

Cooperation Strategy under Asymmetric Partnership: Game Theoretic Approach to Relationship between Large firm and SMEs

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This research approaches cooperation between large firm and SMEs with game theory. Critical problem occurs when reduced investment on the partnership occurs for the lack of information and rationality with opportunity loss. In long-term, future benefit and competitive advantage of the investment on co-specialized asset can be realized. However, they are usually locked in market strategy without benefits and advantages for cost myopia. This is framed by the production cost and amount, business cycle, and level of competence. Analytic approach shed light on players' decision to have rationality of cooperation especially in long-term and hard time.

Track: 9. Relationships between Large and Small Firms