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**Bridging the Gap between Threshold and Dynamic  
Capabilities: A Qualitative Study of the Collaboration  
Strategies of New Zealand Wineries**

**A Thesis Presented in Partial Fulfilment of the  
Requirements for the Degree of Master of Business  
Studies in Management**

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## **Glossary**

**Co-Creation** – ‘An interactive, creative and social process between stakeholders that is initiated by the firm at different stages of the value creation process’ (Roser *et al.*, 2013, p. 23)

**Competitive Advantage** – ‘How a strategic business unit creates value for its users which is both greater than the costs of supplying them and superior to that of rival strategic business units’ (Johnson *et al.*, 2011, p. 535)

**Coopetition** - ‘A dynamic and paradoxical relationship which arises when two companies cooperate together in some areas, such as strategic alliances but simultaneously compete with each other in other areas’ (Bengtsson & Kock, 2000, p. 411)

**Dynamic Capabilities** - ‘The firm’s ability to integrate, build and reconfigure internal and external competences to address rapidly changing environments’ (Teece *et al.*, 1997, p. 524)

**Resource-Based View (Capabilities Strand)** – ‘The competitive advantage and superior performance of an organisation is explained by the distinctiveness of its capabilities’ (Johnson *et al.*, 2011, p. 538)

**Strategic Capabilities** – ‘The capabilities of an organisation that contributes to its long-term survival or competitive advantage’ (Johnson *et al.*, 2011, p. 539)

**Strategic Management** – ‘The determination of the long-run goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out these goals’ (Chandler, 1963, p. 13)

**Threshold Capabilities** – ‘Those capabilities needed for an organisation to meet the necessary requirements to compete in a given market and achieve parity with its competitors in that market’ (Johnson *et al.*, 2011, p. 540)

## **Abstract**

The objective of this study is to examine collaboration's role as a strategic capability within the context of the New Zealand (NZ) wine industry. It utilises resource-based theory to examine collaboration's position as a mechanism to survive within an industry (threshold capabilities) or a basis for competitive advantages (dynamic capabilities). The literature review found that collaboration is a multi-level construct with different forms occurring at the corporate, business and operational-levels as well as the network-level strategy. In the literature review, coopetition (the interplay between cooperation and competition) was found to be the main form of collaboration occurring at the corporate and business-levels whilst co-creation (market-led collaboration with customers) was more common at the operational-level. Depending on the resources and capabilities that firms can leverage, collaboration may be able to be manipulated into a dynamic capability depending on the industry. An instrumental case study methodology was adopted within the 'boundary' of the Wairarapa wine cluster. Four pilot firms across NZ were analysed to ensure that the correct questions were being asked as well as fourteen Wairarapa firms with a range of triangulation techniques (primary and secondary methods). This took the total sample to 18 interviews (including the pilot firms) with 14 coming from the Wairarapa. The empirical findings revealed that collaboration (particularly in the form of coopetition) is a threshold capability for smaller organisations; the larger wineries can use it to a competitive advantage - a dynamic capability. These larger firms use collaboration as much as they can before any disguised forms of competitive advantages are lost. This is not a luxury that smaller firms can afford meaning that collaboration especially at the coopetition-level allows the larger wineries to increase their forms of business performance. The discussion chapter develops and analyses a 2 x 2 matrix from the empirical findings. Each cell contains a roughly equal number of firms; the characteristics and reasoning for this discovery is discussed. The theoretical contribution outlines that larger firms, can leverage competitive advantages from collaboration; smaller organisations have to collaborate to survive. Future research should measure if this study's findings are indicative across the country's wine industry and overseas.

**Key Words:** Collaboration, Capabilities, Wairarapa Wine, Strategy

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## **List of Abbreviations**

ABDC – Australian Business Deans Council

ABS – Association of Business Schools

APA - American Psychological Association

B-to-B – Business-to-Business Marketing

B-to-C – Business-to-Consumer Marketing

CLC – Capability Lifecycle

COO – Country of Origin Effect

IB – International Business

IF – Impact Factor

MBS - Master of Business Studies

MUHEC – Massey University Human Ethics Committee

NZ – New Zealand

PhD - Doctor of Philosophy

PLC – Product Lifecycle

SA – South Africa

UK – United Kingdom

US – United States

VRIN - Value, Rarity, Inimitability and Non-Substitutability Framework

VRIO – Value, Rarity, Inimitability and Ownership Framework