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Rural Coopetition: A Consumer Perspective of Marketing Activities Involving SMEs

Cassandra A. Ritzen

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Rural Coopetition: A Consumer Perspective of Marketing Activities Involving SMEs

by

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Submitted in partial fulfillment of the George Fox University School of Business requirements
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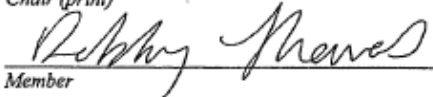
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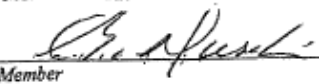
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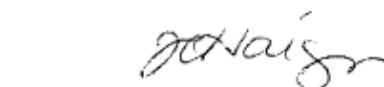
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Table of Contents

Dedication	5
Acknowledgment.....	6
Abstract.....	8
Chapter 1 – Introduction	9
Statement of the Research Problem.....	12
Research Questions	13
Hypotheses	14
Definitions of Terms.....	15
Delimitations	17
Assumptions and Limitations	18
Researcher’s Perspective	20
Chapter 2 – Literature Review	21
Challenges for Small to Medium Sized Enterprises.....	21
Coopetition	23
Coopetition & Small to Medium Sized Enterprises.....	23
Marketing Coopetition	25
Downstream Activities – A consumer perspective.....	27
Event-Based Coopetition Activities	29
Performance.....	31
The Importance of Place.....	33
The Rural Environment.....	35
Conclusion.....	37
Chapter 3 – Method	38
Research Design and Rational.....	39
Participants and Site	41
Measures.....	44
Coopetition.....	44
Customer Satisfaction	44
Return Intentions.....	45
Demographics	46
Procedure.....	46
Pilot Study.....	46
Study Procedure	47

Data Analysis.....	47
Chapter 4 – Results.....	49
Descriptive Characteristics of Respondents	50
Hypotheses	53
Coopetition Events and Satisfaction	54
Coopetition Events and Return Intentions	61
Coopetition Events and Purchase Intention	68
Other Findings	74
Generational Cohorts	74
Gender	76
Visitors Versus Locals	78
Chapter 5 – Discussion	81
Findings	82
H ₁ -Coopetition Activities and Customer Satisfaction.....	82
H ₂ - Coopetition Activities and Return Intentions	83
H ₃ - Coopetition Activities and Purchase Intentions.....	84
Implications	84
Academic Implications.....	85
Business Implications.....	88
Future Research	90
Conclusion.....	91
References	93
Appendix A	106
Appendix B	112

Dedication

I dedicate this dissertation to my husband John and children, Wade, and, Vivian. John, your love and support have provided great inspiration for me to complete this journey. Wade and Vivian, I hope you never lose your wonderful curiosity and that you live a life full of continuous learning. I also dedicate this work to my parents, John and Valerie. You have provided the unconditional love and support that have allowed me to pursue and achieve so many goals.

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Abstract

Small and medium enterprises (SMEs) are central to global and domestic economies and are a significant factor in rural economic development. Rural SMEs face unique challenges of geographical location and limited resources requiring strategies that can create an enduring competitive advantage. This study explores market-oriented coopetition as a competitive strategy that forms collaborative relationships between competitors to create value for consumers. Through the analysis of a small cluster of rural SMEs, the focus of this study addresses the underexplored consumer perspective of coopetition events based on quantitative analyses of customer satisfaction and market share.

Keywords: Rural, SMEs, coopetition, market-oriented, satisfaction, market share

Chapter 1 – Introduction

“The enduring competitive advantages in a global economy lie increasingly in local things - knowledge, relationships, motivation - that distant rivals cannot match” (Porter, 1998, p. 2).

Cooperation between multiple strategic partners to achieve common goals has become a requirement to navigating the increasing demands of a networked and knowledge-based economy (Kossyva, Sarri, & Georgopoulos, 2015). Coopetition is a condition that encompasses the two paradoxical actions of cooperation and competition simultaneously (Gynawali, He, & Madhavan, 2006). The dynamics of competition have greatly changed based on advancing technology and globalization. In 1998, Michael Porter argued that competition depends on the productivity of a firm. Productivity relies on how firms compete, not on the particular fields they compete in. Porter maintained that globalization may have eliminated previous geographical boundaries, but it did not reduce the importance of location as a key component of competitive advantage. Geographical location has become a central factor of competition in the global economy. Understanding the external local environment in which firms exist provides insight into competitive advantages that are difficult to imitate.

Approximately 46 million people live in rural American counties (ERS, 2017). Clusters of small and medium sized enterprises (SMEs) play an influential role in the economic development and sustainability of rural areas in advancing countries (Sørensen, 2018). The United States boasts 30.2 million SMEs (SBA, 2018) - firms with fewer than 100 employees hold the largest share of the SME business category, accounting for 98.2 % of the total. Rural SMEs face challenges of geographic isolation, shrinking populations, limited networks, supply chain access, and fewer technological resources, all of which decrease the survival rates of small rural businesses (Frazier, Stoel, Niehm, & Eckerson, 2013). Therefore, understanding successful

marketing strategies of SMEs that combat rural environmental challenges is imperative. Locally rooted businesses are important drivers of improving the economic outcomes of income, poverty, and unemployment (Tolbert, Irwin, & Lyson, 2002). Furthermore, rural business is no longer synonymous with agriculture, as a growing portion of rural firms are categorized in the retail sector (Lu & Jacobs, 2013), which is the largest provider of jobs in small communities (Ryu & Swinney, 2013). However, rural areas also contain unique elements of local cultures and norms that can impact the success of strategic initiatives and the survival of small businesses in the region (Marquis & Battilana, 2009). For SMEs, the ability to compete may be tied to the ability to cooperate with large or small external partners to gain additional resources (Ritala, Hurmelinna-Laukkanen, & Bolmqvist, 2009).

Evidence suggests that many coopetition activities in practice occur in the downstream activities of the value chain including marketing, distribution, and sales. To address increasing interest in coopetitive marketing activities, Gurau, Chiambaretto, and Le Roy (2018) define coopetition marketing as follows:

An inter-organizational paradoxical relationship between two or more organizations that are simultaneously in a situation of competition and cooperation, developed and managed in order to better satisfy the consumer/stakeholder targeted by the organization and to obtain a profit on a long-term perspective. (p.2)

Building on the coopetition and marketing literature, Robert, Chiambaretto, Mira, and Le Roy (2018) define market-oriented coopetition as a relationship or collaboration between two or more horizontal or vertical competitors involving simultaneous activities that are close to the market. A stream of the coopetition literature has found that a central driving factor of coopetition is to create value for customers and to increase sales (Brandenburger & Nalebuff, 1996; Gnyawali &

Park, 2011; Ritala, 2012). Collaborative efforts between competitors provide opportunities to facilitate and advance value creation. These opportunities are created by forging pathways to allow for complementary and supplementary resources and capabilities to be integrated through the partnerships.

A vital role of marketing is to create value for a product or service for the consumer with the goal of increasing sales (Kotler & Keller, 2016). Marketing activities refer to the action an organization undertakes to create such value. Many marketing activities are not easily visible to the consumer and as such, are considered upstream or far from the consumer (Lindstrom & Polsa, 2016). These activities include innovation, research and development (R&D), and production agreements (Bengtsson, et al., 2016). Upstream activities often include new knowledge that is intangible by nature. Other marketing activities are considered downstream or close to the consumer activities. Specifically, the physical distribution of a product or service is a close to the consumer action that has previously connected with consumer satisfaction and purchase or return intentions (Innis & La Londe, 1994). Historically, food courts in shopping areas have been an example of competitors collaborating to increase market share of the cluster of businesses (Osarenkhoe, 2010). Today, you can find food trucks collaborating in designated areas to provide convenience and options for consumers. Many restaurants have begun to participate in collaborative events such as taste of the town or bar crawls. Competitors collaborate to provide an experience for consumers as they visit each establishment through the event. Event-based coopetition marketing activities between rural SMEs and external partners create the opportunity to explore the impact of innovative distribution techniques on customer satisfaction and market share.

Statement of the Research Problem

Coopetition is a marketing activity that is designed to create an increased perceived value by consumers (Barringer & Harrison, 2000; Das & Teng, 2002). Clusters of rural SMEs have the opportunity to capitalize on the geographical proximity of the businesses to create downstream activities that increase the value of the location for the consumer, and nonagricultural clusters of SMEs represent a significant portion of the contribution to rural economies (Ryu & Swinney, 2013). Yet, limited research exists on the effects of coopetition activities that occur between SMEs and external partners based on geographical factors (Teller & Elms, 2012; Teller Alexander, & Floh, 2016).

Coopetition has previously been framed as occurring in activities far from the customer through studies focusing on innovation, R&D, and production agreements (Bengtsson et al., 2016). The literature has revealed a shift in research, challenging previous assumptions of where coopetition activities occur. Studies have started to explore cooperative alliances in marketing, deconstructing the strategic and operational elements of the value chain that can enhance market relationships and competitive advantages (Chiambaretto & Dumez, 2016; Chiambaretto et al., 2016; Lindstrom & Polsa, 2016; Robert, et al., 2018; Rusko, 2011; Teller et al., 2016). Dorn, Schweiger, and Albers (2016) conducted a systematic review which highlights the lack of consensus on the actual value created through coopetition. The authors argue that quantitative studies are essential to assessing the outcomes of coopetition activities within different industries. Fragmented literature on the value created through coopetition could be a result of the difficulty of measuring the R&D activities (Pellegrin-Boucher et al., 2018). Such upstream activities often include information that is intangible and difficult to quantitatively tie to consumer satisfaction. Conversely, market-oriented activities provide opportunities for more

quantifiable outcomes as success is attributed to customer satisfaction and increasing sales, through winning a market or clients (Pellegrin-Boucher, et al., 2018; Teller et al., 2016).

The growing body of coopetition literature on downstream activities, that involve or are visible to the consumer, has focused on the managerial perspective of strategic success. While firm perspectives are valuable, the potential for a more profound analysis of coopetition through the evaluation of customer and end-user perspectives remains rather unexplored. Measuring the impact of coopetition as it relates to customer satisfaction and market share, provides the opportunity to uncover consumer perceptions in the coopetition literature. Research has indicated that customer satisfaction is an influential outcome of coopetition strategies (Crick, 2018; Kraus et al., 2019; Osarenkhoe, 2010). Gnyawali and Song (2016) address the rigor of the coopetition literature based on the level of analysis. The authors discuss the importance of clearly identifying the boundaries in the study, such as classifying whether the study focuses on individuals, groups, organizations, or a specific type of firm. The level of analysis is a critical component of uncovering outcomes of the multifaceted phenomena of coopetition (Gnyawali & Song, 2016). The study addresses this perspective through a focused investigation of a cluster of rural SMEs and an examination of the underexplored consumer perspective, based on customer satisfaction and market share outcomes.

Research Questions

The competitive environment and evolution of industries are changing at an accelerated pace, increasing the interest in research that studies the ability of organizations to align organizational structures with new environments (MSI, 2018). The development of collaborative relationships between competing firms is increasing as businesses work to increase value that is impossible to achieve alone (Ritala & Tidström, 2014). Exploring the external organizational

opportunities of coopetition activities provides insight into how rural SMEs can exploit collaborative resources to sustain their competitive advantage. The central questions of this study are as follows: *Do the local-level market-oriented coopetition activities, of rural SMEs, have a relationship with customer satisfaction? Do the local-level market-oriented coopetition activities, of rural SMEs, increase the market share of the business cluster?*

Hypotheses

The following hypotheses are tested in the study:

H₁: Local-level market-oriented coopetition activities of rural SMEs have a positive relationship with customer satisfaction.

H_{1a}: Bands on Bordeaux has a positive relationship with customer satisfaction.

H_{1b}: Taste of Chadron has a positive relationship with customer satisfaction.

H_{1c}: The Putt-Around has a positive relationship with customer satisfaction.

H_{1d}: One Cup, Two Nights has a positive relationship with customer satisfaction.

H₂: Local-level market-oriented coopetition activities of rural SMEs have a positive relationship with consumer return intentions.

H_{2a}: Bands on Bordeaux has a positive relationship with consumer return intentions.

H_{2b}: Taste of Chadron has a positive relationship with consumer return intentions.

H_{2c}: The Putt-Around has a positive relationship with consumer return intentions.

H_{2d}: One Cup, Two Nights has a positive relationship with consumer return intentions.

H₃: Local-level market-oriented coopetition activities of rural SMEs have a positive relationship with consumer purchase intentions.

H_{3a}: Bands on Bordeaux has a positive relationship with consumer purchase intentions.

H_{3b}: Taste of Chadron has a positive relationship with consumer purchase intentions.

H_{3c}: The Putt-Around has a positive relationship with consumer purchase intentions.

H_{3d}: One Cup, Two Nights has a positive relationship with consumer purchase intentions.

Definitions of Terms

Coopetition is a nascent field, in which definitions and terms utilized in the research are still evolving. Understanding the specific boundaries in the study is significant as the implications of coopetition are different depending on the analysis of the phenomena.

SME – Small to medium sized enterprises are defined as firms with 500 employees or less or average annual receipts of less than \$8 million (US SBA, 2019). Firms with fewer than 100 employees hold the largest share of the SME category, accounting for 98.2 % of the total (SBA, 2018).

Coopetition – Coopetition simultaneously encompasses the two paradoxical actions of cooperation and competition (Gynawali, He, & Madhavan, 2006). To deepen the knowledge of the vast concept of coopetition, this study focuses on market-oriented coopetition, which is defined as a relationship or collaboration between two or more horizontal or vertical competitors involving simultaneous activities that are close to the market (Robert et al., 2018). To address the rural focus of this study, coopetition was analyzed at the local level. Local-level coopetition

focuses on the aspect of close geographic proximity when analyzing collaborative activities between competitors (Crick & Crick, 2019).

Event-Based Coopetition – Event-based marketing, particularly in SMEs, enables resource leveraging by combining multiple firms' assets to facilitate events that create customer value and reduce costs (Crick, 2018). Event-based coopetition focuses on innovative ways to deliver a product or service driven by the demand to increase customer satisfaction (Osarenkhoe, 2010; Pellegrin-Boucher et al., 2018). Event-based marketing creates the opportunity to explore the impact of innovative distribution techniques on customer satisfaction and market share.

Rural – For the purpose of this study, rural locations are outside of a city or town, and their population is less than 50,000 people (USDA Rural Development, 2020). This study relates to factors that impact the success and development of SMEs in rural areas. Therefore, the rural definition provided by the USDA Rural Development department was selected.

Performance – The performance outcomes of coopetition have been heavily rooted within the coopetition literature (Bouncken, et al., 2015; Gnyawali & Park, 2009; Lindstrom & Polsa, 2016; Luo, Rindfleisch, & Tse, 2007; Pellegrin-Boucher, et al., 2018; Robert, et al., 2018; Teller, et al., 2016). This study focuses on the performance indicators of customer satisfaction and market share. Market-oriented coopetition research identifies increased market reach as a superior performance indicator of marketing coopetition (Chiambaretto et al., 2016; Chiambaretto & Dumez, 2016; Kraus et al., 2019; Kylänen & Rusko, 2011; Robert et al., 2018; Teller et al., 2016; Thomason et al., 2013; Velu, 2016). A narrow stream of research has recognized increased customer satisfaction, increased market share, and increased access to new consumers as outcomes of coopetition (Crick, 2018; Kraus, et al., 2019; Osarenkhoe, 2010).

Customer Satisfaction – Customer satisfaction concerns a consumer fulfillment response and the sense of pleasure found in completing a transaction (Oliver, 1997). Research has indicated that customer satisfaction is an influential outcome of coopetition strategies (Crick, 2018; Kraus, et al., 2019; Osarenkhoe, 2010). This research focuses on the innovative distribution of a product or service that has previously been connected with implications of customer satisfaction (Innis & La Londe, 1994).

Market Share – Return intentions have been utilized as a factor of success in service industries, such as restaurants, as the behavioral intent to repurchase (DiPietro & Levitt, 2019; Jang et al., 2011; Tsai & Lu, 2012). Return intentions reflect the intent to return to the event in which the consumer has participated. Return and purchase intentions have been utilized as a proxy for market share in previous research (Innis & La Londe, 1994). Market share can be built by retaining current customers and attracting new customers. The contributions of market-oriented research define market share as an important performance indicator of coopetition; consequently, this study explores the effects of event-based coopetition activities on SMEs as a means of accessing and retaining more consumers.

Delimitations

Several boundaries were set to limit the scope of the research. First, the study only focused on four defined coopetition activities in one specific area; the events occurred in a 30-mile radius of one town. These events are the Taste of Chadron, Bands on Bordeaux, The Putt-Around, and One Cup, Two Nights. A delimitation of the research is the heavy participation of a single industry in the events. Many of the participants in the events were restaurants or bars. The study focused on one location in a rural area to control for other variables that may impact consumer perception of coopetition activities. The study focused on events that included businesses defined

as SMEs. Only responses from consumers who actually attended a coopetition activity were considered.

Another delimitation is usage of quantitative analysis, as it would be possible to some degree, to assess the proposed relationship through qualitative research methods. Correlation analysis was also utilized in the study. It is important to note that correlation coefficients describe the relationships between variables but do not provide information about whether one of the variables is causing the other (Jones & Kottler, 2006).

Assumptions and Limitations

This research focuses on the consumer perspective. The data for this study were collected in an online survey. Respondents were asked questions about current and future behavior. The ability of consumers to self-assess is a limitation of the study.

The survey was built in Survey Monkey and was distributed to a consumer sample through email and social media. The initial sample participants had access to email and the ability to utilize it. The sample for the study consisted of members and followers of the local chamber of commerce network, employees of the local college, and users of social media sites. Conducting research in one small town in a particular region of the country limited the ability to generalize the results. Additionally, the size of the community, as well as my relationships and knowledge may have created bias in the survey responses.

Utilization of an educational institution for the sample impacted the educational representativeness of the results, as the college's employment requirements increase the educational level of the organization.

The usage of multiple email lists and social media sites may have increased the chance of the survey reaching a potential participant more than once. A qualifying question was created to reduce or eliminate duplicate responses.

The snowball method was utilized to expand the reach of the survey to increase the response rate. Respondent-driven or snowball sampling is a variation of chain-referral sampling (Salganik & Heckathorn, 2004). However, under the snowball method, some respondents may not have been included, because of the technological requirements of the survey. Utilizing the relationships of the initial population, decreased the researcher's ability to scrutinize the qualification of the referred subjects (Dusek, Yurova, & Ruppel, 2015). Qualifying questions were developed to control factors, thus narrowing the number of respondents. The usage of snowball sampling could have impacted the representativeness of the sample, because of similar demographics and source similarity.

Significance of the Study

As populations continue to migrate out of the Midwest (US. Census, 2018), there is a demand to discover combinations of marketing and economic practices that influence development in rural regions. Collaborative business clusters are an approach that may counter the effects of rural population loss by improving firm competitiveness and promoting regional economic development (Geldes, Felzensztein, Turkina, & Durand, 2015). Large and small businesses are considering collaborative efforts to remain competitive, increase sustainability, and navigate market uncertainty. Small businesses face the challenges of isolation, limited networks, supply chain access, technological resources, human capital, and decreasing populations (Frazier et al., 2013). Gaining insight into the unique dynamics of rural enables rural SMEs to cultivate innovative and sustainable business practices in rural communities.

This study focuses on the gap in the literature by examining marketing coopetition through the lens of consumers based on the underexplored downstream marketing actions of rural SMEs. SMEs in rural areas are understudied (Frazier et al., 2013) and can benefit from an increased understanding of consumer perceptions and effective strategies of collaboration with competitors. The goal of this research is to explore consumer perceptions of local-level marketing coopetition activities based on consumer satisfaction and SMEs' market share performance in small and rural communities.

Researcher's Perspective

I am a member of the local community in which the survey was distributed. I was raised in the area and teach at the local college. As a marketing and academic professional, I have been a consulting advisor to local SMEs. Consequently, I come to this research with a particular perspective and bias.

Chapter 2 – Literature Review

SMEs represent a significant portion of all U.S. firms. According to the Small Business Administration, 30.2 million SMEs exist in the US, representing 99.9 % of U.S. businesses (US SBA, 2018). In the US, the Small Business Administration categorizes small businesses based on a variety of sizing standards depending on the industry. The size standard generally evaluates the number of employees or average annual receipts. These factors are utilized to determine whether a firm can be defined as a small business. Typically, SMEs are defined as firms with 500 employees or less or average annual receipts of less than \$8 million (U.S. SBA, 2019). In 2015, SMEs employed 58.9 million people, and the largest share of small business employment was represented by firms with fewer than 100 employees.

The significance of SMEs is amplified when considering the role of the small firms in rural economic development and sustainability. Fragile economic conditions in rural areas have been created through the increase of globalization and industrial offshoring (Morgan, Lambe, & Freyer, 2009). Economic uncertainty has increased in rural areas, as the number of large organizations or industries have continued to decrease in recent decades. Consequently, SMEs have become a central factor in an effort to support and sustain local economies. Small local firms have the ability to improve economic development by influencing outcomes of income, poverty, and unemployment (Tolbert, et al., 2002). The collective success of small firms can develop the social infrastructure of a community, leading to an improved quality of life for rural residents.

Challenges for Small to Medium Sized Enterprises

SMEs face remarkable challenges in navigating the complexity of the current market environment, and resource constraints are at the core. Small firms experience trials of accessing

sufficient human capital as well as financial and technological resources. (Kossyva, Sarri, & Georgopoulos, 2015; Verhees & Meulenber, 2004). The size of small firms limits market presence (Gnyawali & Park, 2009). In addition, SMEs generally depend on a niche customer base increasing firm vulnerability to a shifting market environment.

Small business resilience in small and rural towns can prove to be even more challenging. SMEs in rural areas face further resource restrictions based on geographic isolation, shrinking populations, limited networks, supply chain access and fewer technological resources (Frazier et al., 2013). The current challenges facing small rural businesses drive the need to develop innovative, competitive and sustainable strategies that encourage growth and resilience (Thomason, Simendinger, & Kiernan, 2013). Small business creation, retention, and expansion creates jobs, increases local income, and connects a community to the larger global economy (Miller, Besser, & Malshe, 2007). Small firms located within various rural and remote areas have begun networking and collaborating in an effort to strengthen economies, provide better quality of life and build on local assets (Felzensztein, et al., 2010). Networks of collaborative businesses in small and rural locations have been found to exist through intense societal and economic change (Miller et al., 2007). Despite an increased vulnerability to external forces, characteristics of SMEs allow the firms to have a strong market orientation (Verhees & Meulenber, 2004). Size and factors of central decision making allow SMEs to capitalize on internal flexibility and responsiveness to changing circumstances. Collaborative practices have evolved into actions aimed at improving resource utilization, mitigating risk, and sharing costs (Bouncken & Kraus, 2013). The rationale for collaboration between multiple small businesses in rural and remote areas has inherent values that can be placed within the theoretical underpinning of coopetition.

Coopetition

The phenomena of coopetition is often described as paradoxical by nature (Bengtsson & Kock, 2014). This stems from the interrelated and equally important relationship between the two contradictory elements of competition and collaboration. The balance of simultaneous actions involving cooperation and competition between firms is the essence of coopetition (Walley, 2007). This concept has seen an increasing rate of publication in the past 20 years (Bengtsson & Kock, 2014; Bouncken, et al., 2015), the growth in research has highlighted the importance of the concept. The increasing interest has also exposed a diverse understanding and implementation of coopetition, as the term has been utilized in a multitude of ways (Bengtsson & Kock, 2014; Bouncken et al., 2015; Gnyawali & Song, 2016). Working to capture the complexity of coopetition and provide clarity, Bouncken et al. (2015) define coopetition as “a strategic and dynamic process in which economic actors jointly create value through cooperative interaction, while they simultaneously compete to capture part of that value” (p. 591). To increase the generalizability and contextual clarity of coopetition, Gnyawali and Song (2016) argue that the nature of how the concept is studied must be clarified. Therefore, in an effort to provide contextual clarity, the following section addresses the nature of coopetition between SMEs.

Coopetition and Small to Medium Sized Enterprises

Globalization processes, technological developments, and increasing market instability have driven scholars to explore how SMEs adapt to market conditions (Bocconcelli, et al., 2018). SMEs have certain peculiarities, including scarcity of resources, information, and access to assets. The defining factors of SMEs have prompted many scholars to focus on the organizational problems SMEs face from a coopetition perspective (Bengtsson & Johansson,

2014; Gnyawali & Park, 2009; Kraus et al., 2018; Lindstrom & Polsa, 2016; Morris, et al., 2007; Thomason, et al., 2013). Coopetition among SMEs has been found to be an important strategy to enable young and small firms to overcome limited resource challenges and increase the competitiveness of an industry through long-term sustainability (Choi, Garcia, & Friedrich, 2010; Lechner et al., 2016). Alone, SMEs have insignificant market power, which increases firm vulnerability to adverse environmental change or competitive threats (Jennings & Beaver, 1997). However, through collaboration, SMEs have the ability to create value and strengthen their position of power within an industry (Bengtsson & Johansson, 2014). SMEs face many challenges but also have unique qualities including entrepreneurial dynamism, creativity, and internal flexibility that allow responsiveness to changing circumstances (Verhees & Meulenber, 2004). Flexibility has been stated as a key component of successful coopetition (Kossyva et al., 2015), increasing the relevance of exploring the collaborative strategy through the context of small firms.

Rapidly changing consumer demands add to the environmental turbulence that SMEs experience. Small firms have limited market presence and often depend on narrow product lines targeted toward niche customer bases (Baum, Calabrese, & Silverman, 2000). The ability of a firm to recognize, explore, and exploit opportunities; take risks; and develop competitive advantages has been described as marketing orientation (Morrish, 2011). Marketing has been explored as a key factor in addressing the challenges of SMEs during market uncertainty and external turbulence (Naidoo, 2010). Coopetition between small firms provides access to additional assets, competencies, and knowledge (Kraus et al., 2019). Coopetitive partners share commonalities of operating in related markets, utilizing parallel or complementary resources and sharing information, that can strengthen individual firm competence or industry sustainability.

Networking between SMEs has been highlighted as an essential factor in marketing activities (Felzensztein & Gimmon, 2009; Hanna & Walsh, 2008). Increasing market complexity and uncertainty has resulted in the involvement of external actors in the implementation of marketing activities (Agostini & Nosella, 2017). As small firms continue to seek effective ways to navigate market uncertainty, the opportunity exists to research the degree of marketing cooperation with competitors among SMEs to determine outcomes.

Marketing Coopetition

Coopetition is centered on the dynamic connection of external factors in a business market (Gnyawali & Song, 2016). To increase the clarity of studying the phenomena, it is important to focus on the context in which the activity occurs. Coopetition literature has had a strong focus on high-tech industries, exploring the upstream actions of R&D, purchasing, logistics, and production (Bengtsson & Johansson, 2014; Bengtsson & Kock, 2000; Gnyawali & Park, 2009; Lindstrom & Polsa, 2016). Despite the strong focus on upstream activities, many cooperative agreements between competitors exist in the downstream activities of sales, distribution, promotion, and services (Chiambaretto et al., 2016; Lindstrom & Polsa, 2016; Pellegrin-Boucher et al., 2018). The exploration of marketing activities has been a result of researchers' interest in coopetition activities in industries with low-tech requirements. This analysis has led to the deconstruction of strategic and operational elements of the value chain to uncover cooperative actions that can enhance market relationships and competitive advantages.

The ability to generate strategic partnerships in marketing activities provides access to knowledge or resources that are inaccessible internally (Miller et al., 2007). The mechanics of coopetition between co-located businesses typically depend on the input of resources (Teller et al., 2015). Part of that collaboration includes activities that enhance the cluster's attractiveness to

customers. This design of the experience adds value for consumers, such as the entertainment of a band, convenience of multiple food choices in one area, or seasonal activities. The process of sharing equipment, employees, supplies, and information; as well as developing products together focuses on the financial and resource inputs of coopetition. This collaboration creates the opportunity to enhance a firm's ability to strategically position the individual business and achieve outcomes that could not be done alone. Collaborative efforts of resource sharing have been found to occur in branding, marketing, joint customers, and delivery of services (Lindstrom & Polsa, 2015).

Marketing collaboration has evolved as a response to market uncertainty and advances in technology (Mariussen, Daniele, & Bowie, 2010). In light of evolving external markets, resource-based theory is heavily rooted in the literature as coopetition is an action of cooperating with competitors to gain resources that would otherwise be unavailable (Bengtsson, et al., 2016; Gnyawali & Park, 2009; Morris, et al., 2007). Existing coopetition research has had a strong technological and production orientation based on the analysis of high-tech industries (Gurau, et al., 2018). This orientation has led to research with an excessive focus on coopetition strategy, performance, and management, which has resulted in a gap in the literature of exploring the impact of coopetition activities on consumers, investors, and other stakeholders. To reveal deeper dynamics of coopetition, Akpinar and Vincze (2016) expose the relationship between stakeholders and coopetition literature. The multi-stakeholder perspective provides a clear connection for the development of cooperative marketing research. Identifying and meeting human and social needs to create value for consumers, is the foundation of marketing (Kotler & Keller, 2016). Considering the specific external and social characteristics of coopetition strategy, Gurau et al. (2018) have focused their research on how coopetition should create better value for

customers and stakeholders with the objective of profitability through long-term and sustainable perspectives.

The creation of customer value to increase sales and market share has been revealed as a central driving factor of coopetition (Brandenburger & Nalebuff, 1996; Gnyawali & Park, 2011; Kraus et al., 2019; Ritala, 2012). The formation of value includes activities that result in increased perceived value by consumers (Barringer & Harrison, 2000; Das & Teng, 2002). When smaller firms utilize coopetition to overcome limited financial and technical resources, they are uniquely equipped with a market orientation. Local and regional SMEs have increased flexibility due to centralized decision-making and simplified communication channels. This enables more effective usage of market intelligence to innovate processes, products, or services based on the flexibility to quickly adjust to market demands. The usage of coopetition activities has the potential to improve the resources available to rural SMEs to create customer value, thus increasing sales and market share.

Downstream Activities – A Consumer Perspective

A defining factor in the coopetition literature has been the analysis of activities that are considered far from the consumer (Lindstrom & Polsa, 2016; Robert et al., 2018). Conversely, market-oriented coopetition is based on the cooperation of firms in activities that are considered viewable or close to the consumer. The value creation process of marketing coopetition activities is market focused, including sharing resources such as information on customers, customer bases, brands, distribution channels, or advertisements. This type of coopetition involves high visibility of cooperation activities. The value appropriation process involves adjunct services rather than product changes or differentiation. Long-term commitment or the sharing of internal information is not required in many cooperative marketing activities, reducing the risk and

increasing the attractiveness of collaboration with competitors (Lindstrom & Polsa, 2016).

Similarities exist between technology-driven and market-oriented coopetition, but the defining factors listed previously provide evidence that coopetition activities require focused investigation (Robert, et al., 2018).

Marketing-coopetition has primarily been studied through a managerial lens, as the topic is significantly rooted in management literature (Gurau et al., 2018). Creating value is a central component of coopetition (Bengtsson & Johansson, 2014). In particular, the result of coopetition creates value directly or indirectly for consumers. The creation of consumer value has been identified as a driving factor of coopetition activities (Brandenburger & Nalebuff, 1996; Gnyawali & Park, 2011; Ritala, 2012) and is historically rooted in the purpose of marketing. Yet, authors have identified that a failure to consider consumer or customer perspectives of coopetition is a notable limitation in the coopetition literature (Lindstrom & Polsa, 2016; Walley, 2007). Without consumers, organizations do not exist, making insight on their perceptions and actions vitally important (Kerin & Hartely, 2019). Despite calls for future research, a strong focus on the managerial perspective of cooperative activities and outcomes remains dominant (Chiambaretto & Dumez, 2016; Chiambaretto et al., 2016; Crick, 2018; Kraus et al, 2019; Lindstrom & Polsa, 2016; Osarenkhoe, 2010; Pellegrin-Boucher et al., 2018; Robert et al., 2018; Rusko, 2011; Teller et al., 2016). A narrow stream of research has identified increased customer satisfaction, increased market share, and access to new consumers as outcomes of coopetition (Crick, 2018; Kraus et al., 2019; Osarenkhoe, 2010). This same stream of research has highlighted the significance of consumer perspectives but was based on the standpoint of a managerial sample.

Cooperation between competitors in marketing activities can be found in practical examples outside of the coopetition literature. Inter-organizational relationship marketing literature provides insights on customer attitudes or perceptions of firms after the firms have participated in collaborative marketing (Lee, Kim & Seo, 2013; Simonin & Ruth, 1998; Washburn, Till, & Priluck, 2004). Interorganizational relationships include contractual and non-contractual joint ventures, market research activities, joint marketing, joint distribution, co-branding, and joint product development. This stream of research provides examples of cooperation between a variety of stakeholders, including vertical and horizontal buyers or suppliers (Felzensztein, Gimmon, & Aqueveque, 2012). The limited quantitative analyses of the consumer perspective of coopetition activities generates the opportunity to explore a gap in the literature. Shifting the focus to consumers and their perspectives enables the discovery of clearer connections between coopetition and marketing literature.

Event-Based Coopetition Activities

The complexity of coopetition is encompassed in the multiple layers of interactions that can be involved in the phenomena (Bengtsson & Kock, 2000). The level of interaction may involve horizontal or vertical collaborative partners, as well as partnerships between two or more firms. The intricacy of the elements of coopetition increases the importance of clearly identifying the nature of the collaboration occurring (Gnyawali & Song, 2016). A focus on specific types of marketing activities that firms conduct in cooperative relationships has been identified as an important element for future research (Felzensztein et al., 2010).

The value and usage of event-based marketing activities have emerged in a select stream of coopetition research (Felzensztein et al., 2010; Crick, 2018; Pellegrin-Boucher et al., 2018; Osarenkhoe, 2010; Thomasson et al., 2013). Event-based marketing, particularly in SMEs,

enables resource leveraging by combining multiple firms' assets to facilitate events that create customer value and reduce costs (Crick, 2018). Event-based coopetition focuses on innovative ways to deliver a product or service driven by the demand to increase customer satisfaction (Osarenkhoe, 2010; Pellegrin-Boucher et al., 2018). Event-based marketing creates the opportunity to explore the impact of innovative distribution techniques on customer satisfaction and return intentions. The physical distribution of a product or service is a downstream action that has been previously connected with customer satisfaction and purchase intentions (Innis & La Londe, 1994). Small firms engage in cooperative events to generate maximum product exposure or reduced cost by collaborating in distribution channels. Intentional event-based coopetition has been found in the real estate industry through the facilitation of events that include multiple developers, builders, homes, and clients (Thomason et al., 2013). Small wineries have found that collaborative events with competitors are beneficial in attracting consumers to trade shows that include wine from multiple vineyards (Crick, 2018).

Event-based activities create challenges such as identifying key opportunities, timing, and communication channels with multiple partners (Lindstrom & Polsa, 2016). Event-related coopetition is classified as a weak connection between participants and horizontal resource sharing (Mathias, et al., 2018). Such events do not require long-term commitments or the sharing of internal information, thus reducing the risk of collaborating with key competitors (Lindstrom & Polsa, 2015). Events that involve joint consumers are increasing as small firms discover that promotional events with competitors can generate opportunities to promote products in ways that a firm cannot do alone (Crick, 2018; Osarenkhoe, 2010; Thomason et al., 2013). In particular, the development of a one-stop-shop of 82 wood processing firms evolved as a cooperative activity driven by the desire to address consumers' needs (Osarenkhoe, 2010). The collaborative

efforts of the small firms facilitated the sharing of resources and expertise that resulted in the negotiation of better product pricing, convenient delivery, and better access to meet consumer needs. Robert, Marques, and Roy (2009) studied coopetition events between French football teams and reveal that the collaborative event efforts resulted in increased economic performance. Rusko, Harkonen, and Liukkonen (2016) convey that short-term cooperative events can promote progress for the whole industry and allow participants to share in co-operative marketing and branding activities. Cooperative events in the restaurant industry include food or bar crawls, promotions and partnerships, festivals, or taste of events featuring food or restaurants from the local area. To uncover the connection between market-oriented coopetition and performance, this study narrows the level of analysis to focus on specific, event-based marketing cooperative activities, which are downstream competition strategies that require participation from the consumer. These activities provide the opportunity to evaluate consumer perspectives and the value of competition between SMEs.

Performance

Market-oriented competition is a strategic collaborative arrangement designed to contribute to enhanced performance. The performance outcomes of competition have been heavily rooted within the competition literature (Bouncken et al., 2015; Gnyawali & Park, 2009; Lindstrom & Polsa, 2016; Luo, Rindfleisch, & Tse, 2007; Pellegrin-Boucher, et al., 2018; Robert, et al., 2018; Teller et al., 2016). The foundational construct of performance allows this study to expand on existing research to further the competition literature. Within the stream of competition performance research, it has been identified that more industry specific research is needed (Bouncken et al., 2015; Morris et al., 2007). Several contingencies have been discovered that lead to higher or lower performance of competition based on the particular industry, firm

size, or management type. SMEs are defined by size, entrepreneurial leadership, and the unique market conditions in which the firms operate. A focus on market-oriented cooperation activities in SMEs creates the opportunity to understand the varying performance implications of cooperation.

Defending and extending market share is a critical component of SME economic survival (Velu, 2016). Increasing market share has been highlighted as a central performance indicator of cooperation (Brandenburger & Nalebuff, 1996; Gnyawali & Park, 2011; Ritala, 2012; Kraus et al., 2019), and increasing market reach has been utilized in market-oriented cooperation research to evaluate the outcomes of cooperation strategies (Chiambaretto et al., 2016; Chiambaretto & Dumez, 2016; Kraus et al., 2019; Kyllanen & Rusko, 2011; Robert et al., 2018; Teller et al., 2016; Thomason et al., 2013; Velu, 2016). Previous studies focused on performance outcomes through managerial analysis; however, examining performance outcomes from the consumer perspective alters the analysis of market performance. Previous research on the performance of inter-organizational networks utilized measures of performance based on customer satisfaction and market effectiveness (Teller et al., 2016). Return and purchase intentions were utilized as a proxy for market share in another previous study (Innis & La Londe, 1994).

Brand loyalty has also been utilized to analyze market share (Moisescu, O. I., & Bertoneclj, 2010), which loyalty can include behaviors of increasing the number of purchases or frequency of purchase to generate higher revenues. Understanding return and purchase intentions is a fundamental factor in maintaining a customer base and market share. Market share can be built by retaining current customers and attracting new customers (Innis & La Londe, 1994). Rust and Zahorik (1993) argue that retention rates of consumers are the most critical component of maintaining or increasing market share. This study builds on the contributions of market-

oriented research that defines market share as an important performance indicator of cooperation; furthermore, it explores the effects of SMEs involved in event-based cooperation; from a consumer perspective as a means of accessing and retaining more customers.

The Importance of Place

Cluster theory is historically grounded in economic research with a concentration on local and regional economic development (Felzensztein, Gimmon, & Deans, 2018). Focusing on regional clusters, the term can be defined as the geographic proximity of firms in the same industry linked by complimentary commonalities. For example, understanding the outcome of a small group of SMEs participating in cooperative activities provides the opportunity to explore the effect of cluster theory and marketing on rural consumers. Porter's (1998) research claims that clusters with the most significant potential may be obscure or even unrecognized. Clusters represent a new way of thinking about location and challenges organizations to consider new organizational configurations to allow for internal and external collaboration (Porter, 1998). Clusters create competition and cooperation. Cooperation between rural SMEs is an example of an obscure opportunity that may provide influential results.

Mathias et al. (2018) reveal that cooperation between breweries is viewed as an effective strategy to build overall industry growth. Supporting new entrants and increasing local clusters of breweries is an accepted way to establish communities as craft beer destinations, thus increasing the number of consumers and local economic development. Walley (2007) suggests that cooperation may benefit consumers as well because it has the ability to increase a location's attractiveness with clusters of successful small businesses that improve local environments or tourist experiences in an area. Cooperation can also lead to benefits of enhancing the brand image

of a particular area by leveraging the destination's multifaceted assets, resulting in the attraction of more visitors (Kylanen & Mariani, 2012).

The geographical distance between firms has been identified as a factor that affects the outcomes of coopetition activities in low and high-tech industries (Felzensztein et al., 2010; Lindstrom & Polsa, 2016). Mariani and Kylanen (2014) report that co-located companies find more success in coopetition events, and this success can occur unintentionally. Improved market conditions and customer access are positive outcomes related to geographically co-located coopetition activities (Teller et al., 2016). The dynamics of firms participating in marketing coopetition can be influenced by the special characteristics of specific regions (Felzensztein et al., 2010). The cultural context of different regions and rural communities creates the opportunity to discover influential insights of coopetition in localized clusters.

Firms located in the same geographical region create a value network that targets and provides value for a common consumer (Golnam, Ritala, & Wegmann, 2014). Local-level firms face similar challenges by operating in the same external environment (Gnyawali & Park, 2009). These common challenges increase the opportunities for firms to collaborate through direct resource sharing and create the ability to capitalize on social interactions between the firms and consumers (Gnyawali & Park, 2009). Coopetitive partners within a particular rural region can leverage mutual support to increase the competitiveness of the region and long-term sustainability (Choi et al., 2010). Felzensztein et al. (2010) highlight that geographic proximity may have more influence in the development of coopetitive marketing in smaller firms because of their access to fewer resources and capabilities. Understanding the external local environment in which coopetition occurs, provides insight into potential competitive advantages for SMEs that are difficult to imitate.

The Rural Environment

SMEs represent a significant portion of businesses in the US. In particular, rural areas depend on small entrepreneurial firms to drive the local and regional economies. The ability to establish competitive advantages is challenging, especially in fragmented industries that are dominated by small businesses with limited resources (Thomason et al., 2013). SMEs in rural areas operate in fragile economic conditions that are shaped by the inherent characteristics of geographic boundaries, smaller populations, and limited access to key resources. Coopetition literature has had a dominant focus on high-tech industries, based on the significant level of uncertainty involved due to shorter product-life cycles, the convergence of multiple technologies, and increasing R&D (Gnyawali & Park, 2009). Firms engage in coopetition when high levels of uncertainty exist, because these competitive strategies increase risk sharing and distribution through the collaborative activities. SMEs in rural areas operate in a turbulent environment in which economic uncertainty has become the norm (Morgan, et al., 2009). Globalization has decreased the number of large employers in rural areas, leading to decreased employment opportunities, deteriorating tax bases, and population loss.

The external environment that rural SMEs face provides a relevant condition to study how small firms can capitalize on local assets through cooperative marketing activities. A lack of resources requires SMEs to consider strategies that leverage economies of scale and the development of socially complex resources. Collaboration, culture, and reputation are examples of socially complex resources that are difficult to imitate in a competitive environment. Coopetition creates the opportunity to explore these socially complex resources in the context of rural SMEs.

Rural SMEs face the challenge of satisfying the needs of a relatively targeted population of consumers, thus increasing the importance of developing long-term relationships with those consumers. Despite geographical boundaries, all firms are operating in an increasingly global economy. Co-located firms in rural communities share a common interest of developing the region, which increases the potential of collaborating with capable competitors to create advantages against rival networks. The formation of cooperative relationships that create products or coordinate the delivery of services with local content can attract new customers to the area (Ring, Peredo, & Chrisman, 2010). Participating in these risk-sharing partnerships enable SMEs to adapt to constantly changing business environments, allowing SMEs to prepare for the risks associated with evolving and uncertain futures, thus increasing the economic durability of the cluster and the local economy (Bouncken & Kraus, 2013).

Increased emphasis on rural economic development has occurred based on uneven economic development in advancing countries (Sørensen, 2018). Research indicates that internal factors, of collaboration between businesses and communities, are influential in advancing rural areas. Population growth has been related to economic development in rural areas (Sørensen, 2018). Additionally, the recruitment of younger populations has the potential to increase birthrates and growth in the area. Despite overall population growth in Nebraska, the Western Panhandle has seen a steady decline in population numbers (U.S. Census, 2018). Understanding the potential effects of cooperative activities for businesses in the 44 small towns in the region may be beneficial to the economic development of the region and the 87,000 residents who live there.

Conclusion

Market competition continues to increase based on globalization, advancing technology, and evolving consumers. As populations continue to migrate away from rural areas (US. Census, 2018), it is important for research to discover combinations of marketing and economic practices that can influence development in rural regions. Large and small businesses are considering collaborative efforts to remain competitive and increase sustainability. In particular, small businesses face the challenge of insufficient physical, human, and organizational resources. Competitive advantages rest in the ability of a business to productively utilize inputs and resources, which requires continual innovation (Porter, 1998). Facing economic uncertainty and turbulence, firms must find ways to continue to engage consumers and differentiate the business from competitors. Small businesses are central to the economy in general and to rural areas in particular. Considering coopetition activities through the well-established economic cluster theory creates an opportunity to provide valuable insights for SMEs and extend the literature on coopetition and performance. This approach works to incorporate a new viewpoint from the under researched consumer perspective in low-tech industries and firms in rural geographic settings to advance knowledge on coopetition marketing activities.

Chapter 3 – Methods

This study was designed to address the central questions presented in Chapter 1. *Do the local-level market-oriented coopetition activities, of rural SMEs, have a relationship with customer satisfaction? Do the local-level market-oriented coopetition activities, of rural SMEs, increase the market share of the business cluster?*

The following hypotheses were tested in the study:

H₁: Local-level market-oriented coopetition activities of rural SMEs have a positive relationship with customer satisfaction.

H_{1a}: Bands on Bordeaux has a positive relationship with customer satisfaction.

H_{1b}: Taste of Chadron has a positive relationship with customer satisfaction.

H_{1c}: The Putt-Around has a positive relationship with customer satisfaction.

H_{1d}: One Cup, Two Nights has a positive relationship with customer satisfaction.

H₂: Local-level market-oriented coopetition activities of rural SMEs have a positive relationship with consumer return intentions.

H_{2a}: Bands on Bordeaux has a positive relationship with consumer return intentions.

H_{2b}: Taste of Chadron has a positive relationship with consumer return intentions.

H_{2c}: The Putt-Around has a positive relationship with consumer return intentions.

H_{2d}: One Cup, Two Nights has a positive relationship with consumer return intentions.

H₃: Local-level market-oriented coopetition activities of rural SMEs have a positive relationship with consumer purchase intentions.

H_{3a}: Bands on Bordeaux has a positive relationship with consumer purchase intentions.

H_{3b}: Taste of Chadron has a positive relationship with consumer purchase intentions.

H_{3c}: The Putt-Around has a positive relationship with consumer purchase intentions.

H_{3d}: One Cup, Two Nights has a positive relationship with consumer purchase intentions.

Research Design and Rationale

Understanding the impact of emerging marketing behaviors and practices of rural SMEs is critical to discovering actions that allow small businesses to navigate the complexity of the modern market. Geographically co-located clusters of businesses share common threats and have the opportunity to form value networks that target and create value for a common consumer (Golnam et al., 2014; Teller et al., 2016). Creating value for consumers and increasing the market share of the collaborating cluster of businesses are driving factors of coopetition (Brandenburger & Nalebuff, 1996; Gnyawali & Park, 2011; Kraus et al., 2019; Ritala, 2012). A growing awareness of the importance of the consumer and the consumer perspective has been identified in the coopetition literature (Lindstrom & Polsa, 2016; Walley, 2007). However, the managerial perspective of coopetition continues to dominate the research (Chiambaretto & Dumez, 2016; Chiambaretto et al., 2016; Crick, 2018; Kraus et al, 2019; Lindstrom & Polsa, 2016; Osarenkhoe, 2010; Pellegrin-Boucher, et al., 2018; Robert et al., 2018; Rusko, 2011; Teller et al., 2016). This study utilized a market-oriented lens to draw upon the consumer

perspective to explore the effect of coopetition activities as a mechanism for rural SMEs to improve performance.

Through quantitative analysis, this study investigated the relationships between local-level market-oriented coopetition activities, customer satisfaction and market share. The analysis utilized a quantitative cross-sectional survey to examine how coopetition activities are associated with customer satisfaction and return intentions. Quantitative analysis is commonly utilized and is well established as a method to identify the relationships among variables (Jones & Kottler, 2006). This quantitative study analyzed the relationship between the dependent variable of coopetition activity participation and the independent variables of customer satisfaction and market share.

The focus of the study was to access consumers who had participated in a number of local-level coopetition events involving SMEs. The analysis of rural consumers was accomplished through a sample of employees at a rural state college and the network of the local chamber of commerce. This survey was expanded through the usage of snowball sampling and this analysis focused on the downstream activity of distribution. Survey methods are becoming more prominent in the coopetition literature to develop more generalizable insights (Gnyawali & Song, 2016). An online survey is an effective method of investigating the distribution of characteristics of a large population from a small group of individuals (Dillman, 2014). A survey is an efficient method to learn about people and increase the generalizability of results, thus making it relevant for this research. An online survey provides advantages of speed, cost, and economies of scale in the research process.

Participants and Site

The study setting was in the panhandle of Nebraska. All counties in this region are considered rural based on the USDA Rural Development definition. Rural locations are those outside of a city or town with a population less than 50,000 people (USDA Rural Development, 2020). The coopetition events in the study were in a town with a population of 5,400 people. Several SMEs in the area engaged in coopetition activities. Formal tracking of event participation did not occur for the local events. The inability to directly access event participants required the use of a targeted sample of local consumers as well as the usage of snowball sampling to access parallel networks of respondents.

A sample of rural consumers was accessed through two sources. The study utilized the local chamber of commerce network and employees of the local college. The college and the chamber of commerce are located in the same rural town where the coopetition events occurred. The director of the chamber of commerce distributed the survey to 600 newsletter subscribers. Additionally, the survey was posted on the chamber's social media sites which have over 500 Instagram followers and approximately 1,600 Facebook followers. The demographic profile of the newsletter subscribers largely represented a population of 55 and older. The survey was posted on the local chamber's webpage for additional access. The social media access allowed the survey to be distributed to a wider range of generational cohorts. Access to approximately 280 rural consumers was acquired by utilizing an email list through my place of employment at the local state college, which is one of the largest employers in the area with a variety of employment opportunities. The selection of this population was based on access to respondents to increase the representativeness of the sample. The survey was sent to an email list of 280 full-time, on-campus employees provided by the human resources department of the college. Distant-

site employees or out-of-state employees were excluded from the list. The information was direct-level information within the organization. The email was sent from my account resulting in direct access to the individuals in the study. The college is integrated in the community and sponsors one of the annual coopetition activities, thus increasing the chances that employees of the college had been consumers at the local coopetition events. Salganik and Heckathorn (2004) acknowledge the power of utilizing real people in a connected network of relationships to acquire information from populations that can be difficult to locate.

The geographical location of the area provided a population of approximately 4,400 after excluding individuals under the age of 18 in accordance with the requirements of the study (U.S. Census, 2019). Israel (1992) refers to a simplified sampling method utilized by Yamane (1967) to determine sample sizes. Using a 95% confidence level and $p = .5$, n represents the sample size, N is the population size and e is the desired level of precision.

$$n = N/1 + N(e)^2$$

$$366 = 4,400/ 1 + 4,400(.05)^2$$

For the population size of the area, a sample size of 366 was desired for a precision rate of 5%. Approximately 2,900 participants were reached with the design of this study. However, participants may have been duplicated through the usage of multiple channels. Participants must have attended the events, which reduced the number of eligible participants. To reach a sample size of 366, 12% of the 2,900 recipients had to be eligible to respond. Snowball sampling was utilized to increase access to local consumers who attended the activity and to gain access to non-residents or tourists who attended the activities. Participants were asked to forward the survey to other consumers they know who attended at least one of the events. Snowball sampling has traditionally been utilized to access hard to reach populations (Salganik & Heckathorn,

2004). However, in more recent studies, the method has been utilized to combat the steady decline of survey response rates in general (Dusek, Yurova, & Ruppel, 2015). Utilizing the relationships of qualified participants to extend the reach of the survey helps to increase attention and trust in respondents unknown to the researcher. No information was asked that enabled identification of subjects by their responses. Additionally, participants had the opportunity to opt into a drawing for four \$25 gift cards from local businesses that participated in the event. Personal data that were collected for the giveaway were removed from the analysis to ensure participant anonymity of participants. The list of contact emails from human resources and personal information from the drawing were stored securely, and only I had access to the records. Employee emails are public record on the website but were stored securely for the purposes of this particular study.

I did not have access to the chamber's subscribers to remove any duplicate emails. The distribution of the survey on social media increased the chance of duplicate touch points with rural consumers. To increase control over who responded to the survey and to eliminate duplicate responses, this qualifying question was included: *Have you taken this survey before?* Only participants over the age of 18 were included in the study based on the majority law in Nebraska. To ensure membership in the targeted population of event consumers, the qualifying question of event attendance was implemented at the beginning of the survey. Respondents who did not meet the provided criteria were not allowed to proceed with the survey. They were thanked for their time and participation and were not included in the results. I utilized resources from the Census Bureau to compare the demographics of the local area to that of the sample to ensure compatibility.

Measures

The instrument was adapted from a scale previously utilized to understand consumer perspectives in particular regional areas. The components of customer satisfaction, return intentions, and purchase intentions were adapted from the design of DiPietro and Levitt (2019). Coopetition was measured based on consumer participation in the individual vents. The final component of the instrument was designed to provide descriptive information.

Coopetition

The measure of coopetition was evaluated based on a respondent's attendance at a coopetition event. A qualifying question was included in the survey to target consumers who actually participated in a coopetition event. The number of events and the number of times the participant attended each event were collected to determine the relationship between coopetition, customer satisfaction, and market share (see Appendix A). Skip logic was utilized in the survey to specify the event to which the participant was responding. For each event the participant attended, they were evaluated based on the measures of customer satisfaction and market share for that specific event. This process was repeated for each event they selected. This enabled me to compare the means of events.

Customer Satisfaction

A 4-item scale based on DiPietro and Levitt's (2019) work was utilized to evaluate the consumers' satisfaction with the events and collect information for each of the events. Following Oliver's (1997) suggestions, the scale items captured both cognitive and affective aspects of satisfaction. The scale was chosen based on the reliability coefficient of 0.93 and factor loading of 0.9 for each factor. The scale was developed to evaluate consumer perceptions in a particular regional area in the service industry. The items were evaluated on a 7-point Likert scale (1 =

strongly disagree and 7 = strongly agree). The scale was balanced on both sides and anchored by a central, neutral option to reduce measurement bias. Customer satisfaction included the following questions, which were adapted from DiPietro and LeVitt (2019).

I really enjoyed myself at the event.

Overall, the event put me in a good mood.

I was satisfied with my decision to participate in the event.

I was very satisfied with my overall experience at the event.

Return Intentions

Return intentions were measured based on a 3-item scale, which was adapted from DiPietro and Levitt (2019). Return intentions for each of the events were collected for existing and potential customers of the businesses. This analysis allowed for the exploration of both sources of increased market share based on coopetition-marketing activities. The scale demonstrated a reliability coefficient of 0.95 and each factor was above 0.9. The retention and recruitment of new customers is the foundation of building market share (Innis & La Londe, 1994). The behavioral intentions in the scale address the likelihood of a participant's recommendation and return intentions. The items were evaluated on a 7-point Likert scale (1 = strongly disagree and 7 = strongly agree). The following statements were adapted from DiPietro and Levitt (2019) to measure return intentions.

I will recommend the event to others.

I will speak positively of the businesses involved in the event.

I plan to attend events in the future.

To address new customer acquisition, the following questions were included. This item was evaluated on a 7-point Likert scale (1 = strongly disagree and 7 = strongly agree).

After attending the event, I intended to purchase goods or services from a business that I was not a customer of before.

After attending the event, I intended to purchase goods and services more frequently from a business of which I have been a customer.

Demographics

Biographical data were collected in the final section of the survey (see Appendix A).

Categorical questions were utilized to collect demographic information. The location of the study was in a frontier and remote with a low population and high geographic remoteness (Data for Rural Analysis, 2019). The local residence category was set to within 30 miles of the study site, based on the geographical remoteness of the area.

Procedure

The modification of several survey items required a pilot study to re-establish validity and reliability of the survey instrument. A pilot study prevents ambiguous or complex wording, tests procedures for conducting the survey, and increases the reliability and validity of the test instrument (Creswell, 2014; Dillman, 2014). The following section addresses factors of the pilot study and actual study procedures.

Pilot Study

The data for this pilot study were collected via an online survey, and 14 individuals participated. These participants included individuals who worked for the Nebraska Business Development Center network and marketing academics. This sample included individuals familiar with rural areas and SMEs. The marketing colleagues were able to evaluate the context and clarity of the survey.

Study Procedure

The utilization of Word Mail Merge allowed me to personalize emails in the college sample. The director of the chamber of commerce distributed the survey through the newsletter, local chamber website, and social media sites.

- An initial email, notifying participants of the purpose of the survey, was sent to notify the sample and distribute the survey.
- Two weeks after the start of the study, the survey closed so data analysis could begin

Data Analysis

Quantitative data analysis was utilized to investigate the research questions. The data collected from the survey were analyzed utilizing the newest version of SPSS. To explore the relationship between coopetition activities, customer satisfaction, and market share, the study also employed correlation analysis.

Jones and Kottler (2006) identify correlation coefficients as descriptive measures that describe relationships between scores. Understanding this relationship enables identification of the predictability of the scores. This analysis was utilized to measure Hypotheses 1, 2, and 3. Understanding the positive or negative relationships between coopetition activity participation, customer satisfaction, and market share allows the prediction of the success or usage of the activities in the future. Correlation analysis describes the degree of relation between two variables and ranges from -1.00 to 1, with -1.00 and 1.00 representing perfect negative and positive relationships, respectively, and 0 representing a lack of relation between the variables. Correlations do not represent causation. However, exploring a correlation still conveys important messages of the strength of a relationship between two continuous variables as well as the

negative or positive relationship between such variables (Salkind, 2015). The alpha level was set at $p < .05$.

Chapter 4 – Results

The purpose of this study is to identify whether relationships exist between rural coopetition activities, customer satisfaction, and market share from a consumer perspective. Increased customer satisfaction, increased market share, and access to new consumers have been identified in the literature as influential outcomes of coopetition (Crick, 2018; Kraus et al., 2019; Osarenkhoe, 2010). Understanding coopetition activities from a consumer perspective provides further insight into the actual value created by coopetition marketing strategies.

Approximately 2,900 participants were sent the survey, 415 responses were received. Of the 415 responses, 328 surveys were completed. The data were reviewed for incomplete surveys, incorrectly completed surveys, and any duplications. Based on the review, 87 surveys were excluded from the analysis to maintain the integrity of the data. The study obtained questionnaire responses from individuals who attended specified coopetition activities. Multiple channels were utilized to collect responses. A link to SurveyMonkey was distributed through a social media post by the local chamber of commerce, an email newsletter to chamber subscribers, and an email list of employees at the local college. Through the usage of snowball sampling, participants were asked to forward the survey link to other consumers who attended the event. It was not possible to determine a response rate within the sample population because of the usage of the snowball method and distribution on social media.

This chapter is divided into three sections. The first section provides a description of the respondents. The second section examines the research questions and testing of hypotheses. The third section concludes the presentation of supplemental findings.

Descriptive Characteristics of Respondents

This section describes the demographics of participants. The respondents of this survey largely identified as female (229, 69.8%), 95 (29%) identifying as male, and 1.2% preferred not to answer (see Table 1).

Table 1. Gender of Participants – Frequencies and Percentages

Gender	Frequency	%
Male	95	29.0
Female	229	69.8
Prefer not to answer	4	1.2
Total	328	

The age ranges of participants were distributed as follows: 18–24 years, 25–34 years, 35–44 years, 45–54 years, and 55+ years. The respective percentages were 7.6%, 26.5%, 23.5%, 16.5%, and 25%. A small percentage (.9%) preferred not to answer (see Table 2).

Table 2. Age of Participants – Frequencies and Percentages

Age	Frequency	%
18-24	25	7.6
25-34	87	26.5
35-44	77	23.5
45-54	54	16.5
55+	82	25.0
Prefer not to answer	3	.9
Total	328	

Respondents with a bachelor's degree accounted for 43% of the participants while 25.3 % reported having master's degrees. Doctoral degrees accounted for 11.9% of respondents, followed by 11% who had some college education but no degree. Participants reported earning a high school degree or equivalent at 4.6%, with associate degrees accounting for 3.4% of respondents. Only 0.9% of the population preferred not to answer (see Table 3).

Table 3. Degree Level of Participants – Frequencies and Percentages

Highest level of education	Frequency	%
High school degree or equivalent (e.g., GED)	15	4.6
Some college but no degree	36	11.0
Associate degree	11	3.4
Bachelor's degree	141	43
Master's degree	83	25.3
Doctoral degree	39	11.9
Prefer not to answer	3	.9
Total	328	

A majority of the sample reported full-time employment (83.8%). Part-time employees represented 6.7 %, and retired individuals comprised 6.7%. Lower percentages of respondents were unemployed (1.5%), seeking opportunities (0.9%), or preferred not to answer (0.3%) (see Table 4.). A majority of participants did not own (89.4%) or work (75.2%) for any of the businesses that participated in the cooperative events. Owners (16) accounted for 4.9% of participants, and employees (66) were reported at 20.1%.

Table 4. Employment of Participants – Frequencies and Percentages

Employment	Frequency	%
Employed, working full-time	275	83.8
Employed, working part-time	22	6.7
Seeking opportunities	3	0.9
Retired	22	6.7
Unemployed	5	1.5
Prefer not to answer	1	0.3
Total	328	

Participants responded to a question that identified individuals as local consumers or visitors. The largest percentage of respondents were local (89.3%). Visitors accounted for 10.7% (see Table 5.) Visitors responded to two additional questions asking how many times they returned to the area for an event and the length of their visits. Visitors reported coming back to the area 1–2 times (57.1%) per year for an event, 3–4 times per year at 14.3%, more than 4 times per year at 17.1%, and “Other” represented 11.4%. Of the 35 visitors, 45.7% came for 2–3 days, 20% for 1 day, 20% for 7 or more days, 8.60% for 4–7 days, and 5.7% responded with “Other”.

Table 5. Residence of Participants – Frequencies and Percentages

Residence	Frequency	%
I am a local resident and live within 30 miles of Chadron.	293	89.3
I am a visitor to the area and live more than 30 miles from Chadron.	35	10.7
Total	328	

Hypotheses

To address the problem statement and research questions of this study, the following hypotheses were examined:

H₁: Local-level market-oriented coopetition activities of rural SMEs have a positive relationship with customer satisfaction.

H_{1a}: Bands on Bordeaux has a positive relationship with customer satisfaction.

H_{1b}: Taste of Chadron has a positive relationship with customer satisfaction.

H_{1c}: The Putt-Around has a positive relationship with customer satisfaction.

H_{1d}: One Cup, Two Nights has a positive relationship with customer satisfaction.

H₂: Local-level market-oriented coopetition activities of rural SMEs have a positive relationship with consumer return intentions.

H_{2a}: Bands on Bordeaux has a positive relationship with consumer return intentions.

H_{2b}: Taste of Chadron has a positive relationship with consumer return intentions.

H_{2c}: The Putt-Around has a positive relationship with consumer return intentions.

H_{2d}: One Cup, Two Nights has a positive relationship with consumer return intentions.

H₃: Local-level market-oriented coopetition activities of rural SMEs have a positive relationship with consumer purchase intentions.

H_{3a}: Bands on Bordeaux has a positive relationship with consumer purchase intentions.

H_{3b}: Taste of Chadron has a positive relationship with consumer purchase intentions.

H_{3c}: The Putt-Around has a positive relationship with consumer purchase intentions.

H_{3d}: One Cup, Two Nights has a positive relationship with consumer purchase intentions.

Coopetition Events and Satisfaction

To test the first hypothesis (H₁), composite scores for total event attendance and satisfaction were determined. The independent variable of total attendance was calculated based on the average responses from the four event questions. These questions were scaled from 1–4 based on the number of times a participant attended each event. The survey was designed to allow respondents to confirm attendance at multiple events. The responses of 328 individuals resulted in 570 data points of analysis, based on individuals attending multiple events. The dependent variable of total satisfaction was determined by analyzing four statements for each event. The four statements were adapted from DiPietro and Levitt (2019), with responses ranging from “Strongly agree” (7) to “Strongly disagree” (1). The mean score of attendance was 2.64 with a standard deviation of 1.24. Satisfaction responses had a mean of 6.29 with a standard deviation of .88.

Table 6. Descriptive Statistics

	<i>n</i>	Minimum	Maximum	Mean	Std. Deviation
How many times have you attended X event?	570	1.00	4.00	2.64	1.24
Satisfaction	570	1.75	7.00	6.2895	.882

Total attendance and satisfaction were analyzed with a Pearson's Correlation Coefficient test to determine the relationship ($r = .202, p = .001$). This indicated a weak positive correlation between the frequency of event attendance and satisfaction. In other words, as an individual's attendance frequency increased so did satisfaction, conversely, as attendance decreased so did satisfaction. The first hypothesis is supported with the Pearson's r value. Effect size was small ($r^2 = 0.04$) (Ferguson, 2016).

Table 7. Event Participation and Satisfaction-Totals

		How many times have you attended X event?	Total Satisfaction
How many times have you attended X event?	Pearson's Correlation Coefficient	1	.202**
	Sig. (two-tailed)		< .001
	<i>N</i>	570	570
Total Satisfaction	Pearson's Correlation Coefficient	.202**	1
	Sig. (two-tailed)	< .001	
	<i>N</i>	570	570

** Correlation is significant at the 0.01 level (two-tailed).

Each event was analyzed at an individual level to examine the relationship between event attendance and satisfaction. $H_{1a} - H_{1d}$ explored the relationship between attendance at each event and customer satisfaction. Attendance was scaled from 1–4 based on the number of times a participant attended each event. Satisfaction was determined by analyzing four statements for each event. The four statements were adapted from DiPietro and Levitt (2019), with responses ranging from “Strongly agree” (7) to “Strongly disagree” (1).

Bands on Bordeaux

The mean score of attendance was 3.24 with a standard deviation of 1.08. Satisfaction responses had a mean of 6.22 with a standard deviation of .91.

Table 8. Descriptive Statistics

	<i>n</i>	Minimum	Maximum	Mean	Std. Deviation
How many times have you attended Bands on Bordeaux?	316	1.00	4.00	3.24	1.078
Satisfaction	316	1.75	7.00	6.2215	.912

A Pearson's Correlation Coefficient test was conducted to determine the relationship between attendance at Bands on Bordeaux and satisfaction. Results demonstrated a statistically significant ($p = .001$) positive correlation between the two variables. The correlation coefficient ($r = .391$) indicated a moderate effect size between the frequency of attendance and customer satisfaction (Ratner, 2009). The amount of variance between the variables is explained by an r^2 of .152. In other words, a small percentage of the variance in attendance is explained by satisfaction. Thus, the null hypothesis is rejected since there is a significant relationship between attendance and satisfaction.

Table 9. Bands on Bordeaux and Satisfaction

		How many times have you attended Bands on Bordeaux?	Satisfaction
How many times have you attended Bands on Bordeaux?	Pearson's Correlation Coefficient	1	.391**
	Sig. (two-tailed)		< .001
	<i>N</i>	316	316
Satisfaction	Pearson's Correlation Coefficient	.391**	1
	Sig. (two-tailed)	< .001	
	<i>N</i>	316	316

** Correlation is significant at the 0.01 level (two-tailed).

Taste of Chadron

The mean score of attendance was 1.55 with a standard deviation of .812. Satisfaction responses had a mean of 6.29 with a standard deviation of .99.

Table 10. Descriptive Statistics

	<i>n</i>	Minimum	Maximum	Mean	Std. Deviation
How many times have you attended Taste of Chadron?	55	1.00	4.00	1.55	.812
Satisfaction	55	2.00	7.00	6.2864	.985

A Pearson's Correlation Coefficient test was conducted to determine the relationship between attendance at Taste of Chadron and satisfaction. The analysis indicated no significant difference between the frequency of attendance at the event and satisfaction at the $p < .05$ level ($p = .954$). The null hypothesis is supported by the Pearson's Correlation Coefficient value.

The Putt-Around

The mean score of attendance was 2.34 with a standard deviation of 1.16. Satisfaction responses had a mean of 5.4 with a standard deviation of .76.

Table 11. Descriptive Statistics

	<i>n</i>	Minimum	Maximum	Mean	Std. Deviation
How many times have you attended Putt Around?	101	1.00	4.00	2.34	1.160
Satisfaction	101	2.25	6.25	5.3639	.764

The relationship between attendance at the Putt-Around and satisfaction was analyzed with a Pearson's Correlation Coefficient test to determine the relationship ($r = .596$, $p = .001$). This indicated a moderate positive correlation between the frequency of event attendance and satisfaction (Ratner, 2009). The r^2 of .36 demonstrates that 36% of the variance in attendance is explained by satisfaction. This hypothesis is supported with the Pearson's r value.

Table 12. Putt-Around and Satisfaction

		How many times have you attended Putt-Around?	Satisfaction
How many times have you attended Putt-Around?	Pearson's Correlation Coefficient	1	.596**
	Sig. (two-tailed)		< .001
	<i>N</i>	101	101
Satisfaction	Pearson's Correlation Coefficient	.596**	1
	Sig. (two-tailed)	< .001	
	<i>N</i>	101	101

** Correlation is significant at the 0.01 level (two-tailed).

One Cup, Two Nights

The mean score of attendance was 1.62 with a standard deviation of .73. Satisfaction responses had a mean of 6.4 with a standard deviation of .79.

Table 13. Descriptive Statistics

	<i>n</i>	Minimum	Maximum	Mean	Std. Deviation
How many times have you attended One Cup, Two Nights?	98	1.00	4.00	1.6224	.725
Satisfaction	98	2.50	7.00	6.4005	.785

A Pearson's Correlation Coefficient test was conducted to determine the relationship between attendance at One Cup, Two Nights and satisfaction. The analysis indicated no significant difference between the frequency of attendance at the event and satisfaction at the $p < .05$ ($p = .151$). The null hypothesis is supported by the Pearson's Correlation Coefficient value.

Coopetition Events and Return Intentions

To test the second hypothesis (H_2), composite scores for total event attendance and return intentions were determined. The independent variable of total attendance was calculated based on the average responses from the four individual event questions that were scaled from 1-4 based on the number of times a participant attended each event. To calculate overall attendance, 570 data points of experience were evaluated for the 328 respondents. Many of the respondents attended multiple events. The dependent variable of total return intentions was determined by analyzing three statements for each event. The three statements were adapted from DiPietro and Levitt (2019), with responses ranging from "Strongly agree" (7) to "Strongly disagree" (1). The mean score of attendance was 2.64 with a standard deviation of 1.24. Return intention responses had a mean of 6.3 with a standard deviation of .91.

Table 14. Descriptive Statistics

	<i>n</i>	Minimum	Maximum	Mean	Std. Deviation
How many times have you attended X event?	570	1.00	4.00	2.64	1.24
Return Intentions	570	1.67	7.00	6.2994	.906

Total attendance and return intentions were analyzed with a Pearson's Correlation Coefficient test to determine the relationship ($r = .268, p = .001$). This indicated a weak positive correlation between the frequency of event attendance and return intentions. In other words, as an individual's attendance frequency increased so did return intentions, conversely, as attendance decreased so did return intentions. The second hypothesis is supported with the Pearson's r value. Effect size was small ($r^2 = 0.07$) (Ferguson, 2016).

Table 15. Event Participation and Return Intentions –Totals

		How many times have you attended X event?	Return Intentions
How many times have you attended X event?	Pearson's Correlation Coefficient	1	.268**
	Sig. (two-tailed)		< .001
	<i>N</i>	570	570
Return Intentions	Pearson Correlation	.268**	1
	Sig. (two-tailed)	< .001	
	<i>N</i>	570	570

**Correlation is significant at the 0.01 level (two-tailed).

Each event was analyzed at an individual level to examine the relationships between event attendance and return intentions. H_{2a} – H_{2d} explored the relationship between attendance at each event and customer return intention. Attendance was scaled from 1–4 based on the number of times a participant attended each event. Return intentions were determined by analyzing three statements for each event. The three statements were adapted from DiPietro and Levitt (2019), with responses ranging from “Strongly agree” (7) to “Strongly disagree” (1).

Bands on Bordeaux

The mean score of attendance was 3.24 with a standard deviation of 1.07. Return intentions responses had a mean of 6.3 with a standard deviation of .93.

Table 16. Descriptive Statistics

	<i>n</i>	Minimum	Maximum	Mean	Std. Deviation
How many times have you attended Bands on Bordeaux?	316	1.00	4.00	3.24	1.072
Return Intentions	316	1.67	7.00	6.3006	.931

A Pearson's Correlation Coefficient test was conducted to determine the relationship between attendance at Bands on Bordeaux and return intentions. Results demonstrated a statistically significant ($p = .001$) positive correlation between the two variables. The correlation coefficient ($r = .402$) indicated a moderate effect size between the frequency of attendance and customer return intentions (Ratner, 2009). The amount of variance between the variables is explained by an r^2 of .16. In other words, a small percentage of the variance in attendance is explained by return intentions. Thus, the null hypothesis is rejected since there is a significant relationship between attendance and return intentions.

Table 17. Bands on Bordeaux and Return Intentions

		How many times have you attended Bands on Bordeaux?	Return Intentions
How many times have you attended the Bands on Bordeaux?	Pearson's Correlation Coefficient	1	.402**
	Sig. (two-tailed)		< .001
	<i>N</i>	316	316
Return Intentions	Pearson's Correlation Coefficient	.402**	1
	Sig. (two-tailed)	<.001	
	<i>N</i>	316	316

** Correlation is significant at the 0.01 level (two-tailed).

Taste of Chadron

The mean score of attendance was 1.55 with a standard deviation of .812. Return intention responses had a mean of 6.25 with a standard deviation of .98.

Table 18. Descriptive Statistics

	<i>n</i>	Minimum	Maximum	Mean	Std. Deviation
How many times have you attended Taste of Chadron?	55	1.00	4.00	1.55	.812
Return Intentions	55	2.67	7.00	6.2485	.975

A Pearson's Correlation Coefficient test was conducted to determine the relationship between attendance at Taste of Chadron and return intentions. The analysis indicated no significant difference between the frequency of attendance at the event and return intentions at the $p < .05$ level ($p = .586$). The null hypothesis is supported by the Pearson's Correlation Coefficient value.

The Putt-Around

The mean score of attendance was 2.34 with a standard deviation of 1.16. Return intentions responses had a mean of 6.25 with a standard deviation of .9.

Table 19. Descriptive Statistics

	<i>n</i>	Minimum	Maximum	Mean	Std. Deviation
How many times have you attended Putt Around?	101	1.00	4.00	2.34	1.160
Return Intentions	101	2.67	7.00	6.2475	.894

Attendance at the Putt-Around and return intentions were analyzed with a Pearson's Correlation Coefficient test to determine the relationship ($r = .343$, $p = .001$). This indicates a moderate positive correlation between the frequency of event attendance and return intentions (Ratner, 2009). The r^2 of .12 demonstrates that a small percentage of the variance in attendance is explained by return intentions. This hypothesis is supported with the Pearson's r value.

Table 20. The Putt-Around and Return Intentions

		How many times have you attended the Putt-Around?	Return Intentions
How many times have you attended the Putt-Around?	Pearson's Correlation Coefficient	1	.343**
	Sig. (two-tailed)		< .001
	<i>N</i>	101	101
Return Intentions	Pearson's Correlation Coefficient	.343**	1
	Sig. (two-tailed)	< .001	
	<i>N</i>	101	101

**Correlation is significant at the 0.01 level (two-tailed).

One Night, Two Cups

The mean score of attendance was 1.62 with a standard deviation of .73. Return intentions responses had a mean of 6.38 with a standard deviation of .8.

Table 21. Descriptive Statistics

	<i>n</i>	Minimum	Maximum	Mean	Std. Deviation
How many times have you attended One Cup, Two Nights?	98	1.00	4.00	1.6224	.725
Return Intentions	98	3.00	7.00	6.3776	.799

A Pearson's Correlation Coefficient was conducted to determine the relationship between attendance at One Cup, Two Nights and return intentions. The analysis revealed no significant difference between the frequency of attendance at the event and return intentions at $p < .05$ ($p = .171$). The null hypothesis is supported by the Pearson's Correlation Coefficient value.

Coopetition Events and Purchase Intention

To test the third hypothesis (H₃), composite scores for total event attendance and return intentions were determined. The independent variable of total attendance was calculated based on the average responses from the four event questions that were scaled from 1-4 based on the number of times a participant attended each event. To calculate overall attendance, 570 data points of experience were evaluated for the 328 respondents. Many of the respondents attended multiple events. The dependent variable of total market share was determined by analyzing two statements for each event. Utilizing purchase intentions as a proxy for market share (Innis & La Londe, 1994), two statements were developed. Participants were asked how much they agreed with the following:

After attending the event, I intended to purchase goods and services more frequently from a business of which I have been a customer. After attending the event, I intended to purchase goods and services more frequently from a business of which I have been a customer.

Responses ranged from “Strongly agree” (7) to “Strongly disagree” (1). Cronbach’s alpha (α) was utilized to calculate reliabilities. The market share composite was .911 indicating high internal consistency.

The mean score of attendance was 2.64 with a standard deviation of 1.24. Purchase intentions responses had a mean of 5.08 with a standard deviation of 1.33.

Table 22. Descriptive Statistics

	<i>n</i>	Minimum	Maximum	Mean	Std. Deviation
How many times have you attended X event?	570	1.00	4.00	2.64	1.24
Purchase Intention	570	1.00	7.00	5.0719	1.334

The relationship between total attendance and purchase intentions was analyzed with a Pearson’s Correlation Coefficient test. The analysis presented no significant difference between the frequency of attendance at the event and purchase intentions at $p < .05$ ($p = .193$). The null hypothesis is supported by the Pearson’s Correlation Coefficient value.

Each event was analyzed at an individual level to examine the relationship between event attendance and purchase intentions. $H_{3a} - H_{3d}$ explored the relationship between attendance at each event and purchase intentions.

Bands on Bordeaux

The mean score of attendance was 3.24 with a standard deviation of 1.08. Purchase intentions responses had a mean of 4.9 with a standard deviation of 1.34.

Table 23. Descriptive Statistics

	<i>n</i>	Minimum	Maximum	Mean	Std. Deviation
How many times have you attended Bands on Bordeaux?	316	1.00	4.00	3.24	1.072
Purchase Intention	316	1.00	7.00	4.8576	1.338

A Pearson's Correlation Coefficient test was conducted to determine the relationship between attendance at Bands on Bordeaux and purchase intentions. Results indicated a statistically significant ($p = .001$) positive correlation between the two variables. The correlation coefficient ($r = .225$) indicated a small effect size between the frequency of attendance and customer purchase intentions (Ferguson, 2016). The amount of variance between the variables is explained by an r^2 of .05. In other words, a small percentage of the variance in attendance is explained by purchase intentions. Thus, the null hypothesis is rejected since there was a significant relationship between attendance and purchase intentions.

Table 24. Bands on Bordeaux and Purchase Intention

		How many times have you attended Bands on Bordeaux?	Purchase Intention
How many times have you attended the Bands on Bordeaux?	Pearson's Correlation Coefficient	1	.225**
	Sig. (two-tailed)		< .001
	<i>N</i>	316	316
Purchase Intention	Pearson's Correlation Coefficient	.225**	1
	Sig. (two-tailed)	< .001	
	<i>N</i>	316	316

**Correlation is significant at the 0.01 level (two-tailed).

Taste of Chadron

The mean score of attendance was 1.55 with a standard deviation of .812. Purchase intentions responses had a mean of 5.66 with a standard deviation of 1.31.

Table 25. Descriptive Statistics

	<i>n</i>	Minimum	Maximum	Mean	Std. Deviation
How many times have you attended Taste of Chadron?	55	1.00	4.00	1.55	.812
Purchase Intentions	55	1.00	7.00	5.6636	1.305

A Pearson's Correlation Coefficient test was conducted to determine the relationship between attendance at Taste of Chadron and purchase intentions. The analysis presented no significant difference between the frequency of attendance at the event and purchase intentions at the $p < .05$ ($p = .478$). The null hypothesis is supported by the Pearson's Correlation Coefficient value.

The Putt-Around

The mean score of attendance was 2.34 with a standard deviation of 1.16. Purchase intention responses had a mean of 5.27 with a standard deviation of 1.34.

Table 26. Descriptive Statistics

	<i>n</i>	Minimum	Maximum	Mean	Std. Deviation
How many times have you attended Putt-Around?	101	1.00	4.00	2.34	1.160
Purchase Intentions	101	1.00	7.00	5.2673	1.337

The relationship between attendance at the Putt-Around and purchase intentions was analyzed with a Pearson's Correlation Coefficient test ($r = .219, p = .028$). This indicates a weak positive correlation between the frequency of event attendance and purchase intentions. The r^2 of .05 shows a small percentage of the variance in attendance is explained by purchase intentions. This hypothesis is supported with the Pearson r .

Table 27. Putt-Around and Purchase Intentions

		How many times have you attended Putt Around event?	Purchase Intentions
How many times have you attended the Putt Around?	Pearson's Correlation Coefficient	1	.219*
	Sig. (two-tailed)		.028
	<i>N</i>	101	101
Purchase Intentions	Pearson's Correlation Coefficient	.219*	1
	Sig. (two-tailed)	.028	
	<i>N</i>	101	101

*Correlation is significant at the 0.01 level (two-tailed).

One Night, Two Cups

The mean score of attendance was 1.62 with a standard deviation of .73. Purchase intentions responses had a mean of 5.23 with a standard deviation of 1.2.

Table 28. Descriptive Statistics

	<i>n</i>	Minimum	Maximum	Mean	Std. Deviation
How many times have you attended One Cup, Two Nights?	98	1.00	4.00	1.62	.725
Purchase Intentions	98	2.5	7.00	5.2269	1.197

A Pearson's Correlation Coefficient test was conducted to determine the relationship between attendance at One Cup, Two Nights and purchase intentions. The analysis indicated no significant difference between the frequency of attendance at the event and purchase intentions at the $p < .05$ ($p = .089$). The null hypothesis is supported by the Pearson's Correlation Coefficient value.

Other Findings

This study breaks with tradition in the coopetition literature by analyzing the consumer perspective, thus introducing interesting demographic information from event participants and coopetition perceptions. Demographic information is a central pillar in shaping and understanding consumer behavior. Typically dominated by the managerial perspectives, the information presented here provides new insights that push the researchers to rethink new avenues for future studies.

Generational Cohorts

An exploration of the age groups identified in the study uncovered potential differences in satisfaction, return intentions, and purchase intentions. Respondents under the age of 24

responded with higher satisfaction, return intentions, and purchase intentions after attending the events. The response rate from the 18–24 group was insufficient for analysis at the individual level. However, understanding consumers through generational cohort theory has been introduced in the literature as a method to increase the rate of analysis of consumer behavior from demographic information (Chaney, Touzani, and Slimane, 2017). Future research could explore the effects of coopetition marketing events based on the differences within generational cohorts to provide more depth and understanding of how these events attract consumers or drive consumption behavior. The results from this study have the potential to connect with generational research. For example, Gen Z consumers tend to have less brand loyalty, therefore, events with multiple brands may satisfy their explorative needs. When studying the analysis, the age range of 55+, connects closely with the baby boomer generation, which has been described as very experienced and tends to be difficult to satisfy. The results of this study reflected lower satisfaction from the baby boomer consumers.

Table 29. Age, Satisfaction, and Market share

	18–24	25–34	35–44	45–54	55+	Prefer not to
	Mean	Mean	Mean	Mean	Mean	answer Mean
Satisfaction	6.51	6.30	6.07	6.25	6.21	5.25
Return Intentions	6.55	6.34	6.20	6.37	6.26	5.56
Purchase Intentions	5.18	4.92	4.56	4.96	4.92	4.33

When analyzing additional demographic factors, education and employment status appeared to connect to the generational results of the age examination. The analysis uncovered higher mean satisfaction, return intentions, and purchase intentions from respondents with less education as well as from those who reported part-time employment. It is important to note that

the frequency of attendance was lower in the 18–24 group. A majority of the respondents were distributed rather consistently in the generational cohorts of millennials, baby boomer and Gen Xers. Future research exploring the attendance, satisfaction, and consumer perceptions of coopetition events could add an additional level of analysis in understanding how these events can drive consumer behavior.

Gender

An analysis of gender, provided further insight into the differences in consumer perceptions of coopetition events. The mean responses of females were consistently higher across all three variables of satisfaction, return intentions, and purchase intentions. Gender is an additional demographic factor that can influence the development of marketing campaigns to effectively reach consumers. Experiential marketing strategies have been found to result in higher purchase intentions in females (Liang, Chen, Duan, & Ni, 2013). Described as a marketing strategy that provide a variety of consumption experiences that have the potential to add perceived value to consumers; therefore, experiential marketing relates to event-based coopetition. This study introduces gender as a potential factor to explore in future coopetition research to determine the effect of coopetition events on consumer perceptions and purchase intentions.

Table 30. Gender, Satisfaction, Return Intentions and Purchase Intentions

	Gender	<i>N</i>	Mean	Std. Deviation	Sd. Error Mean
Satisfaction	Female	220	6.3375	.81370	.05486
	Male	92	5.9810	1.04647	.10910
Return	Female	220	6.4318	.79247	.05343
	Male	92	6.0145	1.14398	.11927
Purchase	Female	220	5.0409	1.30267	.08783
	Male	92	4.4565	1.34584	.14031

To explore gender, satisfaction, return intentions, and purchase intentions the variables were analyzed through an independent sample *t*-test. Results revealed that females had statistically higher perceptions of satisfaction $t(310) = 3.232, p = .001$, return intentions $t(310) = 3.232, p < .001$, and purchase intentions $t(310) = 3.232, p < .001$ compared to males.

Table 31. Gender, Satisfaction, Return Intentions and Purchase Intentions

		<i>F</i>	Sig.	<i>t</i>	df	Sig. (two-tailed)	Mean	Std. Error	95 % Confidence Interval of Difference	
									Lower	Upper
Satisfaction	Equal variances assumed	3.13	.078	3.232	310	.001	.357	.11030	.13949	.57355
	Equal variances not assumed			2.919	139.138	.004	.357	.12212	.11507	.59797
Return	Equal variances assumed	5.99	.015	3.694	310	<.001	.417	.11296	.19505	.63960
	Equal variances not assumed			3.193	129.028	.002	.417	.13069	.15875	.67590
Purchase	Equal variances assumed	.300	.585	3.578	310	<.001	.585	.16333	.26302	.90676
	Equal variances not assumed			3.530	165.704	<.001	.585	.16553	.25756	.91121

Visitors Versus Locals

An additional observation from the data is the potential difference between visitor and local resident responses. Visitors who attended the events expressed higher satisfaction and purchase intention results than participants who identified as locals. These insights into the impact of coopetition events on visitors connect to previous research on coopetition and tourism (Kylanen & Mariani, 2012). Kylanen and Mariani (2012) revealed that collaborative events can be utilized to provide visitors with more of a destination rather than merely an area to visit based on connections to the area. Managerial exploration of how businesses collaborate to bring people to a particular destination or gain access to consumers has developed as a stream of research in the coopetition literature (Kraus, et al., 2019; Kylanen & Rusko, 2011; Teller et al., 2016). These insights introduce a consumer perspective that continues to emphasize a need to explore the

effects of coopetition on attracting new consumers to a business cluster. Data for return intentions did not reveal higher mean results in visitors, but some assumptions about travel availability and requirements could have decreased visitors' opportunity to return compared to local respondents.

Table 32. Visitors, Locals, Satisfaction, and Market Share

	Local Resident Mean	Visitor Mean
Satisfaction	6.20	6.42
Return Intentions	6.31	6.25
Purchase Intentions	4.83	5.13

Summary

A significant relationship was found between overall event participation and customer satisfaction (H_1). There was a significant relationship between satisfaction and participation in two of the events ($H_{1a,1c}$). No significant relationship was found between the remaining two events and satisfaction ($H_{1b,1d}$). Analyses of the relationship between overall event participation and return intentions resulted in a positive relationship (H_2). Similar to the findings on satisfaction, a significant relationship was found between two of the individual events ($H_{2a,2c}$), while no relationship was found between the remaining two events ($H_{2b,2d}$). No significant relationship was found between overall event participation and purchase intentions (H_3). Finally, analyses of the events and purchase intentions found a significant relationship between two of the events ($H_{3a,3c}$). The implications of these findings are discussed in the next chapter.

Table 33. Summary of Hypotheses				
Hypothesis	<i>p</i> -value	<i>r</i>	<i>r</i> ²	Results
H ₁ : Local-level market-oriented coopetition activities of rural SMEs have a positive relationship with customer satisfaction.	.001	.202	0.04	Rejected
H _{1a} : Bands on Bordeaux has a positive relationship with customer satisfaction.	.001	.391	.152	Rejected
H _{1b} : Taste of Chadron has a positive relationship with customer satisfaction.	.954	-.008		Accepted
H _{1c} : The Putt-Around has a positive relationship with customer satisfaction.	.001	.596	.36	Rejected
H _{1d} : One Cup, Two Nights has a positive relationship with customer satisfaction.	.139	.151		Accepted
H ₂ : Local-level market-oriented coopetition activities of rural SMEs have a positive relationship with consumer return intentions.	.001	.268	.072	Rejected
H _{2a} : Bands on Bordeaux has a positive relationship with consumer return intentions.	.001	.402	.162	Rejected
H _{2b} : Taste of Chadron has a positive relationship with consumer return intentions.	.586	.075		Accepted
H _{2c} : The Putt-Around has a positive relationship with consumer return intentions.	.001	.343	.12	Rejected
H _{2d} : One Cup, Two Nights has a positive relationship with consumer return intentions.	.091	.171		Accepted
H ₃ : Local-level market-oriented coopetition activities of rural SMEs have a positive relationship with consumer purchase intentions.	.193	.055		Accepted
H _{3a} : Bands on Bordeaux has a positive relationship with consumer purchase intentions.	.001	.225	.051	Rejected
H _{3b} : Taste of Chadron has a positive relationship with consumer purchase intentions.	.478	.098		Accepted
H _{3c} : The Putt-Around has a positive relationship with consumer purchase intentions.	.028	.219	.05	Rejected
H _{3d} : One Cup, Two Nights has a positive relationship with consumer purchase intentions.	.384	.089		Accepted

Chapter 5 – Discussion

Coopetition is a marketing collaboration that has evolved as a response to market uncertainty (Mariussen et al., 2010). Increasingly, firms are engaging in coopetition as a competitive strategy to combat uncertainty through the distribution of risk and increased access to resources (Morgan et al., 2009). Increased customer satisfaction and market share have been identified as positive outcomes of coopetition (Crick, 2018; Kraus, et al., 2019; Osarenkhoe, 2010). Understanding coopetition outcomes enables resource-strained rural SMEs to navigate and adapt to market conditions.

Geographic location and limited resources increase rural SMEs' vulnerability to shifting market environments. Market-oriented coopetition is distinguished by its high visibility to consumers and reduced factors of risk, based on the short-term and flexible commitment of contributing partners (Lindstrom & Polsa, 2016; Robert et al., 2018). Risk mitigation is a central factor to the success of rural SMEs (Morgan, et al., 2009), making coopetition an attractive and actionable strategy for local rural networks. Coopetition that engages with the consumer, shifts the focus of research to unpack the dynamics of coopetition on the consumer and other stakeholders. A consumer perspective of coopetition opens a channel of insight to reveal clear connections between coopetition and marketing strategies.

The purpose of this research was to expand the foundational construct of performance in the coopetition literature. Specifically, this study transitioned the research of coopetition strategies to a consumer perspective to uncover the value of the activities by examining consumer satisfaction and market share. Research has determined that increased customer satisfaction and increased market share are positive outcomes of coopetition (Crick, 2018; Kraus,

et al., 2019; Osarenkhoe, 2010). Yet, the literature has failed to include the consumer perspective to quantify these findings.

Findings

Two research questions were addressed in this study: *Do the local-level market-oriented coopetition activities, of rural SMEs, have a relationship with customer satisfaction? Do the local-level market-oriented coopetition activities, of rural SMEs, increase the market share of the business cluster?* The questions led to the development of three major hypotheses and 12 supporting hypotheses. This section presents the findings of each hypothesis.

H₁ – Coopetition Activities and Customer Satisfaction

Fifteen hypotheses focused on the outcome of coopetition activities and customer satisfaction. H₁ examined the relationship between local-level market-oriented coopetition activities of rural SMEs and customer satisfaction. The literature has identified the demand to increase customer satisfaction as a driving factor for small businesses to participate in coopetition events (Osarenkhoe, 2010; Pellegrin-Boucher, et al., 2018). This led to the assumption that event-based coopetition between a cluster of rural SMEs would have a positive relationship with customer satisfaction. The literature has recognized customer satisfaction as a positive outcome from an internal, managerial perspective but has limited discussion of the quantifiable perspective of consumers.

H₁ revealed a positive correlation between event participation and customer satisfaction. These findings provide support for the suggestions from previous research and offer an additional layer of connection between coopetition and customer satisfaction from the consumer perspective. Results demonstrated a weak positive correlation between event participation and customer satisfaction. This indicates that many factors beyond participation may be responsible

for the variation in the relationship between coopetition events and satisfaction. This could be a result of the complexity of coopetition as partners jointly create value through the event, while simultaneously competing to capture part of that value (Bouncken et al., 2015).

Coopetition is encompassed in multiple layers of interactions that result in the complexity of the phenomena (Bengtsson & Kock, 2000). Each of the four events were analyzed through correlation analyses to examine Hypotheses H_{1a}-H_{1d}. Two of the events presented positive correlations with customer satisfaction. The activities vary in the collaborative distribution of products or experiences. Many other variables involved in coopetition events such as timing, communication channels, and different partners (Lindstrom & Polsa, 2016) may have led to the significant and insignificant results of the individual events.

H₂ – Coopetition Activities and Return Intentions

The analysis between overall event participation and return intentions resulted in a positive correlation. Previous qualitative analysis has identified gaining a larger customer base as an influential outcome of coopetition among SMEs (Kraus et al., 2019). To add additional value to the explorative results, this study pursued quantitative analyses to explore the objectivity of the relationship between coopetition and consumer return intentions. Return intentions of current and new consumers allow businesses to analyze the potential of coopetition to expand the network's base of consumers. Results confirm a positive correlation between coopetition participation and return intentions.

The individual analyses of the events presented similar findings to satisfaction. Two of the larger coopetition events revealed positive correlations between participation and return intentions.

H₃ – Coopetition Activities and Purchase Intentions

To examine purchase intentions, the analyses was shifted to focus on actual businesses participating in the collaborative event. The purchase intentions of existing and potential customers provide a foundation for exploring and predicting the ability to increase market share (Innis & La Londe, 1994). Total analyses of the event failed to produce significant results between the relationship of coopetition and purchase intentions. Notably, correlation analyses of two of the events uncovered a weak but positive correlation between event participation and purchase intentions. Two of the larger individual events that included engaging consumer activities resulted in positive correlations with satisfaction, return intentions, and purchase intentions in all three sections of analysis. This information could indicate that events that feature more entertainment such as music, or team activities, create more value for consumers.

Implications

Although previous studies have focused on customer satisfaction and market share as influential outcomes of coopetition, little research has been conducted that focuses on the perceived satisfaction or perceived intentions of consumers based on coopetition events. The omission of the consumer perspective in the literature is the foundation of this study and has provided the opportunity to discover preliminary insights about how coopetition connects to consumer outcomes and behavior. This study addresses calls for research to clearly define the boundaries of coopetition (Gnyawali & Song, 2016). Porter's cluster theory has historically proposed geographic location to be a central factor of competition in the global economy. Research has determined that geographic proximity can influence the development of cooperative marketing in small firms. Rural SMEs have provided a setting to examine the consumer perspective of coopetition as rural locations are often understudied and provide clear boundaries

to define coopetition at the local level. While the scope of this study was small, the emerging nature of uncovering the consumer perspective provides building blocks for academic research and business practitioners.

Academic Implications

The main theoretical contribution of this study lies in the combination of three different yet interconnected concepts within the coopetition literature: geography (rural), SMEs, and market-orientation. Collectively, this research extends the literature of geographically defined coopetition through rural clusters of SMEs, the examination of collaborative marketing activities that engage consumers, and the introduction of the consumer perspective. The research contributes theoretically to the coopetition literature in several ways, that are discussed in the following section.

Historically rooted in the literature, this study extends insights on the capacity in which clusters of business compete. Porter (1998) argues that competitive advantage increasingly lies in factors of a business' local environment and in how firms choose to compete. The results of this study expand the foundational work on cluster theory and reveal new insights on how consumers perceive competition between businesses. This study advances the literature on understudied rural SMEs, enhancing the understanding of rural marketing approaches (Frazier, et al., 2013). Focusing on a rural setting extends coopetition research based on geographical characteristics (Lindstrom & Polsa, 2016; Teller & Elms, 2012; Teller, Alexander, & Floh, 2016).

To unpack the complexities of coopetition, research has worked to deconstruct the strategic and operational elements of the value chain (Robert, et al, 2018). This study contributes to the growing focus of coopetition activities that occur close to the consumer and contributes to the market-oriented coopetition literature. In particular, this work extends the focused stream of

research on event-based marketing activities (Felzenstein et al., 2010; Crick, 2018; Pellegrin-Boucher et al., 2018; Osarenkhoe, 2010; Thomasson et al., 2013). Results from this study continue to connect the literature on performance characteristics and implications of market-oriented coopetition. A narrow stream of research has uncovered that coopetition events are connected to customer satisfaction and increased market share (Pellegrin-Boucher et al., 2018; Crick, 2018; Kraus et al., 2019; Osarenkhoe, 2010). Yet, the consumer perspective has been overlooked in the research (Lindstrom & Polsa, 2016; Walley, 2007). This paper contributes to coopetition theory by exploring and empirically investigating the relationship between coopetition activities and consumer perspectives. The positive correlations provide building blocks for the integration of consumer perceptions into the coopetition literature. Notably, the results indicate that the consumers' intentions to return to the event is a positive correlation.

When the analysis shifted to the consumer's purchase intent for the individual businesses, no relationship was found in the overall analysis. Bengtsson and Kock (2000) argue that activities close to the consumer may fail to reap the competitive advantages of coopetition, as the complexity of the phenomena are difficult for consumers to understand. Results from the individual event analysis provide stimulating information for the discussion of purchase intentions. Two of the larger events that encourage larger group engagement and entertainment established a positive relationship between attendance and intent to purchase from the participating businesses. The results illustrate the conclusion that the event-based coopetition approach needs to integrate other determinants of the individual events to better explain the coopetition phenomena. Exploring factors of the following differences in events (see table 34) provides the opportunity to understand characteristics of events that resonate with consumers. Felzensztein et al. (2018) revealed that the maturity of the business cluster can impact the

success of coopetition. The differences in the longevity of the cluster could impact consumer experiences.

Table 34. Event Factors				
Event	Entertainment	Location	Family or Adults	Longevity
Bands on Bordeaux is a music festival held every Thursday in July from 6-9 pm that includes multiple vendors.	Bands, yard games, alcohol and food	One central location. Vendors come to the location	Family Friendly	5+ years
Taste of Chadron -is a ticketed event, customers are able to enjoy one small meal and drink from five local restaurants.	Food and drinks	Consumers travel to multiple businesses to participate	Targets Adults	Less than 5 years
Putt-Around - is an annual event designed to have participants travel to multiple businesses throughout town while playing unique putt-putt holes at each participating business.	Team-based events, alcohol, and food.	Consumers travel to multiple businesses to participate	Targets Adults	5+ years
One Cup, Two Nights - was hosted during the annual Fur Trade Days celebration in 2019. The event involved purchasing one cup to utilize at multiple bars for refills for the duration of the weekend. This cup allowed people to walk between the bars in the designated outdoor areas.	Bands and alcohol.	Consumers travel to multiple businesses to participate	Must be 21 or older	Less than 5 years

Market share has been highlighted as a central performance indicator of coopetition (Brandenburger & Nalebuff, 1996; Gnyawali & Park, 2011; Ritala, 2012; Kraus, et al., 2019).

The results from this study confirm the need for more research on the particular events or coopetition strategies that influence market share. The varying results confirm Gnyawali and

Song's (2016) call for research that clearly identifies the nature of the collaboration taking place. Although all of the businesses were rural and each coopetition activity was event-based, the analysis provides insights that lead to the need for future research to deconstruct the type of coopetition that is examined. The results of the study confirm that coopetition events have a connection to consumer satisfaction and intentions to return to the event; however, more exploration is needed to discover how these events drive actual purchasing behavior.

Business Implications

This study researched marketing coopetition strategies to provide insight into the realities of today's world. Business are commonly working together in an effort to create value for consumers as demonstrated by the increase of events such as food truck locations, the re-emergence of food, brewery, and distillery clusters and taste of events.

Collaborative event-based marketing activities are emerging as strategies to combat turbulent market conditions and increase customer value. Rural SMEs in particular are faced with difficult environmental factors of reduced access to consumers and resources. This study increases awareness of the impact of specific coopetition strategies in rural areas. The rural level of analysis allows rural business owners to directly gain insights from this study rather than applying them from different geographical settings. The study focused on local-level event-based coopetition marketing, which is a strategy that requires lower commitment and information sharing. This level of focus provides practitioners the opportunity to evaluate the potential of a low risk coopetition opportunity. Results from this study confirm that coopetition events have a positive relationship with customer satisfaction and intentions to return to the event. This relationship indicates that these strategies have the potential to foster and build relationships with

current or new consumers. The exploratory nature of this study results in a foundation for practitioners to begin to understand how consumers view coopetition strategies.

This study informs rural SMEs that the simultaneous existence of cooperation and competition between firms impacts consumer perceptions. This understanding should encourage rural SMEs to continue to engage in and explore such strategies. Leveraging resources from multiple firms to deliver products or experiences to increase value to consumers is at the core of coopetition strategies. This study provides preliminary results to practitioners to confirm the managerial statements that coopetition events can impact customer satisfaction. Mitigating risk is a central component for SME survival. Insights into the connection between customer satisfaction and return intentions for event-based marketing activities continue to provide rural leaders with information on the risk or value involved in such strategies. These managerial implications are especially important in the context of rural business, as coopetition has been linked to increased innovation to combat market conditions (Geldes et al., 2015).

Overall results from this study do not confirm the same commercial outcomes of previous work (Robert et al., 2018). Identifying key opportunities, timing, and communication channels with multiple partners can create challenges in implementing coopetition strategies (Lindstrom & Polsa, 2016). Analysis demonstrates that two of the four events examined had a positive relationship with participants intent to purchase from the participating businesses. These results provide introductory insights into the ability of coopetition events to impact the market share of the cluster or participating businesses based on consumer perceptions. This leads to the important assumption that businesses must clearly identify the details of the coopetition event they are engaging in and ensure that those details align with the desired outcomes of the event. Rural business managers must consider the complexities of coopetition and understand that the

intricacies of the phenomena may make it difficult to achieve individual commercial results, as consumers do not differentiate individual businesses from the cluster and activities of the event.

Future Research

This research provides a platform from which several directions of future research can be recognized. The narrow focus of this study provided specific insights on rural coopetition of SMEs. However, this limited the study to focusing on a particular rural area. Rural areas can contain unique elements of location environments and cultures that can impact the success of strategic initiatives (Marquis & Battilana, 2009). The unique elements of rural areas require more research to be conducted in various geographical regions to increase the generalizability of the research.

The complexities of coopetition have been well cited in the literature (Bengtsson & Kock, 2000; Bouncken et al., 2015; Robert et al, 2018). Calls for research to deconstruct the phenomena are increasing (Gnyawali & Song, 2016). This research focused on local-level coopetition in rural areas among SMEs in an effort to define specific boundaries to introduce the consumer perspective to coopetition literature. Future research will require additional deconstruction and clear identification of the types of coopetition that are occurring. The results of this study confirm that details of specific individual coopetition initiatives can impact consumer perceptions differently. Future research should continue to clearly define the type of coopetition occurring to gain insights into the intricacies of the concept. This research could be utilized to begin the process of developing complementary approaches to explain event-based coopetition. Integrating the deconstructed factors of the different events would provide the opportunity to explore how each element could impact satisfaction, return intentions, and

purchase intentions. Understanding significant factors of event design would provide insight into developing activities that have a relationship with consumer perceptions.

The preliminary foundation of this study, to introduce the consumer perspective into the coopetition literature provides a number of opportunities to continue future research. The relationships revealed in this study provide groundwork for future coopetition literature to continue to explore the effect of coopetition strategies on consumer perspectives. In particular, exploring the particular facets of the coopetition events that impacted consumer satisfaction would provide rich information to extend the literature and offer greater insights to managers. The quantitative nature of this study provides a key connection between consumer satisfaction and coopetition events. Future research that explores which details of coopetition impact satisfaction could benefit from the exploratory advantages of qualitative analysis.

Several studies from the managerial perspective have acknowledged that coopetition activities have the ability to increase market share. Varying results between the multiple events in the study and the overall analysis create a need to continue to explore how coopetition events impact the actual purchasing behavior of consumers. Such research would continue to extend the coopetition literature and clarify the value of coopetition for the individual businesses engaging in the strategy.

Conclusion

Market uncertainty and an accelerated pace of change has led organizations to explore and exploit external organizational opportunities and resources that create value for consumers and sustain competitive advantages. The unique challenges and characteristics of rural SMEs make it imperative for small firms to engage in innovative collaborative relationships to combat location and resource-based challenges. This study addressed the underexplored evaluation of

customer and end-user perspectives on coopetition, through the focused investigation of a cluster of rural SMEs to determine consumer satisfaction and market share outcomes.

Findings from this research continue to establish the connection between customer satisfaction and market share outcomes of coopetition through the alternative perspective of consumers. A significant outcome of this study is the pioneering discovery of the relationship between coopetition and foundational outcomes from the consumer perspective. The developing connection of coopetition events to customer satisfaction and market share confirm the need to continue to explore these variables in research. SMEs in rural areas should be encouraged to engage in collaborative events because of the potential to create value for consumers that a firm cannot do alone.

Marketing now and in the future is responsible for creating consumer-centric firms that are agile and interconnected. Coopetition strategies provide opportunities for future research to explore how rural SMEs can combat market conditions and continue to build-relationships with consumers.

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Appendix A

Introduction

Your participation in this study is very important in understanding effective marketing strategies for small rural businesses. The success of small rural businesses plays a critical role in the development and sustainability of the region.

I, Cassandra Ritzen, an Assistant Professor at Chadron State College and a Doctor of Business Administration student at George Fox University, will be conducting this study to complete the dissertation process.

However, participation is voluntary. All surveys are anonymous and no personal information will be used outside this project. You must be 19 years of age or older to complete this survey. If you are 19 or above, I would greatly appreciate your taking a few moments to complete this survey. Your feedback will be used to advance research on events and marketing strategies for small businesses.

If you have any questions or concerns, please do not hesitate to contact me at critzen@csc.edu or by phone at (308)432-6492.

Survey questions

Section One: Qualifying Questions

1. Have you taken this survey before?
 - Yes
 - No

Section Two: Event Questions

2. The following questions will pertain to your experience at Bands on Bordeaux. Bands on Bordeaux is a music festival held every Thursday in July from 6-9 pm including multiple vendors.
 - Yes (Skip logic to Bands on Bordeaux page)
 - No (Skip logic to next event question)
3. The following questions will pertain to your experience at Taste of Chadron. Through the purchase of tickets, customers were able to enjoy one small meal and drink at five different local restaurants.
 - Yes (Skip logic to the Taste of Chadron page)
 - No (Skip logic to next event question)
4. The following questions will pertain to your experience at the Putt-Around. An annual event designed to have participants travel to multiple businesses throughout town while playing unique putt-putt holes at each participating business.
 - Yes (Skip logic to the Putt-Around page)

- No (Skip logic to next event question)
5. The following questions will pertain to your experience at One Cup, Two Nights. This event was hosted during the annual Fur Trade Days celebration in 2019. The event involved purchasing one cup to use at multiple bars for refills for the duration of the weekend. This cup allowed people to walk between the bars in the designated outdoor areas.
- Yes (Skip logic to the One Cup, Two Nights page)
 - No (Demographic Page)

Section Three: Customer Satisfaction and Market Share Questions (Participants will only reach these pages if they have answered yes to attending).

Bands on Bordeaux

6. How many times have you attended Bands on Bordeaux?
- 1-2
 - 3 or more
7. Please rate the following questions based on your overall experience at Bands on Bordeaux.
- I really enjoyed myself at the event.
 - Overall, the event put me in a good mood.
 - I was satisfied with my decision to participate in the event.
 - I was very satisfied with my overall experience at the event.
- 7-point Likert-type scale will utilize
(1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and anchored by a central, neutral option to reduce measurement bias.
8. Please rate the following questions based on your overall experience at Bands on Bordeaux.
- I will recommend the event to others.
 - I will speak positively of the businesses involved in the event.
 - I plan to attend events in the future.
- 7-point Likert-type scale will utilize
(1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and anchored by a central, neutral option to reduce measurement bias.
9. After attending the event, I intended to purchase goods or services from a business that I was not a customer of before.
- 7-point Likert-type scale will utilize
(1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and will be anchored by a central, neutral option to reduce measurement bias.
10. After attending the event, I intended to purchase goods and services more frequently from a business of which I have been a customer.

7-point Likert-type scale will utilize (1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and will be anchored by a central, neutral option to reduce measurement bias.

Taste of Chadron

11. How many times have you attended Taste of Chadron?

- 1-2
- 3 or more

12. Please rate the following questions based on your overall experience at Taste of Chadron.

- I really enjoyed myself at the event.
- Overall, the event put me in a good mood.
- I was satisfied with my decision to participate in the event.
- I was very satisfied with my overall experience at the event.

7-point Likert-type scale will utilize (1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and anchored by a central, neutral option to reduce measurement bias.

13. Please rate the following questions based on your overall experience at Taste of Chadron.

1. I will recommend the event to others.
2. I will speak positively of the businesses involved in the event.
3. I plan to attend events in the future.

7-point Likert-type scale will utilize (1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and anchored by a central, neutral option to reduce measurement bias.

14. After attending the event, I intended to purchase goods or services from a business that I was not a customer of before.

7-point Likert-type scale will utilize (1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and will be anchored by a central, neutral option to reduce measurement bias.

15. After attending the event, I intended to purchase goods and services more frequently from a business of which I have been a customer.

7-point Likert-type scale will utilize (1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and will be anchored by a central, neutral option to reduce measurement bias.

Putt-Around

16. How many times have you attended the Putt-Around?

- 1-2
- 3 or more

17. Please rate the following questions based on your overall experience The Putt-Around.

- I really enjoyed myself at the event.
- Overall, the event put me in a good mood.
- I was satisfied with my decision to participate in the event.
- I was very satisfied with my overall experience at the event.

7-point Likert-type scale will utilize

(1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and anchored by a central, neutral option to reduce measurement bias.

18. Please rate the following questions based on your overall experience at the Putt-Around

- I will recommend the event to others.
- I will speak positively of the businesses involved in the event.
- I plan to attend events in the future.

7-point Likert-type scale will utilize

(1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and anchored by a central, neutral option to reduce measurement bias.

19. After attending the event, I intended to purchase goods or services from a business that I was not a customer of before.

7-point Likert-type scale will utilize

(1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and will be anchored by a central, neutral option to reduce measurement bias.

20. After attending the event, I intended to purchase goods and services more frequently from a business of which I have been a customer.

7-point Likert-type scale will utilize

(1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and will be anchored by a central, neutral option to reduce measurement bias.

One Cup, Two Nights

21. How many times have you attended One Cup, Two Nights?

- 1-2
- 3 or more

22. Please rate the following questions based on your overall experience at One Cup, Two Nights

- I really enjoyed myself at the event.
- Overall, the event put me in a good mood.
- I was satisfied with my decision to participate in the event.
- I was very satisfied with my overall experience at the event.

7-point Likert-type scale will utilize

(1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and anchored by a central, neutral option to reduce measurement bias.

23. Please rate the following questions based on your overall experience at One Cup, Two Nights.

- I will recommend the event to others.
- I will speak positively of the businesses involved in the event.
- I plan to attend events in the future.

7-point Likert-type scale will utilize

(1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and anchored by a central, neutral option to reduce measurement bias.

24. After attending the event, I intended to purchase goods or services from a business that I was not a customer of before.

7-point Likert-type scale will utilize

(1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and will be anchored by a central, neutral option to reduce measurement bias.

25. After attending the event, I intended to purchase goods and services more frequently from a business of which I have been a customer.

7-point Likert-type scale will utilize

(1 = strongly disagree and 7 = strongly agree). The scale was balanced on both sides and will be anchored by a central, neutral option to reduce measurement bias.

Section Five: Demographics

26. **How did you receive/access this survey?**

- Through a CSC email account
- The Chadron Chamber of Commerce
- A personal contact
- Social Media
- Other

27. **What is your gender?**

- Male
- Female
- Other
- Prefer not to answer

28. **What is your age?**

- 18 – 24 years old
- 25 – 34 years old
- 35 – 44 years old
- 45 – 54 years old
- Over 55 years old
- Prefer not to answer

29. **What is the highest level of education you have completed or the highest degree you have received?**

- Less than high school degree
- High school degree or equivalent (e.g., GED)
- Some college but not degree

- Associate degree
- Bachelor's degree
- Master's degree
- Doctorate degree
- Prefer not to answer

30. Which of the following categories best describes your employment status?

- Employed, working full-time
- Employed, working part-time
- Seeking opportunities
- Retired
- Unemployed
- Prefer not to answer

Do you own a business that participated in the event?

- Yes
- No

Are you employed by a business that participated in the event?

- Yes
- No

Residence (based on the rural nature of this study a parameter of 30 miles was set to determine visitor status).

- a. I am a local resident and live within 30 miles of Chadron.
- b. I am a visitor to the area and live further than 30 miles of Chadron.

Skip Logic for visitor responses

1. What length of time have you spent in the area (30 miles)?
 1. 1-3 days
 2. 4-7 days
 3. More than 7 days
2. How often do you visit?
 1. 1-2 times a year
 2. 3-4 times a year
 3. More than 4 times a year

Enter to Win

Please enter your information if you would like to participate in the drawing for 4 25-dollar gift cards to local businesses? (This information will be separated from your survey as all responses to the survey will remain anonymous).

- Name (First and Last)
- Phone Number
- Email

Appendix B

Email Invitation to Participate in Study

Dear Colleague:

I am a Marketing Professor at Chadron State College. I am in the fourth year of my Doctorate at George Fox University. I am reaching out to ask for your help in completing this survey for my dissertation study. The focus of this study is to determine the impact of collaborative events in rural areas on customers and the development of the rural area. Examples of events in the area are Bands on Bordeaux, Taste of Chadron, Putt-Around, and the One Cup, Two Nights.

The questionnaire will take less than 15 min. Participating in this survey makes you eligible to enter to win four 25-dollar gift cards to local businesses in the area.

One last request, would you be willing to share this survey link with friends or relatives who have also attended one of these events? If so, please forward this survey link to your contacts. This survey is anonymous and the identity of your contacts will not be known.

[Take Survey Here](#)

Thank you for your time, your experience as a rural consumer is invaluable to this research.

Sincerely,

Cassandra Ritzen | Assistant Professor

Chadron State College Business Academy

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