

Cooperation and Strategic Alliances in the Commercial Printing Industry

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Even though tough competition in an industry, in general, favors the formation of alliances, competition between partners is a difficult situation to handle. This is especially true in a fragmented industry where many potential cooperating partners also are competitors. Being part of an alliance, allows access to complementary resources making it possible to focus on a small part of the total value system and still be able to offer a large total value to customers.

Objective

The objective of this study is to investigate how cooperation within the industry is used to gain access to resources and to increase resource flexibility in a highly competitive fragmented industry, such as the printing industry. Furthermore, this study aims to investigate the perceived level of competition between cooperating partners within the same industry and how this affects the possibility to cooperate.

Methodology

To capture the complexity and dynamics of collaborations between different actors, this study was designed as a qualitative multiple case study with 21 Swedish Commercial Printing Houses.

Results and Discussion

This study gives indications on both the need and possibilities to engage in cooperation with competitors for small and medium sized printing houses. To compete effectively the printing houses have formed cooperations with companies that either have complementary resources or can provide extended resource capacity.

The results suggest that cooperations are important for increasing the resource flexibility in the printing industry, an industry with economics of scale in production and immense fixed costs and investment needs. The results show that in a traditional business, such as the printing industry, it is hard to cooperate with your competitors. This study indicates that there is a tendency that when the cooperation is stronger the perceived competition with

the partners is weaker (Figure 1), this due to a need for high level of initial trust between partners for a cooperation to be formed. The results also indicate that whenever the competition increases in a strong cooperation, this is regarded as opportunistic behavior and the cooperation most often ends in dissolution. In other words companies in the printing industry tend to have quite strong cooperation with a few close partners they feel they can trust, which makes the competitive situation to consider weaker. Moreover, time has a positive effect on the level of cooperation, but merely weakens the competition. This is an effect of the competition having to be at a very low level for a cooperation to be initiated.

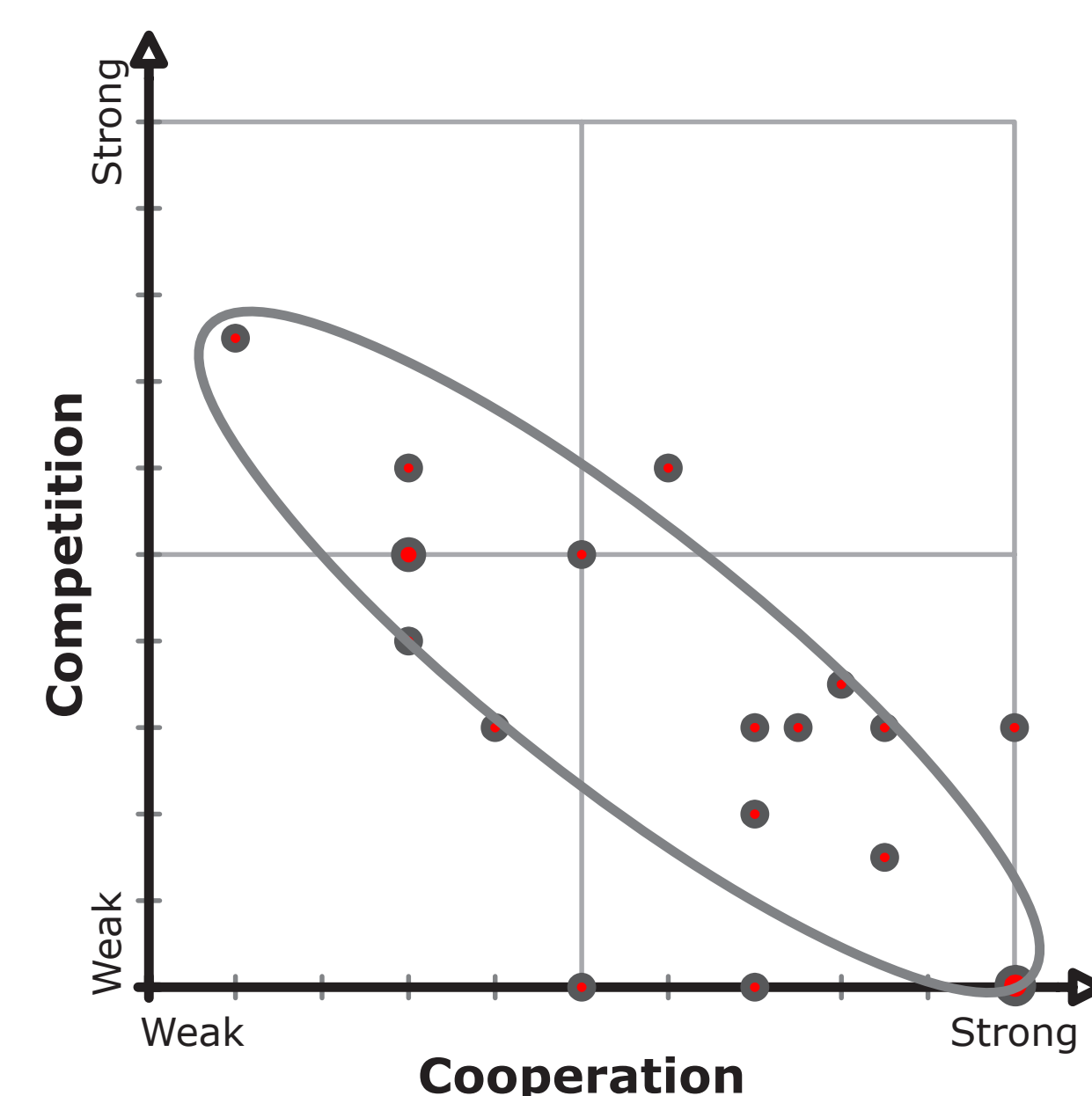


Figure 1. When the cooperation is stronger the perceived competition with the partners is weaker.

Publications

Mejtoft, T., & Nordin, Å. (2008). *Cooperation and Competition: The Case of the Swedish Commercial Printing Industry*. In D. Spanjaard, S. Denize, & N. Sharam (Eds.), *Australian and New Zealand Marketing Academy Conference 2008*. Pro-maco Conventions Pty.

Mejtoft, T., & Nordin, Å. (2008). *Organized Alliances in the Printing Industry*. In N. Enlund, & M. Lovreček (Eds.), *Advances in Printing and Media Technology, Vol. 35* (pp. 37-43). Acta Graphica Publishers.

Mejtoft, T., & Nordin, Å. (in press). *Cooperation and Resource Flexibility as Competitive Strategy: The Case of the Printing Industry*. *The Media as a Driver of the Information Society*.

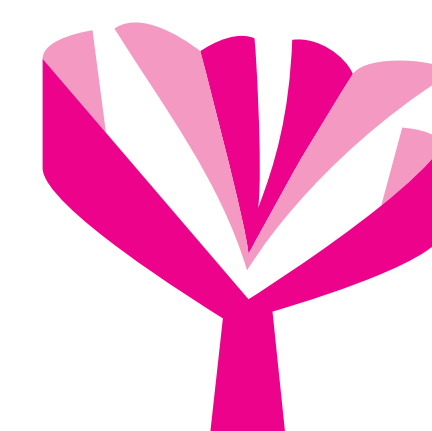


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