to the company and the individual motivation behind their statements. The second part focuses on the company, the milestones, and the general development. With questions five and six, I tried to get the first insights into the company. For example, if they are very stable regarding change or their attitude is open and flexible. The most relevant part regarding my research question is the third one. After asking them about their knowledge of coopetition, I get chronological information about the development of coopetition activities during COVID-19. I provide them with the basic idea of coopetition, that testimonies would not be influenced by existing theory and my knowledge on the topic. While conducting the interview, I focused on not putting any answers in their mouth so that they were providing us with the most unbiased answers possible. This is necessary as my whole study relies on testimonies. I start by asking them about their behavior before the pandemic and the different forms of cooperation with competitors. After questioning them about the change and current situation, I end the interview by asking them for a short outlook on how their behavior regarding coopetition will develop in the coming period.

After forming the interview guidelines, I made a sample of nine research participants due to the limitations of my professional network and the willingness or validity of potential interview partners to participate in my master's thesis. I contacted them via LinkedIn and phone and explained my thesis and research aim. After setting the date and time of the interview, I briefly explained the concept of coopetition to them so they could get familiar with the topic of discussion. I have conducted all interviews via Zoom due to COVID-19 social distancing measures or participants living in different countries. All interviews were recorded using the Zoom meeting recording and then transcribed with Descript software. I informed all participants of the recorded interview and asked for their consent when first contacting them.

Throughout the interview, I actively asked additional questions and explored exciting topics and new perspectives by the participants in more depth. The duration of the interviews was, in general, between 20 and 30 minutes. Great importance was attached to posing the questions as free of judgment as possible and not influencing the participants

in their answers. This was done to obtain the most unbiased data possible. The interviews were recorded and transcribed with web-based software.

For the data analysis, I have used a thematic content analysis method that I will further describe in the next chapter. Necessary text corrections were always done immediately after the interview to minimize data loss due to inaccuracies or incorrectly recorded statements by the software. In addition, I matched company and personal data with basic research to ensure the necessary triangulation.

4.2.4 Data analysis

In the data analysis, I follow an inductive method of thematic analysis (Caulfield, 2019) to find similarities and differences among the participants' perspectives on coopetition. I use thematic analysis to analyze qualitative data by identifying common themes, topics, ideas, and patterns related to the research (Rajmangal, 2017).

I coded the first interview entirely to derive the first clusters from the testimony. While working on the following transcripts, I tried to find similarities or differences between the participants and their operative work in their companies. I detected further aspects by moving back and forth between the transcripts (Gioia et al., 2012). To create a better overview of data analysis, I follow a six-step process: exploration and reviewing the data, encrypting initial code, identifying patterns and themes, reviewing, and refining themes, defining, and naming themes, and presenting them. I describe all steps in more detail in the table below. In depth description of all steps of my data analysis process can be found in Table 2 below.

Table 2: Phases of thematic analysis

Phase	Description
I. Exploration and reviewing the data	The first step contains data exploration and transcription to get a good overview of all data collected.
II. Encrypt initial code	The second step is finding and highlighting relevant sections of the transcribed text to create initial codes.
III. Identify patterns and themes	The third step is reviewing the initial codes and identifying patterns. Then I started with formulating themes.
IV. Review and refine themes	In the following step, I compared developed themes with the collected data to see whether the data supports the

	themes. The fourth step also involved creating an initial map of themes.
V. Define and name themes	After creating the final list of themes, the fifth step involves formulating a definition for each theme. Refining the thematic map helps us understand the data.
VI. Present themes	The sixth and last step involves presenting the result of my analysis concerning the research questions stated in this thesis.

Source: Own work

5 RESULTS AND FINDINGS

In the first theoretical part of my master thesis, I used a descriptive method to analyze the existing literature to understand how coopetition can serve as a viable strategic framework for companies in different maturity stages. Resource-based view theory of a firm help us lay a fundamental groundwork for understanding how firm-specific and unique internal resources and capabilities drive companies to market advantage and higher earning potential. As I have written in Chapter 2, companies in different stages and positions must deal with challenges to acquire the right resource to achieve their company objectives. Regarding resource acquisition, incumbents have an advantage against new market entrants (startups) due to their maturity, reputation, robust network ties, and better financial liquidity. Startups can thus engage in coopetition and cooperate with rival companies to get better access to otherwise unreachable resources to achieve rapid growth and acquire a desired market share. Albeit a respected and well-studied strategy framework, in theory, only a few entrepreneurs engage in coopetition due to their vision of independence and individualistic business models. The following empirical part of this thesis helps us understand if Covid-19 impacts the notion of coopetition and helps companies survive the turbulent market environment.

As indicated, inductive data analysis was conducted to identify the "second-order themes" and commonalities between the interviews. This process involved several iterations between the interviews to identify significant similarities, differences, and changes resulting from the impact of COVID-19 on the testimonies. In addition, I include direct quotes from the interview and my observations. I will divide this chapter into more subchapters by starting with findings about the reasons for establishing coopetition in startups to provide a proper base for the reader to understand the impacts and changes due to COVID-19. Next, I will elaborate on the different forms of coopetition before the Pandemic to help the reader understand the impact of COVID-19 on companies engaging

in coopetition. Lastly, I present the answer to my research question by presenting the findings on the impacts of COVID-19 on coopetition.

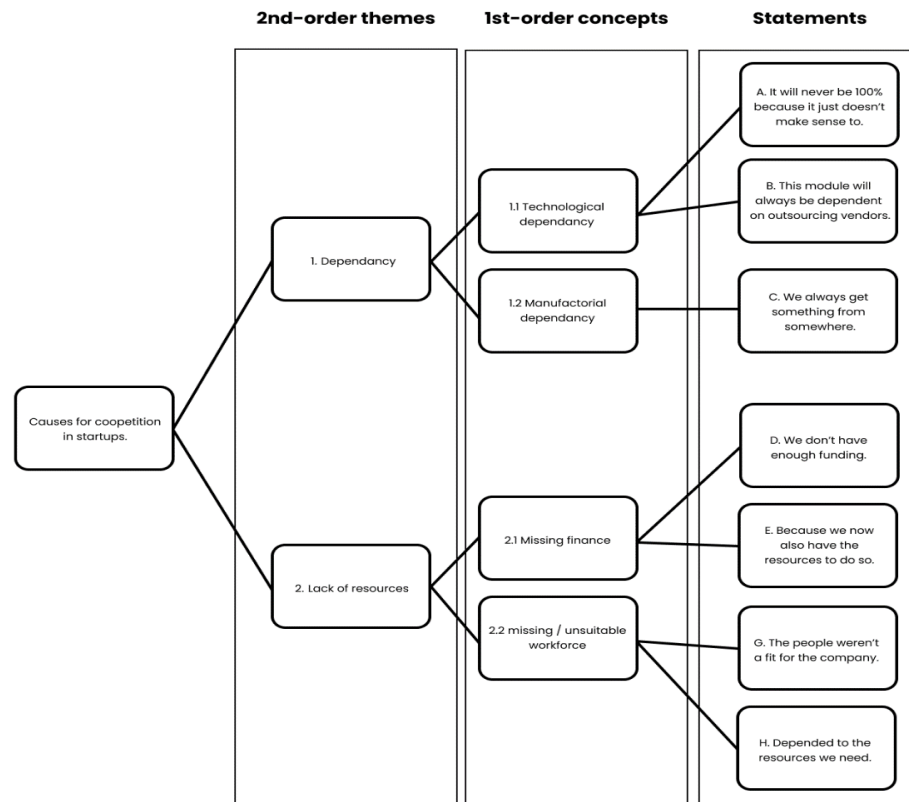
5.1 Reasons for coopetition in startups

The results of this chapter reflect the effects of the resource-based view theory of a firm presented in section 2.1. which explains how companies achieve competitive advantage due to internal resources that are hard or too expensive to replicate by competitive firms in the industry (Barney, 1991; Della Corte, Asli Arıkan, Jay Barney & Mauro Sciarelli, 2012; Madhani, 2010).

I start the interview by investigating how companies access valuable, rare, imperfectly imitable, and organized resources to capture economic value. Almost all interview participants pointed out the importance of coopetition in obtaining the needed resources for the company's survival and growth. Participants cited dependencies and insufficient resources as factors that drove them to engage in coopetition to achieve their business goals.

Participant I pointed out that engaging in coopetition does not only bring in the necessary resources but also impacts the company's future potential: "Us engaging in coopetition is not just about getting missing assets. It helps us reach higher and help with the bigger vision by bringing our partner customers and us from both ends". He clarified: "Collaborating with another agency goes towards a bigger vision because I can see that if the work goes well, the two companies can join under the same roof. And then we double in size easily since we are on the same level regarding work quality. Povio is also working for the United States for Silicon Valley, but we are more in the UK market." A few participants stated how communicating and working with competitors yield positive results in improving market position and purchasing power, reaching new audiences, and optimizing resource utilization efficiency, as we explain in the theoretical part of this thesis. Participant IX also supported this idea: "So I think coopetition is a good idea and something we are now exploring more and more because as competitors we can gain many benefits we step together in some places. Especially with learning, reaching out to new markets, purchasing needed materials, or getting better deals with our suppliers". Participant VIII explained how to create bundle deals. Cross-promotions help them acquire more customers and improve market recognition: "We partner with our indirect competitors that target the same customer segment but offer different products. We create bundle deals that capture more value for the customers and thus generate more interest among our potential leads". In figure 5, we can observe the evolution of emerging second order themes and first order concepts.

Figure 5: Emerging themes of transcription analysis



Source: Own work.

All the participants showed inherent dependencies regarding the development and the manufacturing knowledge, which supports the theory I wrote about in chapter 4.1 that explains how companies engage in capability-sharing activities to gain new opportunities that would not be reachable if the company operated alone. Instead of investing a large sum of money in expanding production or software capabilities, companies use coopetition to access the needed assets to optimize their performance. Participant VI supported this notion: " Now we are at about 70% using only internal technology. Moreover, 30% of the type we use is not proprietary and probably will never be 100% because it does not make sense. He continues with: "Translation agencies use the same pool of translators, especially when it comes to freelance translators. Of course, agencies or companies usually have a few in-house translators for the languages they need most, while others outsource. So, the whole part they outsource is sharing these vendors with others. There are approximately 50,000 language combinations and numerous branches to choose from; however, pursuing all of them may not be financially feasible."

In the interviews, I have also observed that engaging in coopetition is sometimes not a choice. However, executing a business model in particular industries, such as crypto and robotics, is essential. Participant IV saw coopetition as a vital role of their R&D: "Our development process is extremely complex and consists of many different parts of

hardware and software. Creating everything in-house would be financially unsustainable and inefficient. Sharing software with our hardware suppliers creates better parts for our products and the industry itself". Participant II saw coopetition with competitors as vital to provide services for their clients. In the interview, he supported his statement by explaining how BitPanda gets the needed liquidity: "BitPanda is a broker, meaning we need to get our liquidity from somewhere since we are just a reseller. We always get assets like Bitcoin, Ethereum, and other altcoins from other companies. In this domain, we work with other rival exchanges like Coinbase and Kraken".

However, there are more than dependencies regarding the technology. The main drivers for entrepreneurs to engage in coopetition are the need for more financial resources and skilled labor. Nearly all the participants named the lack of resources as a further reason to engage in coopetition, especially in the early startup stage. Participant IV explained that engaging in coopetition was never planned originally but evolved due to missing funding: "We did not have enough funding to do it alone." Some founders self-finance the organic growth of their startups, but most seek external financing to support the rapid growth and customer demand. Fast growth often means the company will have to tackle liquidity issues. Participant VIII supported this notion: "With all the new products coming and the revenue growth, the cashflow issues are becoming bigger and bigger, making us unable to grow organically."

In the testimonies, the reasons for the engagement in coopetitions are based on something other than just the finance and technology area. The interview participants (participants II, VII, VIII, IX) also mentioned that they had had problems if the people: "Were not fit for the company." These statements are indicators that skilled labor and its unavailability play a crucial part in engagement in coopetition. Participant VI explained that in the early stages of a startup, they did not have the resources to get the top talent and had to work with what they could afford: "Of course, in the beginning, when you build a startup, especially a software startup, you try to take whatever is on the market and put it together. So, you do not need to develop it all by yourself. Then step by step, you try to build the proprietary tech". He added: "There were about three major teams that changed in the development and growth of the company. There were different reasons, but I think one of the major reasons at the beginning was that we did not have enough funding or that the people were not the right fit for the company". However, having a big team and sufficient funding automatically equals success if the employees have the necessary skills to make the company go ahead from the competition. Participant VIII supported this notion by explaining that a big team does not automatically means success: "We used to be quite a big team. We used to be, at some point, 70 people. We realized we only need so many people for the company to succeed. However, we must focus much more on what are the projects we are taking on and what products we want to have ". He then continued: "The key to our success was getting good people, good talent, which is very, very tough in Berlin because many companies are competing for top talent."

There exist widely spread reasons in startups to engage in coopetition in their early phase after their foundations. Three of the four interview partners engaged at least once in coopetition to obtain their competitive advantage and gain more market power despite cooperating with competitors. From there, we can derive the hypothesis that in the beginning, a company, especially a startup, has several incentives to engage in coopetition to achieve its business goals and obtain a competitive advantage.

5.2 Coopetition before the pandemic

To understand the impact of COVID-19, we need to look at the different forms of coopetition before the pandemic. As we have seen in the previous chapter, the participants named several reasons which caused their engagement in coopetition. Before the pandemic, those participants who were familiar with the concept of coopetition engaged in it specifically within the context of development. However, they limited themselves to knowledge transfer and did not build up shared teams or share the workforce. Participant II explained that coopetition was not something they planned and looked forward to since their plan was always to be 100% autonomous; however, due to the early growth, they needed to: "take whatever is on the market," and they "needed to cooperate with some agencies that are direct competitors" to develop a stable and working software to compete in the market.

Participant III saw coopetition as a strategy in the hiring process since the company did not have its own HR department or any standard hiring procedures. "We engaged in coopetition with two agencies for hiring new employees instead of outsourcing the whole HR at last." However, the participant never saw sharing developers or other personnel with competing firms as a part of their startup strategy: "We never really considered collaborating with other companies in our industry to either borrow their developers or lend them ours." Participant II supported this notion: "We never considered acquiring resources from our competitors, opting to outsource to agencies and freelancers until we eventually brought everything in-house."

Participant VII furthermore discussed that the company did engage in coopetition to acquire new resources to develop and introduce new products to the market: "We joined forces with a company that offers a service that complements ours but also competes for the same customers. Their software solutions help businesses manage accounting, bookings, calendars, websites, and more. Before 2018, we had considered developing a similar tool, but we realized that significant competition was already in that market. Therefore, we decided to collaborate with this company instead. We agreed that we would provide our expertise in customer acquisition, strategy, and product knowledge, while they would leverage their platform".

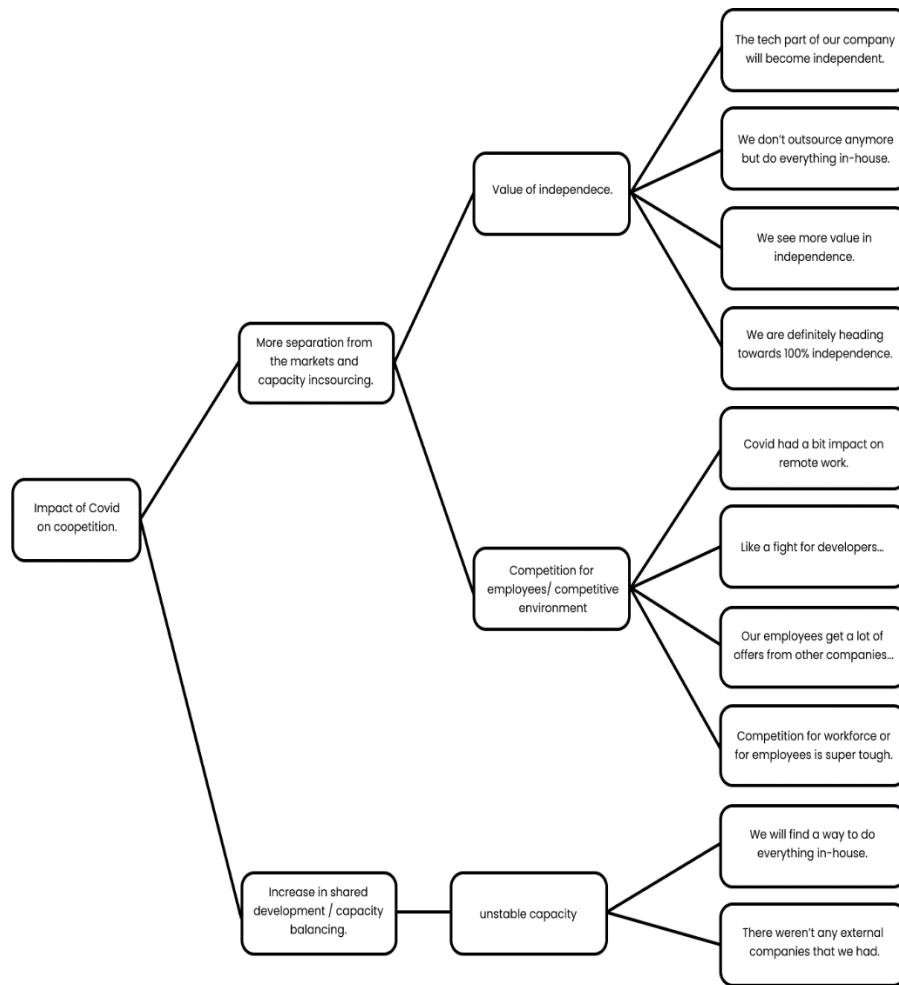
According to the statements made by my interview participants, companies tend to engage in "coopetition" when they lack the necessary resources to run their business effectively. However, "coopetition" is not usually part of a company's initial strategy. It is often seen as a last resort when the company cannot access the resources it needs for various reasons. Nevertheless, my interviewees also reported that "coopetition" positively impacted company performance, which led to a more favorable view of "coopetition" as a strategy. Participant IX holds a positive view towards collaborating with competing firms and believes that companies that work in isolation are at a disadvantage. This implies that they acknowledge the advantages of teamwork and recognize the possible negative consequences of going solo: "Coopetition is going to be a bigger and bigger part of my company. We saw it works well for use, and we will continue to do it.". He then supported his statement by explaining their view on the competition: "We are enemy friends and cooperate. We make products for them, and they do for us. But those that do not want to engage with competitors are in a weaker spot."

5.3 Impact of COVID-19 on coopetition

The pandemic has caused various consequences, such as an unstable market, demand, and broken supply chains. As I showed in the last two chapters, coopetition already existed in different forms before the pandemic, and the firms used it to obtain their competitive advantage or to be able to act in the market in general due to the lack of access to the needed resources. My analysis shows that all the changing circumstances for the companies led in general to two significant impacts: either they tried to start their engagement in coopetition, or they used their capacities to bring all the resources in-house and cut off as much of their connections to their competitors and partners as possible in order to gain independence and autonomy.

One of the key drivers of this trend has been the need to mitigate risk in the face of market instability and supply chain disruption. By limiting their exposure to external factors, firms can reduce their vulnerability to unexpected shocks and maintain greater control over their operations. However, this shift towards insularity also comes with risks and challenges, including reduced access to critical resources and expertise and limited opportunities for innovation and collaboration. In Figure 6, we can see the overview of two significant COVID-19 impacts.

Figure 6: Impact of COVID-19 on coopetition



Source: own work.

5.3.1 Increase in shared development

My analysis of the interview transcripts shows that companies that had hardly or not yet dealt with the concept of coopetition before the pandemic were more likely to cooperate with their competitors. Participant IV stated, "There were no external competitors within their cooperation partners before the pandemic." As the pandemic affected the workload of the development teams and demand could be predicted less accurately, finding a way to balance capacity was necessary. As a result, we have formed partnerships with my direct competitors to share developers. Depending on their capacity, they work for only one agency or with the permanent staff on joint projects. These are later marketed as competing products.

Participant IV shared that they did not only limit themselves to the knowledge transfers: "With sharing our developers with the competitors, we were able to balance our capacities

and gain additional effectiveness by using the experience of the extra developers. "Participant I also supported this notion that saw coopetition as an excellent strategy for mitigating the turbulent economic environment and fluctuating order demand from their customers: "Working together with our competitors that operate in a completely different market allowed us to handle the fluctuating orders better and maximize the effectiveness of our developers. We could borrow highly specialized developers to handle projects better and vice versa". Due to COVID-19, both companies have taken steps to reposition themselves in the market and improve their efficiency by cooperating. They have adopted a new form of coopetition called shared development, which was not found in any of the other companies I analyzed.

Interview participant VII saw the pandemic as an opportunity not to engage in coopetition but to reach all the needed resources. They decided to by acquiring the competitor: "We acquired Campanda a few months after the start of the pandemic because the company was in financial troubles. They did not have enough cash anymore, so we saw this as an opportunity to acquire a company for a very attractive price. During the pandemic, our focus shifted from cooperation to competition as we strived to take over our rivals.". Because of a shortage of available funds, the other interview participants did not choose to acquire their competitors. Instead, they focused on consolidating all their assets in-house. I will delve deeper into this approach in the following chapter.

5.3.2 Transformation from coopetition to competition

Companies that did not engage in coopetition prior to the pandemic and changed their sentiment regarding the strategy due to changing market environment impacted by the pandemic, some companies show an even more significant shift in bringing all resources in-house. Throughout the transcript analysis, I observed another dominant impact of COVID-19 on coopetition. Coopetition has been affected by COVID-19 in two ways. The second impact is less significant than the second one, which originates from the increased value of independence and competition in the job market. Many interview participants reported the increased value of independence and competition in the job market due to changing working environments and fierce competition for intangible resources like talent and recognition.

In light of the pandemic, many companies have been forced to transition their operations to an online environment and adopt work-from-home policies for their employees. These changes have presented numerous business challenges, including intensified competition in the job market. As such, companies have had to adapt quickly and implement innovative strategies to remain competitive in an increasingly digital landscape. Interview participants corroborated this general phenomenon for their own companies and their competitors. Participant II shared how work from home impacted their talent acquisition:

"All of a sudden, you did not need to move to the country to work for a company, and with some companies moving completely remote, like Coinbase and Kraken, all of a sudden, you know, BitPanda also had to start watching out for that because employees living in Vienna now could work for Kraken remotely and, maybe get a higher salary or whatever." He continued how the environment with zero interest rate made resource acquisition harder: "Everybody raised money and started investing in marketing, which meant competitors were taking a big share from us. We had to counterattack and take market share from them. We had to be quicker and more aggressive because everyone was getting a lot of resources". The job market for developers was characterized by Participant IV as being extraordinarily challenging or complex, using the phrase "super tough." Furthermore, he supplemented his statement: "I also get lots of offers from other companies around the work, making this environment even more competitive." A significant factor contributing to this trend is the increasing ease of remote work, enabling companies to access skilled professionals from geographically diverse regions. This flexibility in location has opened up new avenues for businesses to tap into a wider talent pool and expand their workforce beyond traditional boundaries.

Participant VII faced a similar challenge where hiring skilled workers became exceedingly tricky during the pandemic due to the shift towards remote work: "Due to the pandemic and working from home, there was a high demand for tech talent, but also other people, that it was very, very hard to hire." He added: "I think the pandemic had a big impact on hiring the top talent. It was tough to get good talent because of all the subsidies and money printed into the system. People had very high salary and working conditions expectations". Despite being aware of the market sentiment and facing tough competition to attract developers, the company could not retain all its top talents, as mentioned by Participant VII. He explained: "Our developers received a higher salary than the average market rate. However, some companies were willing to offer twice the amount to attract talented individuals due to the scarcity of skilled workers. Due to a significant influx of funding, existing companies had to expand their operations, resulting in high demand for new hires and increased pressure to fill open positions."

Due to the change in the job market, companies now place greater importance on autonomy and retaining their employees. Participants (I-VI) believe that independence has become more valuable. Participant VI provided further support for this idea by stating that "we are moving towards independence" because our workforce is becoming more dynamic, and our technology is becoming more self-sufficient as we continue to expand. Participant III explained that they used to collaborate with numerous external agencies and freelancers in the past. However, they have shifted to an in-house approach: "We used to work with a bunch of agencies and freelancers that were all outsourced, but now everything is in-house." This shift was possible due to their growth and accumulated resources through the years: "We can do this because now we have all the resources to do so."

As prior mentioned, the pandemic shifted the sentiment toward coopetition among most of my interview participants. Instead of mitigating the unstable market environments through collaborations, they want to optimize their future performance and sustainability by achieving complete technological independence. Participant II stated: "We have one sole goal to become independent technologically." He further explained: "When you are independent, it is always a question of independence versus the cost of independence. We see more value in independence in our current business model. Maybe later on, we will change our business model or add some services where cooperation is needed with other competitors. However, for now, no". Participant VII supported this notion: "I think most of all production and development will stay in-house. Maybe one day we will do some joint venture to develop a specific product, but this is not our current plan".

The same notion is shared by other participants who agree that independence is the way to success and overcoming economic troubles. Participant III said: "We do everything in-house, always did, and we do not plan on changing this anytime soon." Participant II added: "We try to do as much as possible in-house because we now also have the resources to do that." Participant V sees engaging coopetition as a vague and not viable strategy: "We cannot simply buy on the market. Moreover, when I say buying the market, I mean like hire somebody with the same knowledge or, um, somehow, um, get the same asset because of partnership. It only makes sense when you get more out of it than you put in. When both companies are bringing some to the table, that's not easy to get elsewhere". He then followed this notion by stating that they would possibly be open to coopetition if the other party would bring something extra to the table: "We cannot simply buy on the market. Furthermore, buying the market means hiring somebody with the same knowledge or getting the same asset because of a partnership. It only makes sense when you get more out of it than you put in. Furthermore, that makes sense when both companies are bringing something to the table. That is not easy to get outside of the company". Companies with a bigger pool of resources even took the pandemic as an advantage to overcome the competitors by acquiring them. Participant VII shared: "We became stronger during this time because we acquired another competitor."

DISCUSSION

The aim of this thesis was to analyze and understand how COVID-19 impacts tech startups to engage in competition or whether they will pursue individualistic business models by utilizing their resources and capabilities to survive the crisis on a global level.

The COVID-19 pandemic has posed a formidable challenge to companies worldwide, leaving no industry untouched. In light of this, my research aims to explore the impact of the pandemic on companies' interactions and collaborations with other businesses

operating within their respective markets. The research question can be answered based on the thematic analysis of the semi-structured interviews I conducted for this thesis. I was able to detect widely spread reasons in startups to engage in coopetition. Three of the nine interview partners engaged at least once in coopetition to obtain their competitive advantage and gain more market power despite cooperating with competitors. At the start of a company, especially a startup, there are many reasons why engaging in coopetition can help achieve their business objectives and gain a competitive edge. I identified that this is even more true when young companies face a global crisis like a pandemic that leads to a challenging economic environment.

Coopetition, the act of competing and collaborating simultaneously, is practiced not only by startups with limited resources but also by well-established companies such as Apple, IBM, Google, Pfizer, and others ((Gnyawali et al., 2016; IBM; Bannerman, 2023)). When startups team up with more extensive and more established companies, they gain access to limited and specialized resources. Coopetition helps them expand their market size, create new markets, improve their workflow, cut costs, and gain a competitive advantage, according to Golnam, Ritala, & Wegmann (2014). Large incumbents such as Apple and others mentioned enter the coopetition to explore emerging markets, acquire new disruptive technology, and expand their core business with minimizing risk (Freytag, 2019a). When companies that vary in size and level of development come together to cooperate, established businesses acquire the opportunity to tap into fresh products, markets, technologies, and business models. Meanwhile, startups can access production capacity, technologies, and customers, enabling them to enhance the development of their products and services. The literature review supports these findings by highlighting coopetition as a viable strategy to access valuable, rare, imperfectly imitable resources and organized to capture economic value (Kozlenkova et al., 2014).

My findings have shown that the COVID-19 pandemic has impacted companies in two contradicting ways. I identified that startups often need more finance to cover all the operating expenses and hire a good team, lack market knowledge, and need help finding the right talent willing to work in a fast and unstable environment. In order to gain a comprehensive understanding of the reasons behind the emergence of coopetition among startups, it is crucial to recognize that this phenomenon is primarily motivated by the scarcity of resources and the dependence on external factors. Due to startups' young existence and not reaching the maturity phase where they establish a solid customer base and market presence, startups need help accessing specific resources to enable them to achieve the company's objectives.

To tackle external dependencies and access scarce resources, startups start or enlarge their engagement in Coopetition. After conducting an in-depth study of semi-structured interviews, it has become apparent that the primary activity in coopetition is centered around the collaboration and sharing of developers. This approach has proven to be

particularly effective during times of turmoil, such as a worldwide health crisis, as it enables startups to overcome supply chain disruptions and meet the growing demands of their customers. By pooling their resources and expertise, developers can share knowledge and experiences to create a more streamlined and efficient process, leading to greater success for all parties involved. My research shows that implementing coopetition can significantly enhance a company's performance, despite not being included in its current strategic plans. Positive results made my research participants conclude that companies working in isolation are disadvantaged. This implies that they acknowledge the advantages of working together with competitors and recognize the possible negative consequences of going solo.

However, when I continued my research, I discovered a more frequently detected phenomenon of in-sourcing. In-sourcing is shown to be the most significant impact of Covid on coopetition, contrary to what we had expected. In-sourcing means companies try to integrate labor and the necessary resources, skills, and knowledge into their business. This way, external dependencies are reduced, and the need for cooperation with competitors is pre-emptively excluded. As shown in Chapter 4.2, the tightening of the situation in the labor market and the increased demand for independence of companies, which are direct consequences of the pandemic, had a significant impact on the coopetition of the firms in their markets. According to some research partners, they practiced coopetition before the pandemic as they lacked resources in the initial stages of their business. However, as their business matured, they were able to cut off dependencies and insource abilities and labor to navigate through the economic turmoil.

Additionally, the immediate effect of the COVID-19 pandemic on both startups and incumbents has shown to be a changed working environment and immense competition in the job market. In light of trying to become technologically independent, my research participants report great effort in acquiring the right talent. As companies shifted to online operations, they implemented work-from-home policies that increased competition in the job market. By allowing employees to work from home, the location of said talent was no longer critical, and companies have started to scout the best talent worldwide. The possibility to access talent from geographically diverse regions leads to emphasizing the importance of autonomy and retaining all the technology and employees in-house.

My findings have demonstrated that the approach of small firms toward coopetition is distinct from that of giant corporations such as Microsoft and Apple. Big corporations engage in coopetition to augment their market position and brand image, while small firms only adopt coopetition as a last resort and when it decreases their dependencies.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

The limitations are mostly connected to the self-reported data I used in my study. As I used interviews to gather the necessary data, I had to deal with the telescoping and attribution effects of the interview participants (Brutus, Aguinis, & Wassmer, 2013). Furthermore, retrospective recall bias is permanently attached to interviews regarding past actions. Avoiding those limitations (for example, by conducting the interviews before the pandemic) was't possible due to the unpredictability of the pandemic and the start of gathering interviews after the pandemic had already started. The timing of conducting the interviews could lead to too positive statements as it is human nature to gloss over the past and repress adverse events. I tackled these effects by asking my interview partners about their backgrounds in the company to get a feeling of whether they have a significant interest in glossing over potential grievances in their businesses.

It is essential to acknowledge that this master's thesis is based on finding from a purposive sample of 9 European startup executives. Through a small sample, I achieved the objective of my master's thesis: to study and comprehend how COVID-19 affects tech startups in terms of engaging in coopetition or pursuing individualistic business models by utilizing their resources and capabilities to survive global crises. Although the goal of this master's thesis has been achieved, the small sample size may result in some weaknesses in terms of validity and generalizability, meaning this thesis can not be generalized and valid on an outer scope due to not achieving the saturation of data in my interviews.

Although some questions may have a similar pattern of answers, the responses may vary depending on the stage of the company and the industry it operates in. If I were to interview executives from high scientific tech industries, where the operations and workflow require a more complex and multidisciplinary approach, their interest in engaging in coopetition may differ from others.

The employment of semi-structured interviews proves to be a valuable method for investigating timely subjects such as the repercussions of COVID-19 on companies practicing coopetition, which were previously unknown. The information obtained through these interviews suggests a potential avenue for future research. A more quantitative approach, encompassing a more extensive cohort of companies, could be employed to augment the validity of the results. There are several directions for future research:

- What were the outcomes of engaging in coopetition through COVID-19?
- What specific resources and capabilities have startups and established firms shared through coopetition to navigate the COVID-19 crisis?

- To what extent have firms leveraged digital technologies to facilitate coopetition and cope with the COVID-19 pandemic?
- How has the COVID-19 pandemic affected the financial performance of firms that engage in coopetition compared to those that do not?
- How has the COVID-19 pandemic impacted the innovation capabilities of firms that engage in coopetition?

CONCLUSION

The main goal of my master's thesis was to contribute to the conversation on how coopetition can influence the behavior and the success of new ventures during the global Pandemic. I have implemented a resource-based approach to analyze how Covid impacts companies' coopetition to achieve this goal. To understand how companies can achieve their business objectives with the help of coopetition in the pre-pandemic era and how companies are achieving and sustaining competitive advantage with the help of their valuable, rare, inimitable, and non-substitutable resources, I have examined various scientific articles.

To gather information for my research, I have conducted semi-structured interviews with nine Tech startups to understand how and if they engage in coopetition and how Covid impacts their related behavior. I have come to two primary and contradicting conclusions.

The first conclusion is that coopetition is a powerful and effective strategy for young companies to share labor and knowledge in times of uncertainty (COVID-19). Coopetition helps companies achieve their objectives faster, better, and more effectively and optimizes the workload management. The second conclusion is that Covid evokes the drive of young companies to achieve full self-sustainability and self-sufficiency on the market.

Companies are trying to integrate every strategic business unit in-house to eliminate the effect of disruptive external factors like the pandemic and minimize the dependency on other stakeholders in the market. I have examined the literature on coopetition based on historical data and conducted interviews with nine companies just during the pandemic and not prior. The question of how the examined companies will stick to the coopetition or the goal of becoming independent once the pandemic is over still needs to be answered. It can serve as a direction for future research.

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APPENDICES

APPENDIX 1: Povzetek

Pandemija COVID-19 ni spremenila zgolj naših življenj in osebnih interakcij. Pandemija je spremenila celotno svetovno gospodarstvo. Zagonska podjetja kot tudi velike korporacije so v času negotovosti iskale rešitve za svoj obstanek in rast. Namen in cilj tega magistrskega dela z naslovom "Kooperacija med novimi tehnološkimi podjetji in vpliv učinkov, povezanih s COVID-19" je preučiti vpliv COVID-19 na kooperacijo med zagonskimi tehnološkimi podjetji. Da bi v celoti razumeli kako podjetja pridobijo in vzdržujejo konkurenčno prednost v delu izhajamo iz virov utemeljujoče teorije. Ta poudarja, da podjetja pridobijo konkurenčno prednost z lastninjenjem edinstvenih oprijemljivih in neoprimerljivih virov. V magistrskem delu zagovarjamo stališče, da zagonskim podjetjem pogosto primanjkuje določenih virov, ki so potrebni za uspeh. Kooperacija, pojav, ki združuje sodelovanje in tekmovanje med konkurenčnimi podjetji, lahko zagonskim podjetjem omogoči dostop do potrebnih virov in pozitivno vpliva na njihov uspeh. Z delitvijo virov z neposrednimi konkurenti lahko zagonska podjetja uravnotežijo svoje zmogljivosti ter ustvarijo večjo priložnost za rast.

Prvo poglavje se osredotoča na razumevanje iz virov utemeljujoče teorije na kateri sloni celotno delo. Pred razvojem na virih utemeljujoče teorije so se raziskave uspešnosti podjetij osredotočale predvsem na zunanje dejavnike in dinamiko na ravni panoge. Vendar teorija, ki temelji na virih, poudarja vlogo notranjih virov, ki so dragoceni, redki in jih je težko posnemati, kot ključnih dejavnikov konkurenčne prednosti. Teorija trdi, da so podjetja z večjim naborom edinstvenih virov uspešnejša od konkurentov, saj jim ti viri omogočajo učinkovitejše in uspešnejše doseganje ciljev. V tem poglavju smo opisali iz virov utemeljejočo teorijo, opredelili pomen virov in zmogljivosti podjetij za poslovni uspeh in opisali vire, ki omogočajo konkurenčno prednost po okvirju VRIO. V skladu z okvirom VRIO lahko specifični viri podjetja ustvarijo konkurenčno prednost, če so dragoceni, redki, nepopolno posnemljivi in organizirani za zajemanje ekonomske vrednosti

Drugo poglavje raziskuje sposobnost zagonskih podjetij za pridobivanje virov in jo primerja z uveljavljenimi podjetji. Zagonska podjetja so novoustanovljena podjetja, katerih cilj je zagotoviti inovativne rešitve za potrebe trga in doseči hitro rast. Pridobivanje virov je za zagonska podjetja ključnega pomena, zato morajo pogosto vzpostaviti legitimnost in odnose z zunanjimi partnerji, da si zagotovijo financiranje, talente in tehnologijo. Uveljavljena podjetja imajo velik tržni delež in ugled. Imajo edinstvene vire in prednosti, zaradi katerih je zagonskim podjetjem težko konkurirati. Razumevanje dinamike med zagonskimi podjetji in uveljavljenimi podjetji je ključnega pomena za razumevanje pojava kooperacije. Startupi se zanašajo na izkoriščanje svojih neopredmetenih sredstev, kot sta znanje in človeški kapital, medtem ko uveljavljena podjetja za zaščito svojega položaja uporabljajo svojo tržno moč, zaupanja vredne odnose

in poglobljeno znanje. V tem poglavju raziskujemo značilnosti, sposobnost pridobivanja virov in konkurenčne prednosti zagonskih podjetij in uveljavljenih podjetij.

V tretjem poglavju predstavimo koncept kooperacije, ki se nanaša na pojav, ko konkurenčna podjetja v isti ali sorodnih panogah sodelujejo in tekmujejo. Raziskujemo že obstoječe raziskave o tem, kako je sodelovanje v kooperaciji v različnih gospodarskih okoljih povezano s pridobivanjem dragocenih virov in doseganjem poslovnih ciljev. Pri opisovanju koncepta kooperacije opisuje razne primere iz časa pandemije kot časa pred njo. Navedemo konkretne primere kot so zavezništva med podjetjema Apple in Samsung, UPS in DHL, Ford in G.M. in drugi. V poglavju poudarimo strateški pomen kooperacije med pandemijo in opišemo kako kooperacija pomaga podjetjem preživeti in izpolniti cilje med globalnimi krizami z znižanjem proizvodnih stroškov, povečanjem produktivnosti in dostopom do pomembnih sredstev.

V četrtem in petem poglavju smo predstavimo raziskovalno metodologijo in ugotovitve raziskave. Magistrsko delo je sestavljeno iz dveh delov - teoretičnega in empiričnega - ki temeljita na kvalitativnem pristopu, saj ni splošno veljavne literature o obnašanju podjetij v zvezi s kooperacijo v pandemiji COVID-19. Raziskovalna metoda, ki smo jo izbrali je polstrukturiran poglobljen intervju. Intervjuvali smo devet izvršnih direktorjev, tehničnih direktorjev, ustanoviteljev in managerjev zagonskih podjetij. Cilj intervjujev je bil pridobiti vpogled udeležencev na kooperacijo in razumevanje kako in ali sodelujejo v kooperaciji in kako COVID-19 vpliva na njihovo s tem povezano vedenje. Prišli smo do ugotovitev da je kooperacija močna in učinkovita strategija za mlada podjetja, da si delijo delo in znanje v času negotovosti. Kooperacija pomaga podjetjem hitreje, bolje in učinkoviteje dosegati cilje ter optimizira upravljanje delovne obremenitve. Druga ugotovitev je, da COVID-19 vzbuja težnjo mladih podjetij po doseganju popolne samozadostnosti in samozadostnosti na trgu. Podjetja poskušajo vsako strateško poslovno enoto integrirati znotraj podjetja, da bi odpravila učinek motečih zunanjih dejavnikov, kot je pandemija, in zmanjšala odvisnost od drugih deležnikov na trgu.

Končni sklep magistrskega dela je, da kooperacija pomaga zagonskim podjetjem premagati motnje v dobavni verigi in izpolniti zahteve strank. Izvajanje kooperacije izboljša uspešnost podjetij, tudi če ni del njihovih strateških načrtov. Kljub temu je kooperacija strategija, ki se je večina zagonskih podjetij želi izogniti. Pandemija Covid-19 je zagonska podjetja spodbudila k prizadevanju za tehnološko neodvisnost in vlaganje v interne sposobnosti in vire. Podjetja se želijo pred časi negotovosti zaščititi tako, da postanejo popolnoma neodvisna in bolj odporna za motnje na trgu.

APPENDIX 2: Interview Guideline

A. Introduction

Thank you very much for accepting to talk to us today. As you know, this interview is part of my master's thesis on resource acquisition and internationalisation, conducted by University of Ljubljana; School of Economics and Business. I am interested in “how COVID-19 is impacting companies’ coopetition and interaction with other companies operating in their markets.

The interview should take about 45 min. All the information that you give me will be treated confidentially at all times.

If you don’t mind, I will record our conversation. This will help me transcribe the interview afterwards.

B. Question Catalogue

B.1 Personal Details (~ 2min)

#	Question	Rationale	✓
1	Could you tell me about yourself, what’s your role at [company name] and since when are you working there?	Assess qualification and background knowledge to answer subsequent questions	
2	Is this your only job or do you have other jobs / projects ongoing?	Understand available time and level of dedication for company, understand partial motivation for pursuing this venture	
3	What is your background? What did you study, where did you work before?	Determine resource individual endowment through education and experience	

B.2 Company history (~ 10min)

#	Question	Rationale	✓
4	What is the aim and overall goal of your company? What was the reason to found it? <i>(second part only if talking to founder and/ or Co-founder)</i>	Understanding the company’s core value and value proposition/ competitive advantage	
5	What are the key milestones of [company] in the regard of resource/ venture acquisition so far? Why do you perceive these events as most important?	Assess the perceived weight of resource acquisition events and technology development stages compared to other events	
6	Have your initial ambitions or plans changed over time <i>(due to COVID-19)</i> ? If so, why?	Get a first insight about the effects of COVID-19 on the company	

B.3 Impact of COVID-19 on companies’ coopetition (~30min)

#	Question	Rationale	✓
Introduction			
7	Have you ever heard about the concept of “coopetition”?	Getting in touch with the interview partner and get a feeling for his knowledge about the topic	
8	Would you be able to achieve your competitive advantage autonomously without the help of 3rd parties?	“““	
Pre COVID-19			
9	How does research acquisition work in your company? (in-house, outsourced, etc.)	Information about the status quo before COVID-19	
10	What do you think are the factors which affected the resource acquisition the most and what measures have you implemented to tackle them?		
11	Do you engage in coopetition ? If yes, can you explain how?		
Current situation			
12	How many partners are operating in the same market as you?		
13	“What are things you are sharing with your “competitors”? (<i>knowledge, labor, manufacturing, R&D, etc.</i>)		
14	Has COVID-19 changed your relationship to your competitors?		
15	Do you think, the pandemic did encourage you to engage more in coopetition?		
Predictions/ Forecasting			
16	Do you think coopetition is helping you meet the business objective and therefore increasing your revenue?		
17	Will you continue to engage in coopetition in the future or are you gonna return to a more separated business in the upcoming years?		

C. Conclusion

We have reached the end of our interview. Is there anything else you would like to tell me when it comes to coopetition or any other interaction with your competitors that we haven't discussed yet and that you feel played an important role?

Thank you very much for your time!

APPENDIX 3: CODESYSTEM

The photo presents a code system generated for inductive thematic analysis for my thesis. It is essential to point out that not all codes have been used in the final version of my research; therefore, I describe only the relevant ones that I have used to analyze the in-depth interviews I conducted for this thesis. The photo presents a code system generated for inductive thematic analysis for my thesis. It is essential to point out that not all codes have been used in the final version of my research; therefore, I describe only the relevant ones that I have used to analyze the in-depth interviews I conducted for this thesis.

1 Foundation/ Investment	2
1.1 Bootstrapping	2
1.2 State funding	2
1.3 Seed investment	2
1.4 Fund Investment	2
1.5 Angel Investment	1
1.6 Revenue	1
2 Circumstances/ Causes	1
2.1 Dependency	2
2.1.1 Part Technology Dependency	4
2.2 Lack of ressources	4
3 Coopetition	12
3.1 Shared development	6
3.2 Cooperation	1
3.3 Competition	5
3.4 Indirect competition	1
3.5 Potential positive influence of Coopetition	5
4 Impact of COVID	12
4.1 Increase of shared services	2
4.2 Insourcing	6
4.2.1 Independency	5
4.2.1.1 Technology Independency	3
4.2.2 change in Coopetition due to COVID	1
4.3 Competition for Employees	3
4.3.1 Fight for developers	1
4.3.2 Changing working conditions due to COVID	3
5 Other	0
5.1 Employees	2
5.2 most important ressources	2
5.3 Market	9
5.4 Change	10
5.5 Company goal	7

5.5.1 Competitive advantage	2
5.6 Business Model	1
5.7 Personal Background	4

1 Foundation/ Investment

This code covers all text excerpts that concern the founding of a company or its financing. These were recorded in the interviews for the sake of completeness. Since they do not serve to answer the progress question, they are not explained in more detail in the written part.

1.1 Revenue

This code summarizes all statements about the revenue and how revenue is used in the companies.

1.2 Angel investment/ Seed investment

Some of the companies got financed and invested from angel investors and/ or gained money from so called seed rounds.

1.3 State funding

In Germany, there are numerous state subsidies for start-ups. These are summarised under this code.

1.4 Bootstrapping

Bootstrapping refers to a type of financing for starting a business that works entirely without external financing.

2 Reasons for coopetition in start-ups

Under this code all the causes that led the companies to engage in coopetition before COVID-19.

2.1 Lack of resources

Mostly all of the companies named the "lack of resources" as a highly limiting factor at the beginning of their work. It can be seen as on central aspect for engaging in coopetition.

2.1.1 Unsuitable workforce

The missing or unsuitable workforce is one special lack of the companies. The participants complaint about it especially in the beginning of their business and due to COVID-19.

2.1.2 Missing founding

Lack of money was one crucial element for the businesses to engage in coopetition. This code summarizes all statements about missing assets in their business.

2.2 Dependency

One of the motivations to get involved in coopetition is dependency of various kinds. Companies struggle with these dependencies (e.g. resources, labour, etc.) and try to compensate for this lack with coopetition.

2.2.1 Manufacturing dependency

The manufacturing dependencies can be seen as special form of dependencies because the companies we talked to mostly did not manufacture their components themselves and thus have several dependencies.

2.2.2 (Technological) dependency

As all companies are trying to lower their dependencies, there exist several dependencies, which cannot be lifted or ended. For example, is a software company always up to a certain degree dependent on hardware producers, which run their software on their artefacts.

3 Coopetition before the pandemic

This code summarizes all "coopetition-activites" of the companies of the interview partners before COVID-19. It also includes general statements about cooperation and competition.

3.1 Coopetition

Coopetition is basically cooperation and competition among credible firms at the same time.

3.2 Indirect competition

The code is a subdivision of competition as companies have to deal with indirect competition. (e.g., in a niche market.)

3.3 Competition

The code summarizes all statements about the general competition in their markets.

3.4 Cooperation

This code summarizes all the cooperation aspects from the interviews, which are not directly with competitors.

3.5 Shared development

A quite frequently seen phenomenon in the interviews is that the companies share their development departments or just developers. This could be seen before the pandemic.

4 Impact of COVID-19 in coopetition

It summarizes all changes which were directly caused by COVID-19 and have a direct impact on the “coopetition-behaviour” of the companies.

4.1 Separation from the markets and capacity insourcing

Under this section are all statements about the increased value of independence and the competition for employees summarized. These changing conditions can be seen as the two main drivers from the companies to engage less in coopetition.

4.1.1 Competition for employees

This code captures all the effects on the employee side during COVID-19 pandemic (e.g., increased competition/ flexibility/ fluctuation/ etc.)

4.1.1.1 Changing working conditions

With this code all statements about different working conditions or changes in the working environment are captured.

4.1.1.2 Fight for developers

This Code captures the different factors that lead to an intensification of competition for developers are summarised here.

4.1.2 Value of independence

All factors which lead to a higher value of independence and the separation from the markets/ competitors are aggregated with this code.

4.1.2.1 Insourcing

The code is a summary of the phenomenon of "insourcing". It can be seen that all companies seek for independence and try to be as autonomous as possible. They try to achieve their goal by building up all possible processes and procedures internally with their own employees.

4.1.2.2 (Technological) independence

This code captures the different strategies and ideas which help the companies to reduce the dependencies and cut of technological reliance.

4.2 Increase of shared services/ development

This code summarizes the contradicting phenomenon to "insourcing". It was also named that companies had to open their firms in order the equalize capacities and share employees in the competitive market in order to survive.

5 Other

This code is a summary of all the codes which didn't fit the clustering of this work

5.1 Company goal

This code was used to mark all statements about the company's goals.

5.2 Change for the Company due to COVID-19

The code aggregates all statements about change due to COVID-19 which had no impact on the "coopetition-behaviour" of the firms.

5.3 Personal background

All the statements about the experiences and the C.V. of the participants were labelled with "personal background".

5.4 Market

The market tag has been used to identify all statements about the markets in which the companies operate.