



An Exploratory Studies Of The Common Practices, Prevalent Of Today's Global Economic Scene, Of Rival Companies Cooperating With One Another In Order To Boost Their Chances Of Success

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Abstract

An unconventional but rapidly expanding technique known as "coopetition" is gaining popularity as businesses in today's linked and fiercely competitive global economy see the strategic benefit in collaborating with competitors. Innovation, resource optimisation, and quick market changes need collaborative methods, which is why researchers can see these techniques in sectors including technology, pharmaceuticals, aviation, among automotive industries. In this research, we conduct an exploratory study to learn more about why and how competing businesses work together to boost their odds of success. Cost reduction, faster innovation, risk sharing, access to additional resources, and growth into new markets are some of the important reasons highlighted in the report as being responsible for this trend. Trust gaps, information leakage, and governance intricacies are some of the difficulties of coopetition that are discussed. The study shows how coopetition helps with organisational resilience and overall economic sustainability by looking at actual instances of joint ventures between rival businesses. It seems to imply that when these partnerships are well-managed, they help businesses succeed in the face of global uncertainty, build stronger ecosystems inside their own industries, and reap reciprocal advantages. The importance of coopetition as a development and survival strategy in the worldwide economy is shown by this research, which also highlights the role it had in influencing current corporate practices. This phenomenon signifies a shift from conventional business models that prioritise intense competition, leaning instead towards collaborative interactions that foster shared value while still upholding market rivalry. Such practices are especially prominent in sectors such as technology, pharmaceuticals, aviation, along with automotive industries, during which innovation, resource optimisation, and swift market changes require collaborative approaches.

Keywords: global economy, business collaboration, economic sustainability, rivalry and cooperation.

1. Introduction

Interdependence, technical advancement, and rivalry have all intensified in the last few decades, causing profound shifts in the global economy. The increasing tendency of collaboration between competing enterprises, usually known as "coopetition," is reshaping conventional concepts of competitiveness in this dynamic context. A strategy approach known as coopetition differs from traditional rivalry in that it involves competing organisations cooperating in certain areas while maintaining competition in others. The complexity of today's marketplaces necessitates a practical response, and this dual connection is a reflection of that. In these markets, success often hinges on the pooling of resources, the interchange of information, and collaborative invention (Bartels, 2021). Companies in the IT, pharmaceutical, aviation, and automotive industries often cooperate to save costs, speed up R&D, and reach international markets. This kind of competition is most pronounced in these sectors. For instance, IT companies may work together on standardisation or infrastructural projects while still vying for customers' business. In a similar vein, pharmaceutical firms often work together in clinical studies to safeguard their exclusive goods while speeding up medication



development. Such actions demonstrate how competitors may work together to improve efficiency, gain an advantage, and fortify industrial ecosystems. This exploratory research looks at the current global economic situation and tries to figure out why competing businesses often work together. The benefits and drawbacks, including potential information leaking, trust problems, and governance concerns, can be examined. Thus, the study sheds light on how coopetition is an essential tactic for surviving, thriving, and succeeding in the cutthroat global economy (dinu, 2022). Intense rivalry, fast technological progress, and growing interconnectedness among businesses characterise today's global economic situation. Because of this, a lot of competing businesses are seeing collaboration to stay in business and perhaps grow. Cooperation between businesses to share resources, lessen risk, and speed up innovation while still competing in the same market is called coopetition. Collaboration promotes reciprocal advantages and greater industry resilience; this is seen in sectors such as technology, medicines, and aviation. This exploratory research looks at these typical activities, with an emphasis on the reasons, benefits, and obstacles that cause competing businesses to work together for greater success (jarrahi, 2018).

2. Background of the study

The expansion of knowledge-based businesses, digitisation, and fast globalisation have all contributed to a more complicated, competitive, and linked world economy. Aggressive competition between businesses for larger market shares and superior performance used to define corporate rivalry. New strategic methods that challenge traditional competitiveness have started to be adopted by organisations in response to increasing operating costs, unpredictability, and an appetite for innovation. Notable among these strategies is coopetition, a paradoxical approach where competing businesses work together in certain areas while being competitive in others (kar et al., 2021). Co-optation is common because people are responding realistically to the changing dynamics of the international economy. Companies in industries including technology, transportation, aviation, and pharmaceuticals are increasingly working together to solve difficult or expensive problems by sharing resources, dividing up risks, and creating solutions. Even if they compete with one another in product development and customer services, tech companies may work together on scientific infrastructure or standard-setting projects. Drug investigation and clinical trial partnerships are another common way for pharmaceutical corporations to save costs and shorten development times (klymenko et al., 2021). Co-optation is on the rise as more and more businesses realise the benefits of working together, including increased efficiency, stronger industry ecosystems, and access to previously untapped markets. Problems with information leakage, trust gaps, and complicated governance are some of the difficulties it presents. To better comprehend how coopetition changes contemporary company strategy, encourages resilience, and gives companies an edge in the global economy, it is essential to do exploratory studies of such behaviours (mishra & pani, 2021).

3. Purpose of the study

The purpose of this research is to look at the typical ways that competing businesses work together, what makes them work together, and what happens as a consequence. The study aims to demonstrate how collaborative techniques lead to sustainability, market growth, competitive advantage, and real-world examples in sectors including technology, pharmaceuticals, automotive, and aviation. To round out the picture, the researcher was also looked at the benefits and drawbacks of coopetition, including trust problems, governance systems, and the dangers of information leaking. The overarching goal of this study is to shed light on how competing enterprises use cooperative activities to their advantage in the global market. By



presenting coopetition as a game-changing method for attaining resilience, innovation, and long-term competitiveness, the research hopes to add to the expanding corpus of literature on strategic management (moldoveanu, 2022). Such as a strategic reaction to the problems of today's global economic climate, competitive corporations are increasingly partnering with one another. This developing phenomenon was be explored and analysed in this research. Businesses today are coming to terms with the fact that conventional competitive strategies won't cut it in an age defined by lightning-fast technical developments, increased market volatility, and globalisation. Opposite to this, coopetition—a term for when rivals work together—is quickly becoming a popular way to maximise resources, minimise risks, and encourage innovation while keeping some healthy competition (peter et al., 2023).

4. Literature review

Coopetition, the practice of competing businesses working together, has become more popular as a strategy to deal with the complicated global economy in the last few years. As a strategy that seems to contradict logic, in which companies work together while yet competing. Since then, a plethora of research has highlighted the increasing use of coopetition in several sectors, drawing attention to its capacity to strengthen market resilience, efficiency, and innovation. The growth of knowledge-intensive industries, the acceleration of technical innovation, and globalisation have all played a role in the spread of coopetition. Companies cannot keep up with the rapid rate of invention and the high expense of r&d in areas that are very dynamic, like technology and pharmaceuticals. Because of this, even competitors are more likely to work together. For example, it companies that are so big may work together on infrastructure and standards that everyone uses, even while they're still competing for customers' dollars. Pharmaceutical firms also work together on vaccine research and clinical trials to speed up product development and save expenses. Coopetition has advantages and disadvantages, which have been discussed in recent research. On the one hand, coopetition encourages the sharing of information, the pooling of resources, and the management of risks as a group. As a counterpoint, it brings up issues of trust, governance, and potential opportunistic actions or information leaks (sestino et al., 2020). The significance of well-established governance processes for maintaining a healthy equilibrium between cooperation and competition. Academics have also pointed out coopetition's effects on the economy as a whole. Firms may react to global concerns like sustainability, digitalisation, and economic crises collaboratively via coopetition, which enhances whole industry ecosystems. Collaboration between competitors not only helps businesses get an edge in the market, but it also helps keep the world economy stable via the creation of innovation networks alongside collaborative supply chains, according to newer research. According to the research, coopetition is becoming commonplace in today's global economy, rather than an isolated tactic. The increasing amount of research shows that coopetition is an important approach for organisations to be resilient, successful in the long run, and competitive in a world that is interconnected. However, how well it works relies on the sector, the governance, and the level of trust (szalavetz, 2022).

5. Research question

- What is the impact of rival companies cooperating with one another with common practices prevalent of today's global economic scene?

6. Research methodology

6.1 Research design



The spss version 25 was used for the quantitative data analysis. A 95% confidence interval and odds ratio were used by the researchers to assess the direction and strength of the statistical association. A statistically significant criteria was established by the researchers at $p < 0.05$. The data's basic features were revealed via a thorough investigation. Quantitative methods are often used to evaluate data collected via polls, questionnaires, and surveys, as well as data analysed using computing tools for statistical evaluation.

6.2 Sampling

Research participants completed questionnaires to furnish data for the study. Utilising the rasoftware tool, researchers ascertained that the study comprised 657 individuals. Researchers disseminated 896 questionnaires to the public. The researchers obtained 823 replies, eliminating 45 due to incompleteness, yielding a final sample size of 778.

6.3 Data and measurement

The study mostly utilised data acquired from a questionnaire survey. The participant's essential demographic information was requested first. Participants were subsequently given a 5-point likert scale to evaluate the online and offline channels. The researchers rigorously analysed several resources, especially internet databases, for this secondary data acquisition.

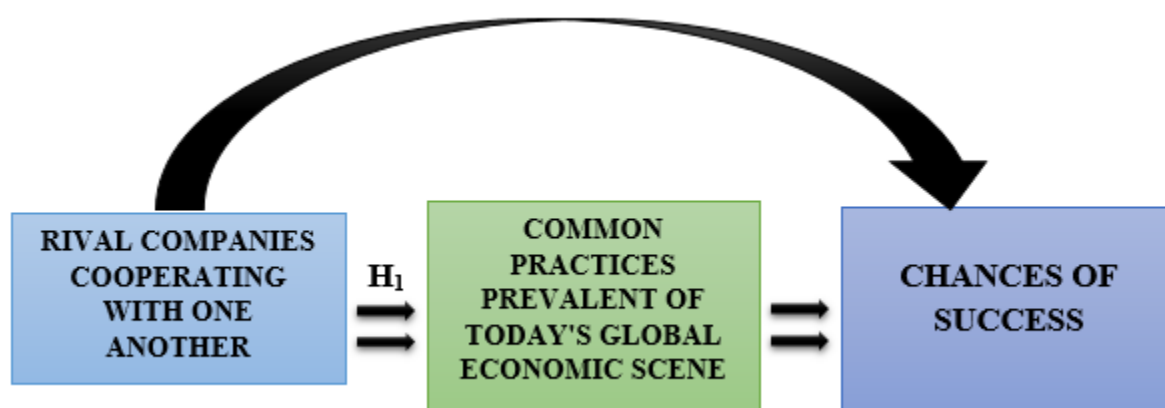
6.4 Statistical software

The statistical analysis was conducted using spss 25 and ms excel.

6.5 Statistical tools

The primary characteristics of the data were understood via the use of descriptive analysis. Using anova, the researcher must examine the data.

7. Conceptual framework



8. Results

• Factor analysis

Factor analysis (fa) is often used to find hidden variables in observable data. It is common practice to use regression coefficients to generate ratings when there are no easily visible visual or diagnostic signs. Success in fa is highly dependent on models. The goals of modelling are to identify errors, intrusions, and apparent linkages. The kaiser-meyer-olkin (kmo) test is one tool for evaluating datasets that have been generated by numerous regression analyses. The representativeness of the model and the variables in the sample are checked by them. There



seems to be data duplication based on the numbers. Data is more easily comprehensible when proportions are smaller. The output of kmo is an integer from 0 to 1. A sufficient sample size is defined as a kmo value between 0.8 and 1. According to kaiser, these are the acceptable limits: the standards that kaiser has established for admission are as follows:

a dismal 0.050 to 0.059, worse than the typical 0.60 to 0.69

the typical range for middle grades is between 0.70 and 0.79.

having a quality point score between 0.80 and 0.89.

between 0.90 and 1.00, they find wonder.

Testing for bartlett's sampling adequacy and kmo (table1) the kaiser-meyer-olkin .968 scale

According to bartlett's sphericity test, these are the results: chi-square, sig.=.000, about 190 degrees of freedom this proves that the statements made for sampling were legitimate. In order to determine whether the correlation matrices were relevant, the researchers used bartlett's test of sphericity. An adequate sample is defined as one with a value of 0.968 according to the kaiser-meyer-olkin measure. The results of bartlett's sphericity test provide a p-value of 0.00. Researcher can tell the correlation matrix isn't an identity matrix if bartlett's sphericity test returns a positive result.

Table 1: kmo and bartlett's test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.968
Bartlett's Test of Sphericity	Approx. Chi-Square	3252.983
	df	190
	Sig.	.000

In addition, the widespread use of correlation matrices was confirmed by bartlett's test of sphericity. The sample adequacy measure, as measured by kaiser-meyer-olkin, is 0.968. Using bartlett's sphericity test, the researchers obtained a p-value of 0.00. A substantial result of bartlett's sphericity test demonstrated that the correlation matrix was ineffective.

❖ **Independent variable**

• **Rival companies cooperating with one another**

A business strategy known as "rival companies cooperating" occurs when rival companies work together in certain areas while maintaining their competitiveness in others. The realisation that two or more people may accomplish more by cooperating than by working alone gives birth to this seemingly contradictory connection, which is commonly called cooptation. Cooperation of this kind might take the form of partnerships in logistics, infrastructure, or standardisation, as well as joint ventures, research partnerships, or the sharing of technologies. Getting to new markets, cutting expenses, speeding up innovation, and sharing risks are the main drivers of this technique. When it comes to product sales, tech businesses may work together to build shared platforms, and when it comes to clinical trials, pharmaceutical companies might work together to minimise costs and speed up medication development. Knowledge leaking, trust problems, as well as conflicts of interest are some of the difficulties



that may arise from using this strategy. Firms may increase their competitiveness, resilience, and ability to respond to global economic difficulties via the proper management of coopetition (trunk et al., 2020).

❖ **Mediating variable**

• **Common practices prevalent of today's global economic scene**

Interconnected marketplaces, fast technical innovation, and greater rivalry have formed the global economic landscape of today, and as a result, many common business practices have emerged. Businesses often work together beyond national boundaries in strategic alliances in order to gain access to new markets, technologies, and resources. As companies embrace automation, big data, and artificial intelligence to stay competitive, digitally transforming has also become key. Coopetition is another common technique when competing corporations work together on sustainability, infrastructure, or research projects while remaining competitive in other domains. Corporate social responsibility and sustainability are also important practices because consumers expect businesses to care about the community and the environment. Taken as a whole, these methods demonstrate how companies are embracing more interdependent, creative, and accountable approaches to navigating the challenges of today's global market (wasim et al., 2022).

• **Relationship between rival companies cooperating with one another and common practices prevalent of today's global economic scene**

Cooperation between competing businesses, or coopetition, is intricately related to the larger shared practices that are influencing the modern international economic landscape. More and more, companies are realising that in today's environment of sustainability standards, globalisation, and digitisation, they need to work together—sometimes even with their rivals—to survive and thrive. Global cooperation, supply chain cooperation, digital innovation, and environmentally conscious initiatives are all common practices that emphasise joint efforts to overcome shared concerns. Coopetition is in line with these practices. The fact that it companies that compete with one another in consumer markets may also work together to invest in infrastructure in order to lower prices exemplifies the duality of rivalry and cooperation. Pharmaceutical companies also follow the general trend in international markets towards pooling resources and reducing risk by working together on clinical studies. Cooperation and competition are not mutually exclusive strategies; rather, they represent the realities of the modern economy, which places a premium on efficiency, innovation, and interconnectedness in order to maintain competitiveness and stability over the long run (zhang et al., 2021).

On the basis of the above discussion, the researcher formulated the following hypothesis, which was analyse the relationship between rival companies cooperating with one another and common practices prevalent of today's global economic scene.

“h₀₁: there is no significant relationship between rival companies cooperating with one another and common practices prevalent of today's global economic scene.”

“h₁: there is a significant relationship between rival companies cooperating with one another and common practices prevalent of today's global economic scene.”



Table 2: H₁ ANOVA Test

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	41390.520	323	5655.517	1055.921	.000
Within Groups	798.370	454	5.356		
Total	42188.890	777			

The outcome is substantial in this research. Statistical significance is achieved with a p-value of .000 (below the .05 alpha level), and the f value is 1055.921. This suggests that researchers might support the alternative view, "*h₁: there is a significant relationship between rival companies cooperating with one another and common practices prevalent of today's global economic scene*" is accepted and the null hypothesis is rejected.

9. Discussion

In today's global economic climate, opposing enterprises cooperating is the norm, not the exception, according to the discoveries of an exploratory research. In the face of growing costs of innovation, technological disruption, and unpredictability, coopetition develops as a strategic reaction. Rival businesses may stay competitive in other sectors by working together on sustainability, r&d, and infrastructure initiatives. This allows them to share risks, optimise resources, and speed up innovation. This is indicative of more systemic trends in the world economy, such as the strengthening of supply chains via digital transformation and coordinated sustainability efforts. Despite the obvious advantages, the conversation also highlights the downsides of coopetition, such as the potential for information leakage, trust problems, and difficulties with governance. Effective management, mutual commitment, and well-defined agreements are crucial to the success of any such collaboration. The overall trend towards interconnection and sustained competitiveness is well-aligned with coopetition, which is a crucial and revolutionary technique.

10. conclusion

Collaboration between competing businesses is becoming more common in today's global economy, according to an exploratory research. In this age of increased rivalry, digital transformation, and globalisation, coopetition offers businesses a practical way to deal with problems that are too big to handle alone. Partners may strengthen their position in the market and the industry as a whole by combining forces, dividing up the costs, and investing in new technologies. The research shows that coopetition is compatible with a number of common worldwide economic activities, including as digital innovation, supply chain integration, joint research, and sustainability programs. Growth and sustained achievement in very dynamic markets are shown by these strategies, which emphasise the need of interconnection and collaboration. Problems with trust, complicated governance, and the dangers of opportunistic behaviour are among the obstacles that must be overcome for coopetition to be successful. In the end, rival collaboration is more than just a passing fad; it's a game-changing strategy for businesses throughout the world. Crucial for thriving in a globally interdependent economy, it fortifies ecosystems, encourages innovation, and backs sustainable development.

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