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Article

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The evolution of co-opetition in the Waipara wine cluster of New Zealand

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Abstract

The co-opetition literature has long focused on the explanatory variables for competitors engaging in cooperative relationships. Yet, there is a gap in understanding the evolution of coopetition. In this article, we re-visit an embryonic cluster in New Zealand and investigate changes over time. The paper examines a regional wine cluster against a background of industry restructuring, competition and internationalization. The study thus contributes to our understanding of the evolution of a regional wine cluster and its implications for wine business. The originality of the paper is twofold: first, the paper uses the co-opetition approach to provide a better understanding of cooperation and competition in clusters; second, the area of observation is located in a market that literature qualifies (from a European viewpoint) as new world wine. The paper notes the growing importance of global perspectives in business and economic development. A point often neglected in contemporary research, we emphasise that geography and location matters for management and economic research.

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Keywords: France; Wine sector; Cluster; Evolution; Competition; Cooperation; Co-opetition

1. Introduction

The wine sector is a very dynamic and highly competitive environment. This is especially so since the 1980s with the appearance of “new world” wines from Argentina, Australia, Chile, New Zealand and the United States, where clusters may be highly developed.

The wine sector includes numerous firms in competition offering inter-organizational perspectives. [Brandenburger and Nalebuff, 1996](#) coined the term co-opetition to describe situations in which firms simultaneously cooperate and compete with competitors. [Lado et al. \(1997\)](#), p. 111, maintained that success

“often requires that firms pursue both competitive cooperative strategies simultaneously,” and they argued that the combination of a high degree of competition and cooperation could permit to benefit from the advantages of both relations. Noting this, [Porter \(1998\)](#) suggested that emerging industry firms faced the dilemma of competitive self-interest or cooperative industry advocacy. [Bengtsson and Kock \(1999\)](#) argued that co-opetition exists when two direct competitors cooperate while remaining in competition.

[Bretherton and Chaston \(2005\)](#) demonstrated how SMEs accessed resources by using alliances. The authors studied 10 New Zealand wineries and found that over-performers had access to adequate resources, which led to their sustainable competitive advantage and superior performance. In other words, cooperating with competitors to access resources (such as knowledge) proved beneficial for SMEs in the wine sector. Among others, [Cefis et al. \(2009\)](#) discussed cooperation among SMEs.

A cluster engages a majority of firms in competition in a dynamic process that evolves over time. Wine clusters, where firms are in competition, explain the success of the new producer countries model ([Spawton and Forbes, 1997](#)), compared with the strong collaborative co-operative model of traditional wine

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countries like France. Porter (1998) demonstrated the existence of competitive and collaborative relationships among cluster members. Institutional changes, with specialization in research and training, have been a major driver of growth in new world countries (Cusmano et al., 2010).

Yet, there is a gap in the literature, with regards to co-opetition within clusters; although research about how clusters grow could be beneficial for companies producing wine, there are few studies about wine clusters (Aylward, 2004; Dana and Winstone, 2008; Porter and Bond, 2004). We are unaware of any research has yet specifically attached to describe the co-opetition and its evolution within a wine cluster.

This paper focuses on the evolution of co-opetition in the Waipara wine cluster, located north of Christchurch. When data was being collected for Dana and Winstone (2008), the region included 79 vineyards, covering more than eight hundred hectares of planting. In <http://www.waiparawine.co.nz>, viewed 5 May, 2013, the region boasted about 80 vineyards and 1200 ha of plantings.

The objective of this paper is to further understand how co-opetitors in a wine cluster interact and how co-opetition evolves. This paper identifies how the Waipara wine cluster has developed since the Dana and Winstone (2008) publication, which leads to a greater understanding of the relationships between embryonic cluster members. The contribution of this study to the co-opetition literature is twofold: (i) the Waipara case study contributes to understanding the evolution of regional clusters in wine business and co-opetition; and (ii) it appears that an aspect of collaboration and collective thought among members may stifle competition, perhaps necessary for the success of co-opetitive strategy.

2. The evolution of co-opetition within clusters

Dagnino and Padula (2002) showed that co-opetition can take on different forms, as these authors summarized in Table 1; possible involvement of firms can vary.

The study of Dagnino and Padula (2002) emphasized the complexity of co-opetition in relationship networks. A multiplicity of firms engage in a co-opetition strategy and the multiple activities on the value chain enhance this complexity.

Co-opetitive relations could involve a large number of partners over time and concern several activities, particularly in clusters. While some studies highlight the positive effects of co-opetition on market performance (Luo et al., 2007), others focus on innovativeness (Quintana-Garcia and Benavides-Velasco, 2004).

Several implications of co-opetitive process are identified by the literature without analyzing the evolution of both cooperative and competitive relations among numerous partners.

There is a temporal dimension to the duality of cooperation and competition (Clarke-Hill et al., 2003). The tension and complexity of co-opetition suggest that firms would do better to focus successively on competition for a period of time and then on cooperation (Gnyawali et al., 2008). Moreover, the co-opetition process could be animated by numerous behaviors and emotions that could change over time (Bengtsson et al., 2010; Loch et al., 2006). Bengtsson et al., (2010) argued that studying the development of the co-opetition process is essential by leading longitudinal studies; according to that study, the dynamic of the entire process without separating both cooperation and competition is not studied enough although it is certainly linked with their simultaneity.

Through co-opetition, clusters can help firms leverage economic advantage from shared access to information and knowledge networks, markets and marketing intelligence, and supplier and distribution chains (Enright and Roberts, 2001). Moreover, Porter (1998), p. 79 specified that clusters comprise both competition and cooperation and they coexist “because they occur on different dimensions and among different players,” and noted that clusters positively affect competition by increasing the productivity of firms involved within. Indeed, co-opetitive relations among numerous partners exist and evolve in clusters. According to Bengtsson and Solvell (2004), the way networks are formed and how they develop over time are an important element in theories concerned with networks. Zhou et al., (2008) argue that stable cooperation among cluster members relies on the high average increasing rate of the market, the high relationship degree, the low homogenization, the large investment amount and the low cost of cooperation.

In line with evidence from other industries (Lasch et al., 2013), we believe that geographical proximity is a factor for performance.

3. The wine industry

3.1. A global wine industry

The wine sector is as an old and traditional industry that since recently faces globalization (Anderson, 2004). Generally speaking, competition in the wine industry escalated with the arrival of new world wines from Argentina, Australia, Chile, New Zealand and the United States. The globalization of the

Table 1
Types of co-opetition.

		Number of firms	
		Two	More than two
Number of activities in the value chain	One	Simple dyadic co-opetition	Simple network co-opetition
	Multiple	Complex dyadic co-opetition	Complex network co-opetition

Dagnino and Padula, 2002.

wine industry has resulted in the appearance of large-scale players aiming to supply global markets (Anderson, 2004).

In new world countries, wineries differ from independent or co-operative winemaking structures found in Europe, including France and Italy. With the traditional model, one grows grapes in order to produce and sell wine; today in the new world, some enterprises grow grapes for others to produce wine while some make wine only from purchased grapes.

The wine sector is strongly fragmented with numerous SMEs in competition within both the domestic market and, increasingly in international markets. Recently, the wine sector has been dominated by an emerging oligopoly composed by multinational large size firms leading the increase of global competition and internationalization. The internationalization of the global market enhances domestic competition among local and global players. In comparison with the strategies of concentration led by large firms, growth may also result from co-opetitive relationships. Consequently, SMEs in the wine sector may choose an alliance or inter-organizational collaboration for growth (Anderson, 2004; Jordan et al., 2007) or a differentiation strategy. Often, they join regional clusters, especially in new world countries; this contrasts with the traditional model.

Although employing an incremental approach to exporting can be beneficial to an extent, it has been argued that cluster export activities and innovation intensifies over time (Aylward, 2004). New world producers enhance competition with the long-established traditional producers of Europe including French, Italian and Spanish producers. In this new environment, the internationalization process of the industry accelerates. Anderson (2004) notes an exponential curve in the wine trade, with 15% of wines being exported in 1990 and 25% in 2001. Anderson and Nelgen (2011) noted growth of wine export to 2009. According to Mariani et al. (2012), wine exports reached 30% of the global production in 2010.

Does internationalization of the wine sector enhance cluster development? According to Aylward (2004), the formation and organization of new world wine clusters was owing to a collective desire to export and expand markets for their wine. Recent studies analyzing the growth of new producers include Cusmano et al. (2010), and Giuliani et al. (2011).

3.2. Wine clusters

Clusters were defined by Swann and Prevezer (1996), p. 139 as “groups of firms within one industry based in one geographical area.” Porter (1998), p. 78 described clusters as “geographic concentrations of interconnected companies and institutions in a particular field,” and argued that the significant amount of face-to-face contact amongst members may enable them to access important resources and information.

Enright and Roberts (2001), p. 2 contended that although “globalisation has increased, paradoxically, interest in localised groups of firms in the same or related industries, or ‘regional clusters’, has accelerated as well.” Furthermore, many clusters seek to develop a brand image and joint promotional strategies for use in overseas markets (Perry, 2005).

Recently, there has been increasing interest in clusters of agro-food firms. Developing relationships become a challenge in the agro-food sector (Leat and Revoredo-Giha, 2008), especially communication and trust between collaborative firms (Kotila and Rönkä, 2008). Despite the tendency of the wine sector to form clusters, there has been little research in this area, with the exception of few key papers such as Aylward (2004), Aylward and Glynn (2006), Dana and Winstone (2008), Harfield (1999), and Porter and Bond (2004).

Wine clusters, where firms are in competitive and collaborative relationships, explain the success of new producer countries model (Spawton and Forbes, 1997) in comparison with the strong collaborative French model of co-operatives which are, according to Montaigne and Coelho (2012), “an extension of farm holdings and therefore do not disclose any profits”. The same study noted that the co-operatives may control up to 75% of the production in French region, such as the Languedoc-Roussillon. Harfield (1999) confirmed the existence of both competitive and collaborative relationships among winemakers.

The wine cluster literature confirms the interplay between cooperation and competition (Aylward, 2004; Aylward and Glynn, 2006; Montaigne and Coelho, 2012; Porter, 1998). According to Enright and Roberts (2001), the geographic clustering of producers may reduce the challenges, by facilitating proximity. The wine industry focuses around site-specific characteristics (Mytelka and Goertzen, 2003; Porter and Bond, 2004). This has a significant impact on the operation of wine clusters.

Porter and Bond (2004) considered the Californian Napa Valley to be an example of wine cluster with wineries development. According to Aylward (2004), new world wine clusters often arise from the desire to internationalize; studying the wine industry in South Australia, Aylward showed that an entire industry, composed of small and large firms, can act as a cluster. Furthermore, Aylward (2004) suggested that the Marlborough cluster is the only wine cluster in New Zealand to have progressed passed the embryonic cluster stage. Clusters in this stage are more evolved and have a cohesive integration of wine makers, growers, suppliers, marketers and regulatory education and infrastructure entities provide a structure in which firms compete and cooperate effectively (Porter, 1998). The question of cluster evolution seems to be crucial and raises the question of the role of co-opetition within clusters.

3.3. The New Zealand wine sector

In 1819, the Anglican missionary Samuel Marsden planted at Kerikeri the first grape vines in New Zealand. Almost two centuries later, we find a multitude of wineries and among these we can identify clusters.

It has been observed that New Zealand wineries have been successful (Tipples, 2008), but New Zealand wine research outside the Marlborough region (see Hayward and Lewis, 2008) has been limited. Yet, over 500 wineries have been established in this country and exports have exceeded 50 million liters

(Tipples, 2008). Dana and Winstone (2008) noted that the New Zealand wine industry consisted of 516 wineries, mostly small. Wine from New Zealand is experiencing phenomenal growth.

Wilson and Goddard (1993) upheld that the New Zealand wine industry was susceptible to turbulent global market forces; consequently, these authors argued that the industry needed to look overseas to truly expand. The most challenging part in achieving this is selecting the most effective distribution partners in order to create supply chain efficiency and gain access to essential knowledge and key markets Wilson and Goddard (1993). Additionally, as clusters increase in size and develop, new firms are established (Enright and Roberts, 2001). With this follows a squeeze on the domestic market.

Research on wine clusters in New Zealand still remains an area which further research can explore. Harfield (1999) found that both competition and cooperation exists among New Zealand winemakers. The New Zealand wine regions are: Auckland; Canterbury; Gisborne; Hawke's Bay; Marlborough; Nelson; Northland; Waikato; and Wellington (Dana and Winstone, 2008). The New Zealand wine industry is structured around few clusters in which competitors interact. The Marlborough wine cluster was the first to evolve beyond is the embryonic stage (Aylward, 2004). Hayward and Lewis (2008) studied the regional dynamics of Marlborough wines and suggested that the region was entering a new, mature lifecycle stage; at this juncture, embryonic clusters can be considered as a loosely united group of companies and suppliers with some interaction with local industry associations, technical education providers and related agricultural firms.

4. Methodology: A longitudinal case study

According to Bengtsson et al. (2010), conducting longitudinal studies is relevant to understand the process of co-opetition. Some questions about the effects of co-opetition, on cooperation and competition evolution, deserve more attention: Does co-opetition enhance cooperative relationships among competitors over time? Does co-opetition stifle competition over time? How do competition and cooperation evolve simultaneously over time?

We argue that the study of the evolution of co-opetition requires a longitudinal approach. In fact, the phenomenon seems to be linked to simultaneous cooperation and competition over time.

We opted to use case study method, defined by Yin (1984) as an empirical investigation of a contemporary phenomenon in the context of real life when the boundaries between the phenomenon and the context are not evident. We felt that the case study method was appropriate for the study of new phenomena (Eisenhardt, 1989). With the conviction that the process of building a co-opetitive strategy among SMEs is dynamic, complex, little understood and dependent on context, we opted for longitudinal qualitative research covering a period of four years, with 55 semi-structured interviews, conducted over two stages.

Our research aimed to understand cluster operations and ambitions from cluster members' perspectives. Gauging

perspectives from a mix of producers, winemakers and a marketing manager allowed differences in perspectives to be understood. Perspectives from large and small wineries were sought, which allowed potential differing perspectives to be interpreted. Because of the descriptive nature of responses required to answer research questions, in-depth qualitative interviews were carried out with members of the cluster.

To do so, every winery in the region was contacted through an email discussing the nature of the project and requesting participation. Those who responded received from us a phone call to arrange an interview. Through this method, a self-recruited convenience sample was sought. People who were attracted to complete the study were relatively unknown to the researcher, thus minimizing selection bias. Through self-recruitment, it ensured the aforementioned healthy mix of perspectives was involved. Although there are limitations with such a technique, which are acknowledged, the aforementioned sampling technique was considered suitable and was not foreseen to adversely affect the research data.

Participants were informed of what was required of them and were reassured to express their opinions and attitudes; however, it was stressed if they felt uncomfortable with certain questions they were not obligated to answer them. All the semi-structured interviews were recorded to provide significantly more reliable data through specific words of participants (Patton, 2002).

The first set of interviews permits to identify themes, which help to structure the interviews for the second stage of data collection: history of the cluster, cooperation and competition, relations of co-opetition, and future visions. During the second stage, respondents were asked about the evolution of these themes.

Interviewees included a non-member of the cluster to provide insight into why the cluster may not be operating effectively. Furthermore, one last unstructured interview was conducted with the independent manager of the cluster and a member of the board of directors. The interview format enabled rich, free-flowing data that cannot be captured in a survey. Interviews were transcribed and analyzed for re-occurring themes for data analysis (Miles and Huberman, 1994). These segments were subjected to thematic content analysis. We assumed that triangulation would be useful for verification (Patton, 1990).

5. The Waipara wine cluster

Waipara is a small town in Canterbury, New Zealand. The town is situated forty minutes drive north of Christchurch, the largest city of the New Zealand's South Island. The adjacent Waipara wine region has a reputation as premium area for the production of mainly chardonnay, Pinot noir, and Riesling grape varieties. The area is considered as the fastest growing wine region in New Zealand with around eighty vineyards covering more than one thousand and two hundred hectares of plantings. With high summer temperatures and a long hot autumn period, coupled with the lowest rainfall of any of the New Zealand wine regions, Waipara benefits from *terroir* specificities.

Dana and Winstone (2008), p. 2178 defined a formal cluster as “an organized, formal business association, geographically and sectorally concentrated.” In Waipara, the wine cluster came to be in December 1993, but very informally. Each participant considered the others to be friendly neighbors as opposed to competitors, and there was no perceived need to formalize at the time; during the early years, there was nothing in writing, and no formal management.

The entrepreneurs formalized the cluster operation in 2004 to communicate a regional identity, to fulfil an educational function, to develop marketing functions, and develop a community spirit within the Waipara region (Dana and Winstone, 2008).

Dana and Winstone (2008) found that the Waipara wine cluster to be in the embryonic stage (Aylward, 2004), developed to create a region that could be perceived as “super premium” by the domestic market. The cluster encompassed marketing and educational functions in order to improve the wine quality from the region and to raise awareness and distinguish the Waipara wine region. Generally, members benefitted from involvement within the cluster with domestic and international strategies. The Waipara members include growers and producers of various sizes; they now engage in a formal structure driven by a board of directors.

Originally, the Waipara cluster was formed to specifically advance domestic sales of wineries in the region. The cluster was looking at an incremental approach to internationalization. Interestingly, many of the cluster members associated the process of internationalization with domestic strategy. The cluster's operation also supported and helped the wider Waipara community. Considering the aforementioned assertions it could be conceived that internationalization for the Waipara cluster could be of vital importance for the future survival and continued growth for the area. Unlike Aylward's study (Aylward, 2004) the Waipara group is gradual when it comes to internationalization. Respondents in the Dana and Winstone (2008) study indicated that the cluster was not set up in order to set up exporting capabilities.

Focusing on the desired future state of the Waipara operations, the Dana and Winstone study (Dana and Winstone, 2008) identified that networks and associate members could be established within tourism companies, government agencies and other specialist entities. Furthermore, relationships with universities would help to improve education and marketing functions of the cluster. Overall, increased formalization of operations, education, communication and transparency would help the cluster grow. That study also suggested the clusters internationalization strategy could be improved through measures such as cost-sharing initiatives. Additionally, the Dana and Winstone (2008) study suggested that the cluster could build upon its indirect internationalization strategy by communicating to other useful institutions.

6. Findings

6.1. The evolution of a region

Although it has become harder to compete domestically, the Waipara cluster has experienced growth. We suggested to

respondents that the cluster itself may be a means to internationalization, perhaps in the near future, but many respondents explained that internationalization was not yet necessary as there was room for domestic growth. Others told us that the domestic market had become quite saturated, but there were niche opportunities such as diversification into restaurants serving their wines.

With regards to competition, interviewees perceived that cheaper wines from Australia had been making their way to shelves making it difficult to compete on price. While competition between members is present within the Waipara wine cluster, members consistently provided statements similar to and including, “We don't view any wineries within Waipara as competition.” Members noted that they competed directly with one another to establish distributor relationships and sales. Beyond the representation of a direct and an aggressive competition, respondents link their success with these of the other members. Moreover, members are concerned with ensuring that competition enhances the production of high-quality wines by “pushing each-other to perform better.”

Until 2000, the region had only small-scale wine-growing and small-scale wine-making. A family operation was typical. Corbans (named for the family owning it) was the largest firm in the region, with five hectares of Riesling in the Waipara area; interviewees told us that it was not perceived as a threat. In 2000, Corbans was taken over by Montana Wines, already a large player before acquiring Corbans' five hectares. Montana planted an additional 60 ha becoming by far the largest player in the region. Interviewees told us that rather than viewing Montana as a threat, it was thought that Montana Wines – by virtue of being the largest wine company in New Zealand – could bring to the region reputation, legitimacy and knowledge.

In 2002, Montana Wines pursued its expansion strategy with 160 ha of land in the area. The Montana Company developed several lines of Riesling and Pinot Noir. Montana became itself an increasingly attractive investment and was soon absorbed by the Allied Domecq Group. In 2005, the Allied Domecq Group was acquired by the by Pernod–Ricard Group, allowing the original Montana wines to benefit from the global distribution chains of Pernod–Ricard.

All the other wineries in Waipara are tiny in comparison, ranging from boutique-sized 2-hectare vineyards to a commercial operation of 60 ha. What is the impact of Pernod–Ricard? Montana Wines was New Zealand's largest wine company and is now rebranded as Brancott Estate Wines. Our small-scale respondents tell us that a big player increases knowledge of a region and this will attract more visitors. Rather than focus on internationalizing, small wineries can operate restaurants and sell bottles to tourists who come to visit vineyards in the region. Thus, the giant is viewed as a facilitator rather than a threat.

6.2. The management of co-opetition

According to the respondents, the Waipara cluster members are highly collaborative even if they are competitors. Everyone is ready to support each other during informal wine tasting, for

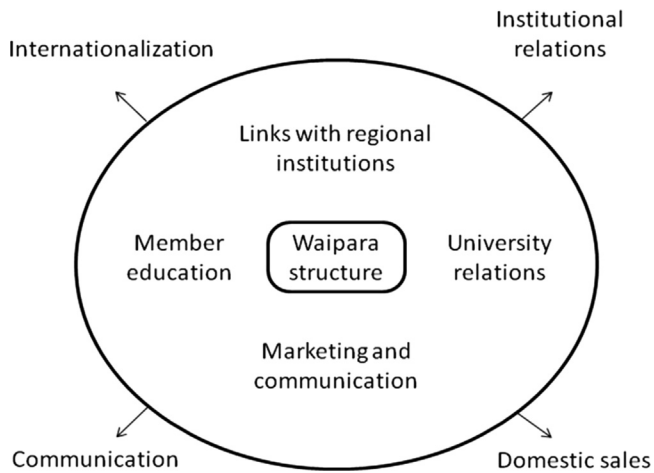


Fig. 1. The Waipara structure and activities.

sales perspectives, growing and production techniques. They collaborate for economic and social reasons. The formal cluster permits to establish relationships between members and learn from one another. According to one member, “the only way we are going to be able to compete is through learning from one another.” Waipara’s formal structure manages collective relations and actions between members both inside and outside the cluster. See Fig. 1.

The Waipara formal structure is in charge of communication and marketing including website management. The cluster organizes formal and informal education days for members, with a focus on wine tasting or growing or production techniques. Local institutional relations are developing, to help members benefiting from public skills and competences. The cluster also looks to develop relations with national institutions or professional organizations. The cluster participates at improving domestic sales by promoting the region in the domestic market, and contributes to relationship development among members.

Despite the existence of collaborative and competitive stakes for Waipara members, participants in our study consider that is not the responsibility of the cluster to sell individual producers’ wine. Respondents want to conserve their own individual relationships with distributors or other members. The cluster is only responsible for pushing the Waipara region, which in turn supports individual wineries.

Members attributed the success of the Waipara region to an independent manager who was used to “provide business crucial to manage co-opetition and create an atmosphere free from jealousy, doubt and favoritism.” Wright et al., 2003 explain the importance of knowing how to negotiate with others in the same group, which is different than dealing with others in other groups.

In the Waipara wine cluster, the manager is perceived as being useful and significant in helping the “branding of Waipara as a region.” The region therefore should look to develop this aspect in order to create fairness, increased strategy and enhanced communication throughout the region ultimately resulting with the region progressing. However, it

appears that the enhancement of collaboration among members may stifle competition within cluster.

6.3. The perspectives of evolution

Differences of opinions were evident between the smaller wineries that believe there is potential for domestic growth with quality specialization, and other wineries that argue there is no room for domestic growth. With regards to internationalization, the Waipara cluster lacks a transparent collective approach to address an exporting strategy that would satisfy goals of different wineries. Different groups of actors could (outside the cluster) implement their own ideas. It is possible to rely on institutional relations as well as development outside a cluster, making it possible to pursue projects without destabilizing the initial cluster strategy.

An area that was indicated as important for development was the interaction between the cluster and other institutions to stimulate growth. According to our respondents, action of this type were lacking in a few areas. However, there has been some interaction with the local Hurunui Council with regards to attracting tourism. One other interesting development with institutions is the new greening Waipara scheme looking to develop sustainable practices. With this scheme there has been involvement from Lincoln University Bio-Protection Centre in developing the wineries to looking after the environment in which viticulture takes place.

7. Discussion of findings

Findings from Dana and Winstone (2008) demonstrated collaboration and competition among cluster members. This confirmed that competition is crucial for a cluster, because “rivals compete intensely to win and retain customers. Without vigorous competition, a cluster will fail (Porter, 1998, p. 2).”

The terms of reference used to describe the competition dimension by the Waipara members appear significantly different than interpretations in the cluster literature. Even if competition between members is obvious, participants in our study say that they do not consider each other as direct competitors. The formalization of co-opetition by the cluster encourages the maintenance of a collaborative mindset that appears to have existed before formalization. However, competition seems to have a positive effect on quality production and creates a positive emulation over time. The formal relationships within cluster permit to federate a high number of partners and tends to develop informal exchange, perhaps essential for the maintenance of competition. The cluster operations only focus on collaborative action.

According to Doz et al. (2000), research into network formation generally takes two distinct formation paths with an emergent process and a process engineered by an entity that recruits potential members to join in the group. Studying co-opetition in a cluster, Nemeš and Yami (2012) distinguish between a top-down process (institutional process or engineered-process) and a bottom-up process. The Waipara case shows that even the emergent process of clustering, the institutional links

and relations are present and evolve through the strategic phases of the cluster. The institutional dimension helps to legitimize the co-opetitive behavior and makes it become natural (Nemeh and Yami, 2012).

In the first stage, the study suggested a desired operation of the cluster in which other institutions became involved with the cluster, creating a highly developed cluster (Aylward and Glynn, 2006). In the second stage, the cluster enhances the collaboration between members within and outside the collective action. The enhancement of collaboration between members takes place by the recruitment of an independent manager. The independent manager role on leadership and guidance is crucial for manage the co-opetition. It is interesting that there needs to be an independent leader who can oversee the interests of all parties involved (Welch et al., 2000). The manager is never involved in competition organization perhaps success factor of evolution cluster.

According to Aylward (2004), p. 1, “it is the interaction between these public and private sector actors that can be so effective in generating an environment of concentrated innovation.” As a result, the cluster should attempt to network with other organizations whose specialties could make the operation more effective and efficient.

The principal aim of our paper is to understand the evolution of the Waipara wine cluster, in terms of co-opetition, since the Dana and Winstone (2008) study of an embryonic cluster. It appears that a cluster enhances collaboration among members but may stifle competition. Moreover, the pursuit of both competitive cooperative strategies simultaneously may be necessary for the success of co-opetitive strategy (Lado et al., 1997). Consequently, longitudinal studies seem appropriate in order to understand the impact of competition variation on the longevity of co-opetition strategy.

Concerning the time dimension, our case does not permit us to strictly argue that, according Gnyawali et al. (2008), firms focus successively on competition and then on cooperation. Our case study illustrates that even if co-opetition develops and then reinforces collaborative relationships, the competitive relation never disappears. Perhaps this finding allows to evocate the specificities of a co-opetition strategy among numerous SMEs in very fragmented and competitive industry. SMEs in competition engage sustainably in collaborative relations over time, while competitive relations pursue.

Finally, the results from our study show that even if the Waipara cluster was looking at an incremental approach to internationalization, it is hardly focused on internationalization at the present time. Wineries, here, are currently focusing on becoming a sustainable wine region. This argument should be addressed by further cluster research.

8. Conclusion

Waipara is a relatively new area of wine production, with a young cluster. Waipara appears as a classic embryonic cluster in the wine industry, relying on small wineries, as small as 2 ha. In comparison with other wine clusters, Waipara is characterized by the arrival of a new large-scale player, known as the Montana group when it arrived.

The Waipara study offers academic, methodological and managerial implications. Given the development of co-opetition in several industries and the success of clusters, the topic of co-opetition in clusters appears to be important, with the existence of both competitive and collaborative relations. Exploring and understanding the Waipara cluster, a success case in wine sector, provides strategic insights for the New Zealand wine industry and other wine clusters around the world.

Our Waipara case study confirms that longitudinal analyses permits to understand the dynamics of co-opetition. This permits to analyze the simultaneity of the both competition and cooperation dimensions, a simultaneity that emphasizes the dynamic of the phenomenon. A finding of our study is that co-opetition exists within clusters but the enhancement of collaboration between co-opetitors stifles gradually the competition over time. Co-opetition in this wine cluster appears to be a transitional stage toward increasing cooperation.

With a multitude of players in competition and the development of clusters within, the wine sector appears relevant to study the phenomenon of co-opetition. The paper highlights the growing importance of local and global perspectives in business and economic development, maybe still neglected in contemporary research. The case shows that even if co-opetition develops and then reinforces collaborative relationships, the competitive relationship never disappears. We suggest that the comprehension of the co-opetitive manager's influence, in the co-opetitive process, deserves more attention in the future.

Future research could consider other industries or other countries. Co-opetition in new world clusters may appear to be a transitional model toward increasing cooperation, like the co-operative model of old world clusters. This proposition deserves more longitudinal and comparative analyses. We propose to focus further research beyond the new world perspective, to include traditional wine regions of Europe; such research could help in the understanding of the difference between both economic models, and perhaps to analyze the most relevant way over time.

These are interesting findings that some would not expect in other countries. Is there a cultural dimension in New Zealand that fosters co-opetition that we do not find in other countries (competitive advantages through culture? We would like to see future research on this topic.

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