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A MULTILEVEL PERSPECTIVE ON ORGANIZATIONAL BUYING BEHAVIOR IN COOPETITION–AN EXPLORATORY CASE STUDY

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ABSTRACT
This article offers a new and interesting perspective on organizational buying behavior by focusing on the simultaneous existence of both cooperation and competition, that is, coopetition. Coopetition may bring undesired knowledge leaks, opportunism, and weakened competitive advantage, and it is therefore important to understand how coopetition develops over time through interrelated activities on multiple levels. The article aims to improve our understanding of the development of organizational buying behavior through adopting a multilevel perspective on coopetition. The empirical study is based on exploratory case study research involving a single case from the manufacturing sector featuring a large multinational buyer and its supplier. The findings of the study show that organizational buying behavior in coopetition develops through interrelated activities on the individual, the organizational, and the relational level. Over time, dominating activities evolve from being ambivalent on an individual level to become authoritative on a company level and finally to being opportunistic on a relational level. Theoretically, this study contributes to organizational buying behavior literature by examining coopetition from a multilevel perspective. From a managerial perspective, the findings establish the importance of recognizing individual-, and organizational-level activities.

Keywords: organizational buying behavior, coopetition, managing, multiple levels, case study
INTRODUCTION

Organizational buying behaviors are not static; they change over time. Behavioral aspects of supply management interest scholars (e.g. Kaufmann, Meschnig, & Reimann, 2014; Kaufmann, Wagner, & Carter, 2017), who argue that buying decision models are not always based on rational behavior (Kaufmann et al., 2017). Moreover, there has recently been a call for further research on the interplay of multiple levels in organizational buying (Kaufmann et al., 2017) and also on understanding the influence of different situations on buying processes (Wiersema, 2013). Even though buying patterns have evolved, the available knowledge and models are incapable of capturing the dynamics of changing and emerging markets that lead to complex buying situations (Aarikka-Stenroos & Makkonen, 2014; Wiersema, 2013). Organizational buying behavior (OBB) is all about purchasing, which accounts for a major part of the costs incurred by companies. Therefore, it is important for companies to know how OBB functions in today’s complex business world. The complexity of OBB arises because there are often many individuals, goals, rules, and traditions involved (e.g., Aarikka-Stenroos & Makkonen, 2014; Bachkirov, Rajasekar, & da Silva, 2016; Johansen, Mikkelsen, & Paulraj, 2016). Much of the OBB research that we lean on today was conducted between 1960 and 2000, and it is therefore important to update it to ensure it fits the current business reality.

Since its inception in the 1960s, most research on OBB has viewed the phenomenon from a process perspective (Aarikka-Stenroos & Makkonen, 2014; Lewin & Johnston, 1996; Makkonen, Olkkonen, & Halinen, 2012; Verville & Halingten, 2003). Another common feature of OBB research is a multilevel perspective (Makkonen et al., 2012; Möller, 1985; Webster & Wind, 1972), meaning the research relates to both the macro and micro levels. This implies that
OBB is formed from interrelated activities on multiple levels: the individual, organizational, relational, and industry level (e.g., Makkonen et al., 2012). Individual-level activities happen by or between individuals, whereas organizational-level activities occur within an organization. Relational activities occur in relationships or interactions between organizations, whereas industry or network level activities take place beyond a focal relationship between organizations. Although prior research recognizes a multilevel perspective, there is scant research into how activities on different levels connect over time. Moreover, studies on OBB focus on the buying situation (e.g., Aarikka-Stenroos & Makkonen, 2014), without accounting for the nature of the business relationship, an omission that reveals a gap in our knowledge related to business relationships that encompass both cooperation and competition.

The simultaneous existence of cooperation and competition, that is, coopetition, in business relationships has been studied within the business network approach (e.g., Bengtsson & Kock, 1999). Most coopetition research focuses on cooperation between competitors, and there is little research on vertical coopetition, meaning coopetition between companies acting as buyers and sellers in relation to each other (Soppe, Lechner, & Dowling, 2014). There have however been calls for more research on vertical coopetition, and specifically examples on the simultaneous cooperation and competition between a buyer and a seller (e.g., Lacoste, 2012; Soppe et al., 2014). Vertical coopetition is critical because the cooperation element often relates to interactions where one company (a buyer) buys products or services from another company (a supplier), a scenario in which leaks of important information followed by opportunistic activity constitute a central risk. Competition often enters the relationship through opportunistic activities (Tidström & Hagberg-Andersson, 2012). If companies are to avoid undesired information leaks, weakened competitive advantage, or the dissolution of buyer–seller relationships, they must understand and manage vertical coopetition.
Vertical coopetition is not static, but is dynamic and develops over time. Existing research on the dynamics of coopetitive relationships concentrates on horizontal relationships, and there have been calls for more research related to time in vertical coopetition (e.g., Lacoste, 2012; Lechner, Soppe, & Dowling, 2016; Soppe et al., 2014). Bengtsson, Eriksson, and Wincent (2010) argue that coopetition over time is connected with levels of cooperation and competition. The same authors (p. 200) define coopetition as “a process based upon simultaneous and mutual cooperative and competitive interactions between two or more actors at any level of analysis (whether individual, organizational, or other entities).” Prior studies of coopetition from a multilevel perspective focus on horizontal coopetition, to the detriment of a multilevel perspective on vertical coopetition. Those trying to manage vertical coopetition, need to know how cooperation and competition simultaneously occur at different levels and how they are related.

There are several research gaps around OBB and vertical coopetition, and the aim of this study is to improve our understanding of the development of OBB from a multilevel perspective in a coopetitive business relationship. The research question is as follows: How does OBB develop over time on multiple levels in vertical coopetitive business relationships? To answer this question, we construct a tentative theoretical framework based on existing research on OBB and coopetition. The framework outlines the multilevel activities comprising OBB in coopetitive business relationships. This framework forms a basis for the exploratory qualitative case study on a single case from the manufacturing sector involving a large multinational buyer and its supplier. The novelty of this study lies in the combination of OBB and coopetition and it contributes to both research fields. The study contributes to recent OBB studies (e.g., Barclay & Bunn, 2006; Makkonen et al., 2012) by showing how cooperative and competitive activities

Interrelate over time. Moreover, the findings contribute to research on vertical coopetition (e.g., Lacoste, 2012) by showing how coopetition develops over time through activities on multiple levels. From a managerial perspective, this study illustrates the importance of recognizing simultaneous cooperative and competitive activities on both the relational and other levels.

2 LITERATURE REVIEW

2.1 A multilevel perspective on organizational buying behavior

Organizational buying behavior is a decision-making process influenced by a variety of factors (Kaufmann et al., 2017; Lewin & Johnston, 1996; Makkonen et al., 2012; Munnukka & Järvi, 2008; Möller, 1985; Sheth, 1973; Webster & Wind, 1972). The view of OBB has shifted from it being a linear progression starting with identifying a need and ending with a purchase decision (e.g., Bunn, 1993) to a non-systematic and dynamic process (e.g., Barclay & Bunn, 2006; Lewin & Johnston, 1996; Makkonen et al., 2012; Sheth, 1973). However, the traditional frameworks relating to OBB (see Robinson, Faris, & Wind, 1967; Sheth, 1973; Webster & Wind, 1972) are still applied in twenty-first-century studies (e.g., Barclay & Bunn, 2006; Lichtenthal & Shani, 2000; Moon & Tikoo, 2002; Verville & Halingten, 2003). Such frameworks can be accused of failing to capture the complexity of modern buying behavior (Aarikka-Stenroos & Makkonen, 2014). Moreover, the challenge facing modern research on OBB is to balance the views of buying as an intrafirm-oriented process and as an event embedded in the context of relationships and networks (Aarikka-Stenroos & Makkonen, 2014).

Research on OBB has recognized the influence of the environment, organization, and of individual characteristics since its inception (see Lewin & Johnston, 1996; Robinson et al., 1967; Sheth, 1996; Webster & Wind, 1972). However, earlier studies primarily focused on the

Phases or stages of the buying process (e.g., Eriksson, 2008; Robinson et al., 1967), and the multilevel nature of the phenomenon was not exposed until the appearance of later OBB studies (e.g., Makkonen et al., 2012). Makkonen et al. (2012) found that structural elements and situational events influence a buying process, but so too do the individuals in charge of organizational buying. However, Makkonen et al. (2012) were not able to capture the interplay and influential relationships between different levels and activities on those levels, because their research focused more on how those different levels affected the buying process itself. Moreover, the study in question was based on a small company, and therefore the findings are perhaps not applicable to large companies in traditional manufacturing industries. As prior OBB research recognizes, organizational buying is a complex and multilevel process. However, previous research has not been able to capture how the interplay between activities on different levels forms OBB. OBB is accordingly defined here as a process that includes interrelated activities and interaction on multiple levels embedded in various enduring structures and situational events.

Barclay and Bunn (2006, p. 187) stated that buying activities refer to “the explicit actions carried out in the course of the decision process.” However, several prior OBB studies (e.g., Barclay & Bunn, 2006; Moon & Tikoo, 2002) limit buying activities to the four listed in Bunn’s (1993) taxonomic framework: information searching, use of analysis techniques, proactive focus, and procedural control. Further, Makkonen et al. (2012) conceptualized the buying process as a set of intertwining activities and goals, but they refer to means or techniques when discussing activities. Our position is that buying activities include means and refer to explicit actions taken during the buying process. However, we argue that just as the buying process is dynamic and non-systematic, buying activities are also dynamic and cannot be limited to any particular phase of the buying process.
Previous OBB studies have largely focused on buying situations and their characteristics (e.g., Aarikka-Stenroos & Makkonen, 2014; Barclay & Bunn, 2006) rather than focusing on how the type of relationship influences OBB. Eriksson (2008) studies how actions in different stages of the buying process affect the balance between cooperation and competition (i.e., coopetition) in buyer–supplier relationships, and concluded that the balance is important. However, prior OBB research has shown that activities undertaken on multiple levels to meet organizational needs actually form the organizational buying process (e.g., Aarikka-Stenroos & Makkonen, 2014; Makkonen et al., 2012). Therefore, it is important to focus on the activities on different levels that form OBB, and to explore how coopetition emerges within and through those activities.

2.2 Coopetition research

The simultaneous existence of cooperation and competition is recognized in coopetition research (Bengtsson & Kock, 1999). Coopetition is defined as: “a paradoxical relationship between two or more actors simultaneously involved in cooperative and competitive interactions, regardless of whether their relationship is horizontal or vertical” (Bengtsson & Kock, 2014, p. 182). The inbuilt tension between cooperation and competition makes coopetition difficult and important to manage. Soppe et al. (2014) and Tidström (2008) argue that most coopetition studies (e.g., Fernandez, Le Roy, & Gnyawali, 2014; Ritala, Hurmelinna-Laukkanen, & Nätti, 2012) have focused on horizontal relationships, that is, cooperation between competitors, and offered examples including strategic alliances and joint ventures (Das & Teng, 2000). Coopetition research examining the relationship between a buyer and a seller (i.e., vertical coopetition) is scarce.
Dowling et al. (1996) distinguish two types of vertical coopetition: the first occurs when a competitor is a supplier to a firm and at the same time cooperating with it; and the second occurs when a competitor is a customer of the firm and simultaneously cooperating with it. An example of vertical coopetition would be a buyer purchasing products from a supplier that simultaneously sells its own products to the same customers as the buyer sells to. Vertical coopetition is challenging, because there is a continuous risk of information leaks, and of opportunism, of loss of competitive advantage, and even of termination of the relationship (e.g., Osarenkhoe, 2010). Much of the existing research on vertical coopetition discusses how to manage such relationships. There are studies related to coopetition strategy (Kim, Kim, Pae, & Yip, 2013), balancing cooperation and competition in buyer–supplier relationships (Eriksson, 2008), key accounts combining cooperation and competition in relationships with suppliers (Lacoste, 2012). Moreover, several studies focus on small firms; coopetition in entrepreneurial firms (Soppe et al., 2014), and coopetition in relation to sales growth among young and small firms (Lechner et al., 2016). Prior research on vertical coopetition views the interaction on a relational, or inter-firm level, and apart from the work of Eriksson (2008), most research on vertical coopetition does not recognize time and dynamics.

Among the above-mentioned studies, Eriksson (2008) applies a process perspective to investigate how actions taken at different stages of a buying process affect the balance of coopetition in a customer–supplier relationship. Recent research on horizontal coopetition has also acknowledged the importance of a process perspective. Dahl (2014) applies a process perspective to discern how coopetition interactions change over time as a result of competitors’ learning experiences and changes in the external environment. Tidström and Hagberg-Andersson (2012) study critical events in time and space when cooperation turns into competition in coopetitive business relationships. Prior research underscores the importance of
recognizing coopetition as a process to understand how activities over time relate to each other and how the development of coopetitive business relationships could be managed. Prior studies also show that the development of coopetition should be analyzed on multiple levels (e.g., Dahl, 2014; Tidström & Hagberg-Andersson, 2012; Tidström & Rajala, 2016). Coopetitive activities are related but the activity might vary on different levels. Bengtsson and Kock (2014) have recently called for research adopting a multilevel perspective on coopetition.

2.3 Theoretical framework

This section presents a tentative theoretical framework influenced by prior research on OBB and coopetition. The literature review above identifies gaps in OBB research that could be narrowed by applying coopetition research and vice versa. It is also clear that OBB and coopetition research share certain aspects, and could therefore be integrated to enhance our understanding of OBB in vertical coopetition. First, both perspectives recognize the need to study the interactions over time from a process perspective (Dahl, 2014; Makkonen et al., 2012). Second, recent research on both perspectives shows the relevance of considering different levels of analysis, and how activities between levels are interrelated. Finally, the latest research in both fields encourages the examination of the activities of individuals on the grounds that they are influential (Dahl, Kock, & Lundgren, 2016; Makkonen et al., 2012; Tidström & Rajala, 2016). These premises give rise to the tentative theoretical framework of this study (see Figure 1).
It is clear from the figure that the current focus is on the buying behavior of a firm. That buying behavior emerges over time through interrelated activities taking place on multiple levels; those being the individual, organizational, relational, and network levels. These level categories are derived from coopetition research and mirror the levels presented in OBB research. Prior OBB research terms these levels environmental influences, organizational influences, and individual characteristics (see e.g., Lewin & Johnston, 1996; Webster & Wind, 1972). Moreover, Makkonen et al (2012) divide the levels into structural elements and situational events, which includes the macro-environment, industry/network, the organizational and individual actor levels. Here network level activities refer to the activities of end-customers, industry level influences, and the effects of markets. Relational-level activities occur within a specific buyer–supplier relationship. Organizational-level activities refer to activities within the buying organization, and individual-level activities relate to activities of the individuals involved in buying. This tentative theoretical framework guides the presentation of the empirical part of this study in the following section.
3 METHODOLOGY

3.1 Research approach

The absence of a solid theory combining OBB and coopetition forces a reliance on a tentative framework, and an inductive research approach. Moreover, the aim and research question are exploratory in nature and target theory development rather than theory testing. Exploratory research is often connected with case study research (Dubois & Araujo, 2007). Case study research was considered the most appropriate research strategy for the present study as it enables researchers to acquire an in-depth understanding of a topic that is multifaceted and context-dependent, which is the case when studying business networks (Halinen & Törnroos, 2005). Dooley (2016) points out that case study research is also the most common research strategy used to investigate purchasing and supply management when incorporating semi-structured or unstructured qualitative material. The case study approach has been widely adopted, particularly in OBB research (e.g., Aarikka-Stenroos & Jaakkola, 2012; Barclay & Bunn, 2006; Makkonen et al., 2012) and is also the most common research approach within coopetition research (e.g., Fernandez et al., 2014; Tidström, 2014). Our research is based on a single case study, an approach justifiable for theory development when there is scant prior theory available relating to the research phenomenon (Easton, 2010; Eisenhardt, 1989). The use of a single case study fosters an in-depth understanding of the phenomenon. That is because all the activities within a business relationship can be studied from several angles using multiple research methods, so delivering rich information on cooperative and competitive activities.

The single case was chosen based on purposeful sampling, which means selecting a rich case from the perspective of the aim of the study (Patton, 1990). Purposive sampling is about “maximizing information instead of facilitating generalization” (Lincoln & Guba, 1985, p.

The empirical case was selected to exemplify a long-term business relationship between a buyer and a seller, that has developed over time, and been based on both cooperation and competition. The case focuses on a relationship between two companies in the manufacturing sector: Alpha and Beta. Alpha is a large multinational company and has multiple suppliers of components, or of separate products that are attached to its own products and solutions that are sold on to its customers. Beta is also a multinational company, operating globally with its own products that are used as components in larger solutions. One of Beta’s products is a crucial add-on to Alpha’s product. In our case, Alpha represents the buyer and Beta the supplier. We use a qualitative approach to scrutinize Alpha’s buying behavior because it captures the nature of the studied phenomenon, which is complex, dynamic, and involves interactions between individuals (Patton, 2002). The exploratory nature of research made it important to interview a broad spectrum of individuals on their role in the company (Dubois & Araujo, 2007).

### 3.2 Empirical setting

It is typical for manufacturing companies to focus on their core business and use suppliers in less crucial parts of that business. This kind of strategy can lead to a situation where the supplier becomes a competitor of its customer company. In light of this observation, our case study focuses on a traditional, multinational manufacturing company Alpha and its relationship with a supplier called Beta.

In 2004, Alpha identified a new business opportunity related to its product PS-1, but needed a supplier for a crucial component of the product. At that time, Beta was already a supplier to one of the business units of Alpha and the firm had established it could meet the required quality standards. Beta had a suitable product for the PS-1, and Alpha and Beta started collaborating. In 2009, the PS-1 business was growing fast and benefiting both firms (30 % of Beta’s revenue
came from the business with Alpha) and Alpha dedicated a team specifically to manage the development of the PS-1 product. The new PS-1 team decided that Beta’s product was bulky and needed some extra security elements, and accordingly the team started to develop an improved version of it. Alpha launched its first substitute for Beta’s product in 2010. It was cheaper to manufacture and more compact than Beta’s version. Although the PS-1 team tried to conduct its business with its own product in a quiet way, another unit within Alpha published a press release about the innovation. Since that event, Alpha and Beta have competed and developed and launched improved versions of their products one after another. Even as the two firms compete, Alpha still sells PS-1s incorporating Beta’s product, and therefore the two firms are still cooperating.

3.3 Data collection

The research methods applied were interviews and the review of documents. In total, 10 interviews were conducted. The informants were selected based on a snowball sampling method, where informants nominate other people who could contribute to the research (Janesick, 2000; Patton, 1987). It is a purposeful technique designed to find informants who can offer rich information, and has been validated in the context of a buying organization (Wilson, 1996; Wilson & Lilien, 1992). All individuals working at Alpha who were directly involved in the cooperation with Beta were interviewed. The process provided sufficient theoretical saturation, in that no new information emerged from the last interviews. The informants from Alpha specifically mentioned one key person from Beta who was responsible for the business relationship between the companies, so we interviewed that person too. The imbalance in the number of informants from the companies is justified by the focus of the study which is a buying organization’s behavior. Interviewing the person from Beta supported the information acquired from interviewing Alpha personnel and therefore increased the
The interviews were unstructured but addressed the cooperative and competitive relationship between Alpha and Beta, in the context of Alpha’s buying activities and how they had developed over time. At the beginning of each interview, the informant was asked to describe the relationship between Alpha and Beta in detail and how it had developed. When necessary the researchers then asked clarifying questions. The questions asked related to how the buyer interacted with the supplier, what kinds of competing products were developed, how the individuals were involved, and what activities were undertaken to maintain the relationship.

In addition to the interviews, researchers gathered information from documentary sources including minutes of meetings, presentation slides, e-mails, and both firms’ websites. These
Further, the documents accessed provided useful information on the nature of the relationship. The documentary material was analyzed in a similar way to the interview transcripts.

### 3.4 Data analysis

We applied content analysis to the empirical material. The analysis was inspired by the technique used by Corley and Gioia (2004) who explored a change process in an organization from an exploratory and qualitative perspective. In the current study, first order categories were developed into second order categories, which were then combined into aggregate dimensions. The coding started with the interview transcripts and documents. First, excerpts related to the buyer’s behavior were organized chronologically. The excerpts addressed the buyers’ activities that directly or indirectly affected the coopetitive relationship with the supplier. Next, the excerpts were organized into first order themes based on their level of occurrence, that is, network level themes, relational-level themes, organizational level themes and individual-level themes. Then the first order themes were coded into second order themes reflecting the nature of the OBB. The second order themes were coded into dominating and influential themes depending on how they related to other second order themes within the particular aggregate dimension. The researchers next identified influential themes reflecting the interviewees’ descriptions of chains of events that affected or enabled dominating themes. Those dominating themes were identified from the transcripts and other documents based on the nature of the activities described. Thus, dominating themes are the most characteristic of the particular aggregate dimension of OBB. An example of the coding from the first period starts with the excerpts “We (the PS-1 team) panicked, because it (the new product) was not meant to be public knowledge…” and “…there was a picture of this project (the new product) on our websites,

*unfortunately…* Both relate to the individual level. The first order theme derived from the excerpts was *creating own way of working and keeping secret competing product*. The second order theme was coded as *hidden competitive activities*, which moreover represents a dominating activity, because it was influenced by activities on an organizational level. Combined with a second order theme at the organizational level, the *hidden competitive activities* theme constitutes the aggregate dimension of *ambivalent buying behavior*. The rich qualitative material was consequently analyzed in a thematic way, and the analysis proceeded progressively from broad categories to key themes (Miles & Huberman, 1994). NVivo10 software was used to facilitate the analysis. A summary of the data structure is illustrated in Figure 2.

**Figure 2.** Data structure.
4 FINDINGS

We found three types of buying behavior: ambivalent, authoritative, and opportunistic. The following sections analyze these buying behaviors in detail, based on the categorizations of second order themes and first order concepts derived from the excerpts. Thereafter, the findings are synthesized and summarized.

4.1 Ambivalent buying behavior

The first phase occurred from 2009 to 2011 and is characterized as ambivalent buying behavior. On an organizational level, this behavior relates to open competitive activities, which in turn can reflect first, an ad-hoc way of working and lack of routines, and second, the development and release of a competitive product. In Alpha, there was a lack of routines governing operations and processes, because both the PS-1 team and the PS-1 business were new. One informant described the course of action as the organization daring to throw itself into new worlds and create success through learning from trial and error. The interviews also reveal that Alpha had no desire to be dependent on one supplier, and wanted to develop its own products. That preference applied to all key components where a supplier owned the intellectual property rights (IPRs). The informants described how Alpha owning the IPRs would make it easier to modify a design in the future.
The organizational-level activities described above influenced the activities on an individual level. In 2009, a new team was set up to run the PS-1 business. The lack of routines on an organizational level meant the individuals within the team created their own way of working. The team was driven by its desire to develop the PS-1 business, and it decided the best way to do that was to develop a cheaper and better product than Beta’s offering (albeit one that was complementary). Alpha’s PS-1 team did not inform Beta about the new product, ensuring that its competitive activity remained hidden. One of the informants acknowledged the almost paradoxical situation of the PS-1 team progressing with its own product as Alpha simultaneously bought the original from Beta.

On an organizational level, some units within Alpha were keen to publicize information about the PS-1, whereas the team actually developing the PS-1 preferred not to. The information on the revised PS-1 was shared with the public through a press release. Beta heard of the modified PS-1 when that press release appeared on Alpha’s websites.

...there was a picture of this project (the new product) on our websites, unfortunately... (Development engineer, Alpha)

...we (the PS-1 team) panicked, because it (the new product) was not meant to be public knowledge... (Category manager, Alpha)

...but of course Alpha wants to show what we can do. (Category manager, Alpha)

To sum up, the ambivalent buying behavior in this phase is characterized by an imbalance in the activity on the organizational and individual levels. The organizational-level activity influenced the options for competitive activities on an individual level, and competition was more open on the
organizational than on the individual level. The ambivalent buying behavior originates at the individual level, as it was there the competitive activity took place clandestinely, albeit supported by organizational-level activities. The ambivalent buying behavior in this phase influenced the authoritative buying behavior that emerged in the next.

4.2 Authoritative buying behavior

The following phase spanned the period 2012–2014 and is characterized by authoritative buying behavior. In this phase, the relationship was based on both cooperation and open competition. Each firm was aware of the other’s competing product even as they cooperated. On an organizational level, Alpha modified its procurement policy moving from a centralized form to one built around business lines. The thinking was that the latter form could improve strategizing and decision making, and it also naturally reduced the impact of individual-level activities that had dominated the previous phase of ambivalent behavior. In 2013, after a price reduction, Alpha’s management drew up a plan to maintain the relationship with Beta. However, the empirical material reveals that the sales success of Alpha’s competing PS-1 product prompted the team to develop a second-generation product to complete its product portfolio. The rollout in 2014 marked the switch to an obvious strategy to replace Beta’s product with Alpha’s own. However, there was still some dependence between the companies that forced them to interact, largely so as not to upset customers. These organizational-level activities influenced activities on both the relational and individual levels.

On a relational level, the supplier tried to reinforce cooperation by offering to develop a product that was similar to Alpha’s competing product, but Alpha rejected the offer. One of the informants
confirmed that Alpha preferred to sell its own product, while still seeing value in preserving the relationship with Beta to hedge against the potential of sales of its own product being disappointing.

...I just said to them (Beta) that we haven’t sold that many of those (PS-1s with Alpha’s own product). We do not see that you... Of course you can develop whatever you want to... but for us you don’t need to develop... (Category manager, Alpha)

...I asked why didn’t you contact us after so many years of a good relationship? We could support you... But there were no contact and no answer ... (Key account manager, Beta)

The above excerpt shows how the buyer on a relational level expressed a lack of interest in the supplier’s offer to modify its component, while simultaneously underplaying the importance of its own product. However, the supplier had secretly developed a competitive product. The buyer learned of that product at a trade fair, where the supplier was presenting the product to the industry. The buyer’s staff at the trade fair requested information on the product from the supplier, but no information was forthcoming.

...and I asked, that can we get a price for this? Yes, he said, just tell me how many you need and after that you will get the price... (Category manager, Alpha)

...kind of half as a joke at the meeting we asked if they could give us an offer on these (Beta’s new design), but no...they did not agree for some reason... (Strategic purchaser, Alpha)

The informants from Alpha subsequently made it clear in the interviews that their aim was to obtain the price of Beta’s product, not because they wanted to buy it from Beta, but to see how Beta’s product functioned and to create a competitive advantage for Alpha’s own product. Alpha was not displaying its own product at the trade fair, suggesting the firm wanted to withhold detailed product
information. The buying behavior on a relational level relates to benefiting from the supplier by preserving a relationship only in case it is needed, and trying to obtain important product-related knowledge.

There were also individual-level activities related to the authoritative buying behavior. At the beginning of 2012, on an individual level, an internal meeting was held in Alpha to set the requirements for the supplier. The meeting was arranged by purchasing professionals and attended by all the project members who had contact with Beta. The authoritative buying behavior of Alpha is strongly reflected in extracts from this internal meeting memo:

*Person X will assist to keep the pressure on the supplier to confirm all orders.*

*Person Z and Person W will compile a list of projects missing order confirmations so that Person X can assist in pushing Beta until all orders are up to date*

The demands were presented to Beta at another meeting. Beta agreed to implement the modifications, as it simultaneously increased the price of the product. The PS-1 team members at Alpha thought the price too high, and another internal meeting was arranged and tasks assigned.

*Person X and Person Y will research the costs of the components and make a “should cost model” of Beta’s product*

The outcome was a cost breakdown structure that was subsequently presented to Beta along with a demand the supplier reduced its price. The individual-level activities can be described as pressurizing and were intended to control orders and pricing.

The authoritative buying behavior in this phase was influenced by the ambivalent buying behavior in the preceding phase, as the competitive activities on an individual level presented opportunities for the competitive activity on an organizational level that dominated this period. The sales growth of Alpha’s own product was connected to both relational- and individual-level activity characterized by the use of power and dominance in the relationship with the supplier. The organizational level dominance lessened the power of individuals and influenced individual-level activity. The organizational-level authoritative behavior prompted opportunistic behavior on a relational level in the next phase.

### 4.3 Opportunistic buying behavior

The last phase is characterized by opportunistic buying behavior, which started in 2015 and continues to the present day. On a network level, Alpha’s customers’ buying behavior was influential. Alpha’s most important customers wanted to reduce cost and signaled their intention to deal directly with Beta. Alpha wanted to prevent this and started to offer its own product at a cheaper price to the customer.

*...We have considered a pricing strategy where we start to offer our own product to our important customer. And that way we aim to get about a 20 percent margin, it's smaller than we get from using Beta’s ones, but still quite good...* (Strategic purchaser, Alpha)

*...they (the customer) would get our product about 10 percent cheaper than Beta’s one... So that they would not start asking for it directly from Beta...* (Strategic purchaser, Alpha)

*We want to highlight the possibility to utilize Alpha’s product instead...and we have attached our updated information package for this solution and it presents several benefits that can be achieved if selecting Alpha’s products, and we are willing to support you actively in your efforts toward the [customer] in this issue. (E-mail from Alpha to the customer)*
These excerpts illustrate how the opportunistic behavior of the buyer manifests at a network level with regard to its customers. Activities were focused both on promoting sales of the firm’s own product by reducing its price. During this period, Alpha succeeded in increasing sales of those PS-1s incorporating its own product. The opportunistic buying behavior is also related to dominating activities at the organizational level. The dominating activities stem from internal company meetings setting an agenda for meetings with the supplier. The nature of these meetings is illustrated by the following quote:

...what do we want from them in the future, do they have anything to offer us and what actions would they need to take... what would they need to improve? (Strategic purchaser, Alpha)

... it was not a good and open relationship anymore... (Key account manager, Beta)

Clearly, on an organizational level, the buyer prepared and stated its demands to the supplier. This activity influenced the relational level and led to the buyer acting to undermine the importance of the supplier. An informant described how Alpha deployed representatives from different units in meetings with Beta to gain an advantage in the negotiations. However, the attempts to leverage power through the meetings were not entirely successful because the supplier did not always participate. The respondents reported how Beta’s personnel did not appear at scheduled video meetings, causing Alpha to cancel all meetings between early 2015 and 2016.

...we were upset because they did not appear at the scheduled e-meetings and we cancelled them all... (Strategic purchaser, Alpha)
This quote clearly shows that Alpha continued to pursue a strategy of power in the coopetitive relationship with its supplier. However, at the beginning of 2016, Alpha took the initiative and arranged a face-to-face meeting with Beta to address communication issues over deliveries and spare parts orders. At this meeting, Alpha presented what it termed its supplier performance expectations to Beta and reviewed the delivery and communication issues. The minutes of the meeting include a note:

*Beta worst performer during the last month, 5th worst running 12 months → improvement promised and expected for upcoming months*

This note clearly indicates the nature of the OBB on a relational level. By the overriding activities the buyer is attempting to distance itself from the supplier, which can also be understood as opportunistic behavior.

The opportunistic buying behavior in this period was influenced by the preceding phase of authoritative buying behavior. In that phase, the focus on an organizational level was on the sales of the buyer’s own product. This later influenced the opportunities for opportunistic behavior on a relational level. In focusing on finding fault with the supplier and setting requirements, while sales of its own competitive product grew on a network level, Alpha’s buying behavior is opportunistic. This behavior also served to increase the distance between the buyer and the supplier.

A summary of the findings of the empirical study is available in Figure 3.
Figure 3. OBB as interrelated activities on multiple levels.

The figure illustrates how OBB in coopetition develops over time through interrelated activities on multiple levels. Below, the findings are elaborated upon and discussed in light of prior research.

5 DISCUSSION AND IMPLICATIONS

The findings illustrate that the different buying behavior activities over time are connected and that one type of behavior influences, and is influenced by, other types of behavior. The buying behavior studied evolved from ambivalent behavior on an individual level, through authoritative behavior on the organizational level, to opportunistic behavior on a relational level. The ambivalent behavior relates to hidden competitive activities, which later made authoritative buying behavior possible. This behavior was reinforced through successful development and sales of the buyer’s own product. In the following and current phase, the buying behavior becomes opportunistic, as the

The findings show that OBB is shaped by interrelated activities on multiple levels over time. Prior OBB research has acknowledged the multilevel nature of OBB, but has not been able to capture the interplay between activities on different levels (e.g., Lewin & Johnston, 1996; Makkonen et al., 2012). Our study extends the findings of Makkonen et al. (2012) by showing how the buyer–supplier relationship between industrial multinationals is influenced by activities on several levels. Our findings shed light on the complex nature of OBB by showing how it is formed by interrelated activities on multiple levels. Moreover, our findings show that as the buyer–supplier relationship develops from the cooperative to the competitive, the nature of activities changes. In a more cooperative phase, individual-level activities dominate OBB. When competition enters the buyer–supplier relationship, the importance of organizational-level activities becomes clear. However, in a more cooperative phase, individuals have a greater influence over the shape of the OBB and the overall direction of the relevant business area. Further, we found that the interplay of activities on multiple levels enables the development of the buyer–supplier relationship from a cooperative to a coopetitive form.

As far as activities are concerned, the findings of this study add a new perspective to prior OBB research, where activities are seen as deliberate actions in a decision process (Barclay and Bunn, 2006) or where the focus lies on how structural elements and situational events influence buying activities (Makkonen et al., 2012). The current study contributes by focusing on the content and nature of activities occurring in different periods. Previous OBB research has viewed...
organizational buying either in the form of stages of a buying process (e.g., Bunn, 1993) or as a dynamic non-systematic process (e.g., Barclay & Bunn, 2006; Makkonen et al., 2012). Our findings support those advocating the latter formulation, and moreover, show that buying activities are dynamic and cannot be restricted to the four buying activities of Bunn’s (1993) framework. The findings advance prior OBB research by adding a new perspective on the nature and content of activities.

The findings also contribute to OBB research by introducing the topic of coopetition. Previous OBB research has focused on cooperative relationships (see e.g., Wilson, 1996) or discrete transactions from the perspective of a buying firm (e.g., Bunn, 1993; Moon & Tikoo, 2002). The current research examines a coopetitive buyer–supplier relationship and shows that competitive activities on various levels shape the development of OBB over time. Moreover, the findings show that cooperative and competitive activities are interrelated, and illustrate how the nature of the activities changes as the relationship develops. The findings of this study therefore also contribute to prior research on vertical coopetition by presenting a new angle on opportunistic behavior in vertical coopetition. The case study illustrates how opportunism developed over time through cooperative and competitive activity undertaken on multiple levels. The current research also adds the large firm context to prior research on vertical coopetition (Soppe, Lechner, & Dowling, 2014). The findings of this study therefore extend OBB research by illustrating the dynamics of simultaneous cooperative and competitive activities, and how they are interrelated.
5.1 Managerial implications

From a managerial perspective, the current study reveals the importance in supply chain management of focusing on individual- and organizational-level activities, rather than only on activity at the relational level. Working under an authoritative style of buying behavior need not hinder the supplier from developing competitive products. A change in the nature of the buyer–supplier relationship offers options to modify the OBB and to behave in an authoritative or opportunistic way. However, our results show that these OBB modes can negatively affect the relationship. From the perspective of vertical coopetition, it is important to be alert to opportunism, and be aware that once established it can be hard to control. It is important to have an internal company strategy before approaching the supplier. The emergence of competitive activity adversely affects the buyer–supplier relationship, because it signals the pursuit of self-interest rather than mutual benefit. Our findings indicate that when competition intensifies, buying activity also becomes oriented primarily to the needs of the buyer.

5.2 Limitations and suggestions for future research

A limitation affecting this study is that its empirical element focuses on only one relationship, that between a large manufacturer and a large buyer in the manufacturing sector. Future research might extend the understanding of OBB in coopetition by exploring the phenomenon from the perspective of small firms in different industry sectors. Moreover, the empirical case of this study concerned coopetitive OBB that changed from being cooperative to become more competitive. Consequently, future research on coopetitive OBB evolving from competition to cooperation would be welcome. Another limitation of this study is that it does not focus on the management of coopetition in OBB,
which would be an interesting avenue for future research. An important question is: How should the process of OBB in coopetitive business relationships be coordinated and managed? The question relates to performance, something that is beyond the purview of the current study, and an opportunity for OBB research would therefore be to explore cooperative and competitive activities in OBB and how they relate to company performance.

6 CONCLUSIONS

The current article aims to improve the understanding of the development of OBB from a multilevel perspective in a coopetitive business relationship. The empirical part of the study is based on a coopetitive relationship between a multinational buyer and seller in the manufacturing sector. The findings of our study show that OBB develops over time through interrelated coopetitive activities on multiple levels. Competitive activities on an individual level influence authoritative behavior on the organizational level, which in turn influences opportunistic behavior on the relational level. From a time perspective, we can state that dominating activities evolve through lower level activities to higher level activities. These dominating activities over time relate to activities on other levels. The findings of this study contribute to existing OBB research by enhancing understanding of the nature of activities in coopetitive buyer–seller relationships, showing how activities on multiple levels are interrelated during a certain time phase, and how OBB develops over time through interrelated and multilevel activities.

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