

# Factors Affecting the Success of Coopetition in the Sri Lankan Banking Industry

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## Abstract

The concept of cooperation amongst competitors, known as 'Coopetition' has been considered for some time in scholarly publications. Despite the recognition that organizations cooperate for better firm performance, there has been comparatively little attention paid to the factors that lead to a successful cooperative relationship. Through this qualitative study the research explores, the factors that affect a successful cooperative relationship. Based on a series of in-depth interviews and focus group discussions with senior managers of three banks, the study examined what determines the success of coopetition among competitors within the Sri Lankan banking industry. The findings indicate that trust, mutual benefits, commitment and resource compatibility positively affect the success of cooperative relationships. The study further concludes that power balance positively moderates the relationship between trust, mutual benefits, resource compatibility and the success of coopetition. Nevertheless, personal relationships that influence trust between the organizations was found to be the most important factor affecting a successful cooperative relationship within the Sri Lankan banking industry.

**Keywords:** Coopetition, Competition, Cooperation, Trust, Mutual Benefits, Commitment, Resource Compatibility, Power Balance

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