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## PAYING IT FORWARD?: THE IMPACT OF IDENTITY ON CO-OPETITION IN THE CRAFT BEER INDUSTRY (SUMMARY)

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≈ SUMMARY ≈

## PAYING IT FORWARD?: THE IMPACT OF IDENTITY ON CO-OPETITION IN THE CRAFT BEER INDUSTRY

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### Principal Topic

Over the past decade, the concept of co-opetition, or simultaneous competition and cooperation between firms, has increasingly received scholarly attention. We address three important gaps in the literature on co-opetition in this study. First, current understanding of co-opetition is restricted to the innovation context. We examine co-opetition across all business processes, from raw material to sale of the finished product. Second, prior studies assume mutually-beneficial transactions between firms (Bengtsson & Kock, 2000). This has resulted in a lack of insight into collaborative actions where one firm benefits disproportionately over another. Third, research has explored co-opetition as a single, collaborative event, whereas we examine co-opetition as a set of on-going actions and interactions. Therefore, this study looks beyond innovation and mutually-beneficial contexts to examine *what drives entrepreneurs' decisions to engage in co-opetition?*

### Methods and Key Propositions

Given the relative paucity of research examining the factors driving co-opetitive actions (Hoffmann et al., 2014), we used an inductive, qualitative approach to study entrepreneurs in the craft beer industry across 2 countries (United States and Belgium) and 3 distinct US regions (rural, mid-sized market, and major metropolitan area). Specifically, we conducted semi-structured interviews and verbal protocols with approximately 30 founders and owners of craft breweries. We then employed content analysis techniques to analyze the interviews.

### Results and Implications

By drawing on identity theory to explain entrepreneurs' competitive and cooperative actions, we make three important contributions. First, we find that a shared collective identity fosters a *pay it forward* mentality in which established craft brewery owners help others because they too once benefited from cooperation. Second, we counter-intuitively find that craft brewery owners believe that *a rising tide lifts all boats*, and accordingly, they believe the growth and legitimacy of their industry will benefit from additional high-quality competitors. Finally, we extend recent efforts to understand the inter-relationship between entrepreneurs' social and role identities (Mathias & Williams, 2014; Powell & Baker, 2014). We find that the way entrepreneurs collaborate changes over time as dynamics within the social group evolve. Together, we further our understanding for how identity impacts co-opetition.

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