ONE FOR ALL OR EVERYONE FOR THEMSELVES: WHY IS COOPETITION SO DIFFICULT? THE CASE OF FOUR SMALL VINEYARDS IN CENTRAL FRANCE

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ABSTRACT

This article deals with the mechanism of coopetition formation from a network perspective, focusing in the wine industry. Through a comprehensive approach, we study the case of four vineyards in central France that are located in a low-profile wine-growing region and made up of very small firms fighting in a highly competitive market. While everything seems to encourage them to collaborate, these vineyards have so far remained unable to develop an effective coopetition strategy beyond a few specific initiatives. We seek to identify the reasons for these difficulties by analysing exogenous and endogenous coopetitive drivers. Our results provide theoretical contributions theory by showing that: the formation stage can lead to effective or ineffective coopetition; coopetition in an embedded network is specific; and coopetition intentionality plays a role in this formation stage.

KEYWORDS: Coopetition; Network; Coopetition formation; Small business; Wine

Introduction

Coopetition refers to a strategy comprising competition and collaboration simultaneously (Bengtsson and Raza-Ullah, 2016) as well as value-creation intent (Gnyawali and Ryan Charleton, 2018). It can involve a varied number of actors – from a dyadic relationship to a network – whatever their size, status (companies, associations, NGOs etc.) or activity sector (Gernsheimer et al., 2021). As coopetitive approaches have become widespread in business, scholars now consider them as a new paradigm, constituting a theoretical field in its own right (Fernandez et al., 2018; Gnyawali and Ryan Charleton, 2018).

Over the past decade, scholars have studied many aspects of coopetition, from its antecedents to its process and outcomes (Hoffmann et al., 2018). Overall, the literature highlights the strengths of such approaches but also their potentially generated tensions (Crick, 2019; Tidström, 2014), which can make coopetition particularly difficult to implement. Most of these works, however, address situations where a coopetition strategy is actually at work, meaning that participants have at least succeeded in reaching the preliminary stage of a willingness to collaborate and in overcoming the initial obstacles related to the competitive nature of their relationship.

This article therefore proposes to contribute to the literature by highlighting the coopetition-formation step, not identified as such in previous work (Efrat et al., 2022; Gernsheimer et al., 2021). It deals with the understudied situation of competitors who develop joint actions but fail to transform their emerging relationship into a true common strategy, hence leading to ineffective coopetition. Through a comprehensive approach (Dana and Dumez, 2015) we have reached two types of contributions. First, from a theoretical perspective, we highlight the mechanism of coopetition formation that could lead to ineffective coopetition from a network perspective. Second, from an empirical perspective, we enrich the knowledge on coopetition regarding small firms in the wine sector, which is particularly suitable for research (Crick, 2018a; 2018b). Furthermore, this research complements previously published articles in the *International Journal of Entrepreneurship & Small Business*, from a perspective on coopetition both in small business (e.g. Gast et al., 2019; Gueguen, 2009) and in the wine sector (e.g. Tudisca et al., 2014).

We study the case of four small vineyards in central France that are located in a low-profile wine-growing region, made up of very small farms and fighting in a highly competitive national and international market. While everything seems to encourage them to collaborate, these vineyards have so far remained unable to develop an effective coopetition strategy beyond a few specific initiatives. We seek to identify the reasons for these difficulties by using an analysis grid based on exogenous and endogenous coopetitive drivers (Czakon and Czernek, 2016), which is particularly suitable for small business in network. In our case study, the stakeholders of the different vineyards appear to be forced by the normative and institutional environment to implement coopetition, which ultimately fails to become an effective strategy.

The first part of the article presents our main insights regarding the coopetition literature, with a focus on the gap surrounding the formation stage, specifically within a network of small businesses in the context of the wine sector. The second part lays out our research methodology and presents the case. The results are analysed in the third part, showing that endogenous and exogenous drivers are not sufficient to bring about an effective coopetitive strategy. We then discuss these results and in the last part, highlight our contributions.

1 Investigating network coopetition formation among small firms

The coopetition literature has grown considerably in the past decade (Bengtsson and Raza-Ullah, 2016; Dorn et al., 2016; Gernsheimer et al., 2021) and is gradually emerging as a new theory (Fernandez et al., 2018; Gnyawali and Ryan-Charleton, 2018). Initially focused on large companies adopting both competitive and cooperative behaviour simultaneously (Bengtsson and Kock, 2000), most often in dyadic relationships (Padula and Dagnino, 2007), the literature on coopetition now covers all organisations, whatever their status, industry or size, studying it in different ways: antecedents, execution, interaction, outcomes or levels (Gernsheimer et al., 2021).

1.1 The coopetition-formation stage

This research focuses on the stage starting with the coopetition intention before its implementation, i.e. with its formation. Paradoxical by nature, since it combines competition and collaboration (Bengtsson and Raza-Ullah, 2016), coopetition appears complex in its motivations and mechanisms (Ricciardi et al., 2021).

The literature has tried to identify the reasons underpinning a company's decision to adopt such a strategy (Czakon et al., 2020). First studied in high-tech companies (Gnyawali and Park, 2009) or platform business models (Ritala et al., 2014), the literature calls these reasons 'drivers' (Bengtsson and Raza-Ullah, 2016; Czakon and Czernek, 2016), 'antecedents' (Dorn et al., 2016; Gernsheimer et al., 2021) or 'willingness to coopete' (Chiambaretto et al., 2020a). They refer to a set of motives that will lead rivals to cooperate and mainly deal with searching for mutual benefits, stimulation by external factors, coopetition orientation through a specific mind-set, past experience and partners' features (a good fit, interdependence, trust and reputation) (Gernsheimer et al., 2021).

While the literature studies different coopetition situations extensively, it intimates, however, that this strategic approach seems self-evident to the actors involved under a deliberate strategy rationale (Mariani, 2007; Mintzberg and Waters, 1985). There is nevertheless a dark side to coopetition, with sometimes unexpected negative outcomes (Crick, 2019) or even value destruction (Gnyawali and Ryan-Charleton, 2018), sometimes making firms reluctant to engage in such initiatives (Chiambaretto et al., 2020a). In these cases too, however, coopetition has been implemented, leading to the execution phase (Gernsheimer et al., 2021). This article is an attempt to analyse the step just before execution, which is the crucial stage of coopetition formation (Efrat et al., 2022). We are thus answering the call to study the mechanisms of coopetition adoption (Czakon et al., 2020), helping to clarify the remaining lacuna in the literature regarding the terms used to describe the reasons for it. We therefore address an underexplored research gap regarding the mechanism of coopetition formation by trying to explain how some drivers, considered as traditional strong motives, could lead to ineffective coopetition.

1.2 Network coopetition within small firms

Coopetition has emerged in the strategy literature from game theory to explain how firms could perform better. 'The starting point of coopetition is a cognitive representation of the strategy problem as embedded in a value network and involving win-win situations' (Czakon et al., 2020, p.2). The concept of network is all the more important as coopetition is not limited to dyadic relationships between large firms. Coopetition is now widespread in all types of organisations; it then seems crucial to investigate the issue of asymmetric network coopetition, i.e. situations in which partners are of different sizes, in a context of multi-partner coopetition (Chiambaretto et al., 2020b). The number and diversity of stakeholders indeed define a network and the way it is orchestrated (Reypens et al. 2021). Here too, an ambiguity in the terms used by the researchers should however be noted. Networks and ecosystems are not the same (Hannah and Eisenhardt, 2018), but the same way can be used to analyse coopetition; many scholars say they are analysing network coopetition when they are studying coopetition among multiple firms (Gernsheimer et al., 2021). In line with years of the literature regarding its different levels (Bengtsson and Kock, 2000; Gernsheimer et al., 2021; Hoffmann et al., 2018), we will use ‘network’ to refer to coopetition among several organisations as opposed to a dyadic relationship.

Such networks are very diverse. Those made up of small firms (or even micro-firms) not having a focal firm, have evidently been less studied. Two sectors of activity have however received particular attention in recent years in terms of coopetition among small firms: tourism (e.g. Czakon and Czernek, 2016; Czakon et al., 2020; Kallmuenzer et al., 2021; Kylänen and Rusko, 2011; Mariani, 2016); and the wine industry (e.g. Crick, 2018a; Dana et al., 2013; Granata et al., 2018; Granata et al., 2019; Nicholson et al., 2017). For small businesses, coopetition strategies are expected to have a positive impact on performance (Morris et al., 2007), knowledge sharing (Levy et al., 2003) and/or innovation (Porto Gómez et al., 2018). Coopetition appears all the more crucial as they are often facing scarce resources (Flanagan et al., 2018; Gnyawali and Park, 2009; Granata et al., 2016). Antecedents make it possible to understand why coopetition emerges within small organisations, especially when they are structured as a network in which there is no focal firm. These ‘mechanisms . . . help to explain inter-firm relationships and network value creation and appropriation’ (Czakon and Czernek, 2016, p.65). Trust and commitment appear to be critical (Morris et al., 2007; Thomason et al.), as well as sympathy (Kraus et al., 2019). In their study on the tourism sector, Czakon and Czernek (2016) identify two main categories: exogenous drivers (depending on the environment in which companies operate and the external pressure to which they are submitted) or endogenous drivers (linked to the company itself and the individuals constituting it) (see Table 1).

*** Insert Table 1 here ***

The literature also shows that coopetition antecedents are industry-specific and contextual (Czakon et al., 2020). This was our reason for deciding to further our understanding of one of these previously studied sectors, namely the wine sector.

1.3 Coopetition in the wine sector

The literature on coopetition has recently shown a high interest in studying the wine industry (Crick and Crick, 2019, 2021a, 2021b; Cusin and Loubaresse, 2018; Dana and Granata, 2013; Dana et al., 2013; Granata et al., 2017). This is not surprising as, according to Crick (2018a), the wine industry is particularly well suited due to its high degree of both competition and cooperation. It is also particularly suited for further investigation of the antecedents of coopetition (Crick, 2018b). Some of these studies specifically focus on small firms (e.g. Granata et al., 2016; 2017; 2019), meaning this sector is relevant to the second research gap we have pointed out.

In addition, much previous research deals with wine in the 'New World', i.e. countries that are new producers (e.g. Dana et al., 2013; Monticelli et al., 2018; Sigala, 2019; Crick and Crick, 2021a), as opposed to the 'Old World' of traditional European wine producers such as Spain, Italy or France. This literature shows that coopetition is mainly cooperative-oriented, as the actors do not see themselves as direct competitors (Dana et al., 2013) and find advantages in working together, for instance to internationalise their sales (Monticelli et al., 2018). Moreover, whether they are considered as networks (Monticelli et al., 2018) or clusters (Felzensztein et al., 2018), wine activities bring together a large number of very diverse actors, of different sizes, which matches our previous definition of network coopetition. Our research therefore answers two calls: from Crick (2018a; 2018b) about documenting the wine industry as an empirical context for the study of coopetition; and from Dana et al. (2013) about investigating coopetition further in traditional wine regions in Europe.

1.4 Research purpose

Although the literature on coopetition is now widely developed and coopetition is considered as a theory in its own right, several aspects remain understudied. Our research therefore focuses on three of these:

1) The mechanism of coopetition formation, i.e. the step that transforms coopetition antecedents into its execution, remains unclear.
2) Network coopetition is an understudied level of coopetition, especially among small firms having no focal firm.
3) The wine industry, which is particularly adapted to studying coopetition and the 'Old World', needs to be further investigated.

Regarding these gaps, this paper aims to clarify the mechanism of coopetition formation by studying a case of failure. This is a situation where everything seems to lead competing actors to cooperate, thus where the typical antecedents are present, but where coopetition remains ineffective. A detailed analysis of the drivers involved should make it possible to explain this counterintuitive situation and to provide some new insights on the coopetition-formation stage.

2 The case of four vineyards in central France

After having explained the methodological design of the research, we present the case study.

2.1 Research design

Our research uses a comprehensive approach aiming to describe and explain a phenomenon (Dana and Dana, 2005; Dana and Dumez, 2015; Groenland and Dana, 2020), namely the stage of coopetition formation. To do so, we conducted a study in a confirmatory purpose, based on an analysis grid taken from the pre-existing literature on coopetitive antecedents (Czakon and Czernek, 2016). As we wished to understand the mechanism of this coopetition-formation stage, we chose to study a case that could be qualified as a counterexample. Indeed, given that coopetition is a strategy, and as such can be considered as deliberate, its implementation is ultimately the logical extension of the initial strategic intent. By studying a case where conditions might have seemed favourable to implement a coopetitive strategy but appears to be ineffective, we attempted to gain a better understanding (in our comprehensive approach) of this coopetition-formation mechanism. As previously mentioned, we had decided to study a case in the wine sector as it was particularly relevant for research (Crick, 2018a, 2018b), choosing an 'Old World' country, namely France. We focused on four small, little-known vineyards operating as networks at different levels.

Based on the recommendations of Dana and Dana (2005), our study deals with the collection, processing and analysis of qualitative primary and secondary data from a variety of sources and media. For the primary data, two series of semi-directive interviews were conducted: in the spring of 2018 with interviewees involved in one of the projects (15 interviews); and in 2019 with several winegrowers, winemakers and other stakeholders from the different vineyards (20 interviews). These 35 interviews provided more than 23 hours of recording time. Their complete transcription (237 pages) made it possible to identify themes and keywords. Participation in several trade fairs (Paris in January 2018 and three local fairs in July 2019) also made it possible to gather additional information through direct observation (customer contacts, prospects, press, exchanges with winegrowers and tastings). These primary data were supplemented with the collection and analysis of secondary information sources (press releases, articles in the national and regional daily press, websites of the actors involved, internal documents provided by the actors and videos produced by the winegrowers).

*** Insert Table 2 here ***

2.2 Four small French vineyards in the same geographical area: friends or foes?

In 2019, France was the second largest wine producer in the world.[1] Given the existence of strong competition and the multitude of possible choices for consumers (there are 383 French wine appellations divided into 16 generic vineyards), acquiring and maintaining a national and international reputation (presence in prestigious guides or rankings, medals and awards, etc.) seems to be an essential key success factor. Not all appellations, however, are as prestigious as Champagne or Burgundy. What about the small appellations, with much smaller areas and very limited recognition?

We focused our study on four vineyards (Côtes d'Auvergne, Côtes du Forez, Côte Roannaise, Saint-Pourçain) in central France, spread over three *départements* (Puy-de-Dôme, Loire and Allier) featuring a certain spatial, historical, podiatric, and organisational unity. Three of them are on volcanic soil (except for Saint-Pourçain), the vineyards are small (for a total of 1,200 hectares compared to 670,000 hectares of vineyards in France, or 0.18% of the total), and they are made up of small or very small farms.

They have been linked to the 'Loire' wines by the Ministry of Agriculture, but this categorisation is difficult to read due to the length of the river, bordered along almost its entire course by vineyards with a great variety of names and reputations, some of them very well-known and producing

[1] Source: https://www.oiv.int/public/medias/7298/oiv-state-of-the-vitivinicultural-sector-in-2019.pdf (Accessed 15 May 2020).

significant volumes, including Anjou, Chinon, Sancerre, Menetou-Salon, etc. The four vineyards designated as '*vins d'Auvergne*', however, have little in common with their counterparts located downstream of the Loire and are in fact geographically distant from them – the cities of Montbrison (Forez) and Nantes (at the mouth of the river) are separated by up to 640 kilometres.

In addition, these four small vineyards suffer from a lack of reputation and notoriety; they obtained their AOC (*appellation d'origine contrôlée*, or 'controlled designation of origin') after several decades of fairly poor-quality wine production.[2]

In each of the four vineyards, the sector is characterised by the presence of diverse and multiple actors with complex relationships structured around the producers. Some are just winegrowers, contributors to the cooperative wine cellar; some are winemakers, in charge of everything from cultivating the vine to marketing their own wine. The management authority (*Organisme de Gestion* – GDO) is the pilot and guarantor of the AOC (see Figure 1).

*** Insert Figure 1 here ***

Our case, made up of several interlinked networks of actors, is therefore characterised by different categories of stakeholders within a vineyard, all located in the same geographical area and meeting the same AOC specifications. The stakeholder structure is however similar across the four vineyards. Coopetition and competition relations are therefore played out both among actors from the different vineyards under study and among actors within the same vineyard.

[2] Obtaining a geographical indication label is an important step in the recognition of the quality of wine produced. At the European level, the designations PGI (Protected Geographical Indication) or PDO (Protected Designation of Origin) apply to agrifood products, including wine, with equivalents in each country. In France, the AOP (*Appellation d'Origine Protégée*) is the equivalent of the PDO; the AOC has even higher requirements, with very strict specifications.

2.2.1 The beginnings: '*Ici commence la Loire*'

In 2012, the Côtes-du-Forez and Côte-Roannaise vineyard GDOs merged into an association, the '*Association des Vignobles du Forez-Roannais*'. In 2013, the four vineyards decided to organise jointly an annual tasting for professionals in the sector and the press (national, regional and specialised) under the label '*Ici commence la Loire*' (Here begins the Loire), an informal collective brand based on the geographical location of the vineyards involved. These tastings, which are held alternately in Paris or in the region,

> are organised for professionals, restaurateurs, wine merchants, etc. in order to promote these four small vineyards, which are not competing with each other but are rather complementary. . . Usually each promotes itself. The collective is there to pool efforts and increase their visibility in the French vineyard landscape (CG).[3]

The collective action is notably based on a similarity of the products.

> These other vineyards are like us [Côtes-d'Auvergne]: small-sized, not very well-known, and a likeable wine similar to ours... (IT).

They all use Gamay as the main grape variety, but there is also a similarity of resources, which are very limited.

> They pretty much have the same problems as we do – they are small and they have no resources. So if we want to succeed, we have to pool our resources (RR).

A study conducted from September 2016 to October 2017 made it possible to define a list of common and unifying values aimed at achieving collective communication, showing a willingness to 'play as a team'. The outcome was both a common positioning (original wines; dynamic

[3] Initials between parentheses after citations are the initials of the interviewee who made the statement.

winegrowers; diversified grape varieties, terroirs, wines and landscapes; human values of simplicity, authenticity and conviviality) and recognition of the interest of structuring the project as an association.

In December 2017, the collective acknowledged its desire to work together, encouraged by financial support from the Auvergne-Rhône-Alpes Regional Council, which welcomed the coming together of these small, unknown vineyards in the Massif Central co-existing within the administrative region with the large Beaujolais and Côtes-du-Rhône vineyards.

> In a large wine-growing region where we, in Auvergne, are somewhat atypical, what is important is for us to federate in order to free up budgets in the Region, develop our promotion more intelligently and use oenological techniques (YB).

2.2.2 Secession of Saint-Pourçain and the '*Loire volcanique*' project

It was not long, despite the clearly stated common objective, before Saint-Pourçain opted out of the project. In January 2019, the Auvergne-Rhône-Alpes Region announced its financing of a development plan aimed at 'strengthening the marketing and reputation of the vineyard, perpetuating its development, and predicting and anticipating climate hazards.' The financial package provided by the Region for this vineyard alone amounted to €61,000 in the form of aid for material investment. Even if Saint-Pourçain never seemed to have quite found its place in '*Ici commence la Loire*', the announcement of their departure from the collective was experienced as a betrayal, destabilising the whole project:

> Saint-Pourçain stabbed us in the back. They left (JC).

> We experienced a drama hitting all of us . . . Today we are only three, a bit of a lame duck (PDT).

A first explanation lies in the fact that the Saint-Pourçain vineyard is quite different from the other three, notably larger in size, having a better reputation and growing on sandy (not volcanic) soil. These were among the factors that led the Saint-Pourçain actors to decide to discontinue their involvement in the collective adventure, though there seem to have been disagreements between the powerful cooperative wine cellar and the independent winegrowers, which could be another possible reason for this early departure.

> The [Saint-Pourçain] cooperative cellar is hegemonic. They do whatever they want, and they realised that in the new structure [‘*Ici commence la Loire*’] they no longer had this hegemony (GB).

Despite the Saint-Pourçain vineyard’s decision to distance itself, the other three vineyards decided to form an association called ‘*Loire Volcanique*’, the official launch of which was slated for the spring of 2020.

> It’s complicated. We decided not to stop and instead that we’d keep it alive just enough to attend the Wine Fair (PDS).

The annual ‘*Ici commence la Loire*’ tasting was thus preserved as one of the ‘*Loire Volcanique*’ events. Initially, the goal would be to pool resources, particularly for press relations.

> What’s the point of paying two press officers who will contact the same journalists to tell them the same thing? (CB).

It should be noted that the decision to set up this association was taken by the winegrowers and winemakers themselves – it was discussed and then voted on at the General Meeting and the Governing Board of the respective GDOs of the three appellations.

2.2.3 The ambition of Vinora

At the same time, Vinora was formed as an association in December 2018. It was intended to be representative of the sector, including independent winemakers, cooperative winegrowers, and distribution and trading companies. Benefiting from the financial support of the Auvergne-Rhône-Alpes Regional Council, one big regional bank and Limagrain (a cooperative agrifood group based in Auvergne, the world's fourth largest in 2018),

> [Vinora] has succeeded, I think, in bringing together all the political players in the territories, whether Clermont, local communities, the Regional Council, or the State. There you go. It's hard to be more open (PDT).

Vinora's goal is threefold: to promote Auvergne vineyards within the big family of volcanic wines; to support economic development of the sector; and to enhance the image of volcanic wines among the public. To do so, the terroirs involved in the association can rely on the more general reputation of volcanic wines, which has begun to be known worldwide due to the nature of the soil and the relief of volcanoes.

> We have something that is a UNESCO World Heritage Site4 . . . We have a particularity that is unique in France and we are only seven or eight vineyards in the world to have it, so it would be stupid not to say that we have it (PDT).

The very first International Volcanic Wine Fair was thus held in late January 2020 in Clermont-Ferrand, bringing together, in addition to the three Côtes-d'Auvergne, Côtes-du-Forez, and Côte-Roannaise vineyards, those of Santorini (Greece), Etna and Mount Vesuvius (Italy), Cyprus, and Oregon. The Vinora project has received a mixed welcome. Some see it as a great opportunity; some are sceptical; some are doubtful.

[4] The Chaîne des Puys volcanoes was added to the UNESCO World Heritage List in July 2018

> We hope that on this occasion Auvergne wines will skyrocket (VA).

> I have not yet joined the association but I will join it because I think it is a lovely project, perhaps to be implemented in several stages. It does involve big budgets (PDS).

> Putting together all the regions of the volcanic world is one thing, a good thing, but for the near future I think it's much more important to showcase our own terroir and move forward with that, than to go see other things (RR).

> We'll be competing with all the other volcanic wines (CC).

In any case, the project has yet to be implemented.

> It's difficult because we have to make sure no one loses their identity, and at the same time I think we will have to go through with it in order to get more recognition and strength (ER).

3 An analysis of exogenous and endogenous drivers

Our analysis highlighted that despite the presence of the exogenous and endogenous drivers identified in the literature on networks among small businesses (Czakon and Czernek, 2016), coopetitive relationships appeared as short-term actions with a relatively limited scope but had not led to a real strategy, thus leading to ineffective coopetition. The actors' response seemed to have been rather an 'induced' coopetition (Mariani, 2007), thus underlining its limits.

3.1 Exogenous drivers

The environment is characterised by a high degree of *uncertainty* due, in particular, to climate hazards that can have a sudden and severe impact on production for an entire year. The 2018 harvest was for instance exceptional in terms of volume and quality, while 2019 was a very difficult year for many winegrowers whose plots were entirely or partly ruined by hail during the summer.

Moreover, the *life cycle of the product* is on the short side because, unlike some of the major Bordeaux or Burgundy wines that have an ageing potential, 'Auvergne' wines are to be consumed within a short time span. There is also a strong *technological convergence*; the natural resources are very similar (soil types are almost identical and the same grape varieties are used) and the winemaking techniques must comply with the AOC specifications, which prevents any innovation in the production process. Finally, in terms of R&D investment, Auvergne winemakers certainly have common ground at the winemaking stage (within the limits of AOC specifications), but also very much upstream, in terms of soil enrichment through agronomic techniques.

There is also strong *institutional pressure*, first to meet the AOC specifications and second, with the Auvergne-Rhône-Alpes Region explicitly pushing the actors of these four vineyards to cooperate.

> When the region wants to invest and provide funding, we can't refuse (OM).
>
> [We were asked] to set something up . . . [so they would] have one instead of four contact persons for vineyards that are quite similar (JC).

Competitive pressure can be found at several levels. First, competition is fierce with other French appellations, although exports are being increasingly developed, driven particularly by the Côtes-d'Auvergne cooperative cellar. Second, there is competition, too, among the three or four vineyards under consideration (depending on the project) – the wines are similar and the terroirs are close in terms of soil, climate, history and culture. Finally, competition is at work among the winegrowers of a same vineyard, knowing that compliance with the AOC specifications leaves very little place for differentiation.

In addition, *customer pressure* is very strong because these wines still suffer from a poor reputation inherited from questionable choices made over several decades. Times have fortunately changed, however – the AOC awarded to each of the vineyards has acknowledged the progress they have made and helped to encourage a significant leap in production quality, with the largest national media now reporting on it.

The exogenous drivers identified in the literature are therefore clearly visible in our case, laying down conditions that are in principle favourable to the formation of a coopetitive strategy.

3.2 Endogenous drivers

Access to resources is not a real problem, whatever the vineyard considered – the planted areas, even limited, are sufficient for the activity; the grape variety used primarily (Gamay) is not scarce and there is no difficulty in its cultivation; the equipment is often shared through agricultural equipment cooperatives. This criterion is therefore not decisive in the case under study.

Access to the market, on the other hand, is at the heart of concerns. Whether to improve the notoriety and reputation of vineyards or to find new outlets (in France and abroad), this is a major factor.

Similarly, the goal of joint actions is to improve *efficiency*, particularly in terms of communication, some of which can be easily shared.

Improving the competitive position is a more complex criterion to analyse. Indeed, within the AOC framework, the various actors of a same vineyard share an obvious common interest in promoting the latter. Within each vineyard, however, there is a form of competition between the cooperative cellar (where one exists) and the independent winemakers, but also among the independent winemakers themselves. Although the majority of winemakers claim to be colleagues and not competitors, domain names do not enjoy, on these terroirs, a sufficient reputation to establish specific differentiation, as do Bordeaux or Burgundy wines. In other words, according to consumers or professionals (wine merchants or restaurateurs), ‘Auvergne’ wines are all or almost all the same.

Finally, the more personal dimensions of *individuals* (personality, state of mind, and/or trust) are also predominant. Behind the terms ‘winegrower’ or ‘winemaker’, there are men and women who have chosen this occupation for reasons of personal taste and sometimes as a second activity or even as a hobby. Personalities and motivations diverge, leading to fundamentally varied analyses, from the strong advocate of a collective approach to the declared opponent to such an approach who wishes to preserve his/her independence at all costs. Nevertheless, coopetition and solidarity appear to be strong values for all the actors, who sometimes forget that they are also competitors.

4 When the intentionality of coopetition determines its effectiveness

Our case study makes it possible to highlight the mechanism of coopetition formation, which will lead to effective or ineffective coopetition. While coopetition was clearly at work in our study, where the actors are involved in competition and coopetition simultaneously, it appeared chaotic and difficult to implement for real.

4.1 Exogenous and endogenous drivers do not explain everything

Our analysis of endogenous and exogenous drivers showed that, although existing, they did not appear sufficient to form an effective coopetition strategy. Based on the literature, we can try to explain our results in three ways.

First, literature considers *resource access* to be a main driver to develop coopetitive relationships among small firms (Flanagan et al., 2018; Gnyawali and Park, 2009; Granata et al., 2016). This driver was not at work here. It was as if the actors of the four vineyards were insufficiently constrained endogenously because they had sufficient resources, even if these were few. Not activated as an effective strategy, coopetition is ineffective.

Second, our case study was of a multiple-network nature (see Figure 2). Each vineyard was made up of different categories of actors, leading to a first level of coopetition formation – the 'inside vineyard' level. In addition, the three (or four – depending on the project) vineyards were trying to develop joint actions, leading to a second level of coopetition formation – the 'among vineyards' level. Finally, a third level was coopetition with other French wines, in the Loire appellation or with other appellations – the 'among appellations' level. We could add a fourth level – the international one, as these French wines are competing with those of other countries, including those of the 'New World' – but this level was nonetheless not studied in this research. This result is in line with the recent literature, showing that levels of coopetition need to be further investigated (Crick and Crick, 2019; Gernsheimer et al., 2021). Maybe the drivers used as a grid in this study, which are suitable for network coopetition among small firms (Czakon and Czernek, 2016) are not detailed enough to analyse multiple-network coopetition, calling for more investigation of this embedded coopetition (Mariani, 2016).

*** Insert Figure 2 here ***

Lastly, a result of our study is that drivers alone are not enough to explain coopetition formation. Indeed, while the drivers make it possible to explain the 'why' of coopetition, they are not sufficient to describe the mechanism for moving from a coopetitive intention to an actual strategy. Therefore, the notions of deliberate and emergent strategy (Mintzberg and Waters, 1985) seem to be taken into account here in order to evaluate the level of intentionality of the coopetitive strategy sought. To the best of our knowledge, very little research – and not so recent – has introduced such a dimension in order to analyse coopetition for its more or less intentional nature (Kylänen and

Rusko, 2011; Mariani, 2007). Our results provide evidence that the intentionality of coopetition seems to be a determining factor to develop effective coopetition given that, in the case studied here, the actors were forced to set up coopetition (by the public authorities promising financing, by the AOC specifications, etc.) without its appearing as an intentional and spontaneous strategy. This degree of intentionality – from unintentional coopetition to intentional coopetition – has therefore to be further investigated in the future, especially as the coopetition literature has been greatly enriched in recent years (Gernsheimer et al., 2021).

4.2 Main contributions and research perspectives

This research, focusing on the formation stage of coopetition among small firms in the wine industry, provides both theoretical and empirical contributions.

First, we contribute to coopetition theory by providing evidence that the formation stage is crucial – it can lead to effective (which is that studied in almost all the research) or ineffective coopetition (which is the one we are highlighting here – wanted by a number of external actors, but not assumed by all the internal actors). Although highlighted in our research, the coopetition-formation stage will however need better documentation to understand all its workings, as a model could prove useful to the actors from a managerial point of view. We also enrich the literature on network coopetition by showing that embedded networks need specific tools to be analysed. We finally shed new light on intended or unintended coopetition. We already knew that the institutional environment played a decisive role in the formation of coopetition (Mariani, 2007). Our study adds the importance of a highly standardised context and an institutional framework that ultimately produce the opposite effect to that which is desired; when coopetition is about to be formed into an effective strategy, the actors do not necessarily engage in it as an assumed strategy. Thus, coopetition actions that have been undertaken, if any, have tended to be one-off, underdeveloped and poorly structured, leading to ineffective coopetition.

We also document the coopetition literature by highlighting the specific context of the French wine sector. Considering its different stakeholders, its structure and the high degree of both institutional (the power of the Regional Council's financial incentive) and normative pressure (the AOC specifications), coopetition appears as not that simple to implement. Moreover, winemakers generally consider themselves more as colleagues than as competitors (Dana et al., 2013), which our study confirms. This sympathy, which is characteristic of coopetition among small firms (Kraus et al., 2019) ultimately seems to prevent coopetition from developing, perhaps because it hides the real competitive dimension of the relationship within the network.

Conclusion

Although the coopetition literature is now well documented, several aspects remain to be explored. This article deals with the mechanism of coopetition formation from a network perspective, focusing on small firms in the wine industry. Using a comprehensive approach, we analyse the case of four small French vineyards through exogenous and endogenous drivers previously identified in the literature. We then reach theoretical contributions by providing evidence that: in addition to drivers, the formation stage can lead to effective or ineffective coopetition; coopetition in an embedded network is specific; and coopetition intentionality plays a role in this formation stage.

The work obviously has limits and some bias. First, as shown by the literature, coopetition varies depending on the industry ('industry limited') and on the geographical area ('regional limited'). This is particularly clear in our study, as Auvergne wines appear as a specific case in several respects. Another limit lies in the nature of the elements collected from the interviewees – each of them communicates perceptions, obviously personal and by definition subjective, which makes interpretation sometimes difficult for the researcher.

Nevertheless, our work seems to shed additional light on previous work, showing that the drivers of coopetition are certainly necessary, but not sufficient for coopetition formation to become an intentional and real coopetitive strategy.

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Table 1 Coopetition drivers

Source	Type	Driver
Exogenous	Environment	High uncertainty
		Short life cycle
		Technology convergence
		R&D spending
	Pressure	Institutional
		Competitive
		Customer
Endogenous	Firm-level	Resource access
		Increasing market
		New market creation
		Improving efficiency
		Improving competitive position
	Micro-level	Perceptions
		Personality
		Thinking
		Mind-set
		Trust

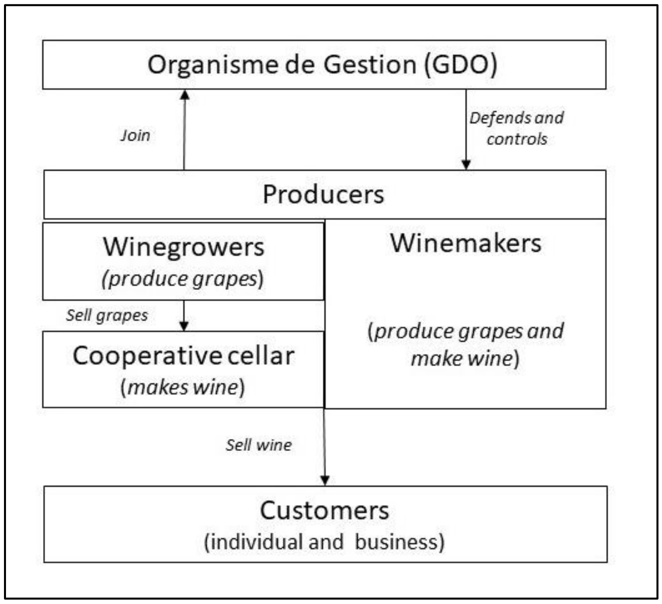
Source: adapted from Czakon and Czernek (2016, p.65)

Table 2 Interviews

Type	**Number of interviews**
Independent winemakers	24
Cooperative wine-cellars	3
Winegrowers	6
AOC Syndicates	2
	35

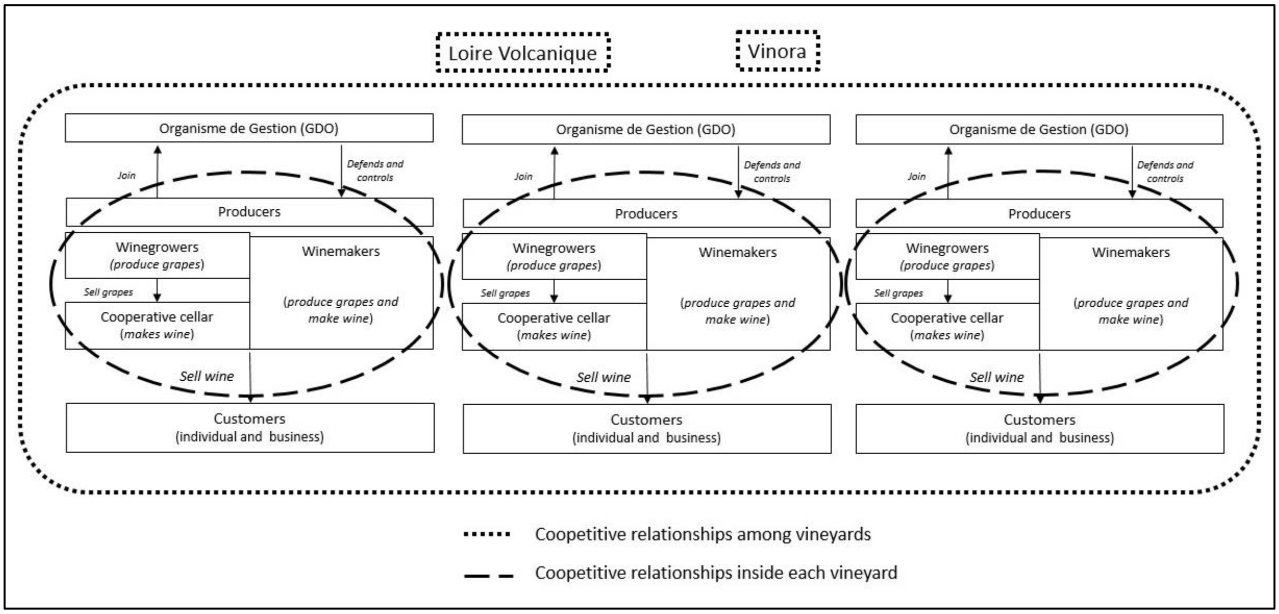
Source: authors

Figure 1 Simplified description of an AOC wine sector



Source: authors

Figure 2 A multiple-networked coopetition



Source: authors