

## Chain Networks on Internationalization of SMEs: Co-Opetition Strategies in Agrifood Sector

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**Abstract :** The situation in which firms engage in simultaneous cooperation and competition with each other is a phenomenon known as co-opetition. This scenario has received increasing attention in business economics and management analyses. In the domain of supply chain networks and for small and medium-sized enterprises, SMEs, these strategies are of greater relevance given the complex environment of globalization and competition in open markets. These firms face greater challenges regarding technology and access to specific resources due to their limited capabilities and limited market presence. Consequently, alliances and collaborations with both buyers and suppliers prove to be key elements in overcoming these constraints. However, rivalry and competition are also regarded as major factors in successful internationalization processes, as they are drivers for firms to attain a greater degree of specialization and to improve efficiency, for example enabling them to allocate scarce resources optimally and providing incentives for innovation and entrepreneurship. The present work aims to contribute to the literature on SMEs' internationalization strategies. The sample is constituted by a panel data of marketing firms from the Andalusian food sector and a multivariate regression analysis is developed, measuring variables of co-opetition and international activity. The hierarchical regression equations method has been followed, thus resulting in three estimated models: the first one excluding the variables indicative of channel type, while the latter two include the international retailer chain and wholesaler variable. The findings show that the combination of several factors leads to a complex scenario of inter-organizational relationships of cooperation and competition. In supply chain management analyses, these relationships tend to be classified as either buyer-supplier (vertical level) or supplier-supplier relationships (horizontal level). Several buyers and suppliers tend to participate in supply chain networks, and in which the form of governance (hierarchical and non-hierarchical) influences cooperation and competition strategies. For instance, due to their market power and/or their closeness to the end consumer, some buyers (e.g. large retailers in food markets) can exert an influence on the selection and interaction of several of their intermediate suppliers, thus endowing certain networks in the supply chain with greater stability. This hierarchical influence may in turn allow these suppliers to develop their capabilities (e.g. specialization) to a greater extent. On the other hand, for those suppliers that are outside these networks, this environment of hierarchy, characterized by a "hub firm" or "channel master", may provide an incentive for developing their co-opetition relationships. These results prove that the analyzed firms have experienced considerable growth in sales to new foreign markets, mainly in Europe, dealing with large retail chains and wholesalers as main buyers. This supply industry is predominantly made up of numerous SMEs, which has implied a certain disadvantage when dealing with the buyers, as negotiations have traditionally been held on an individual basis and in the face of high competition among suppliers. Over recent years, however, cooperation among these marketing firms has become more common, for example regarding R&D, promotion, scheduling of production and sales.

**Keywords :** co-petition networks, international supply chain, maketing agrifood firms, SMEs strategies

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