

UNIVERSITY OF VAASA
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**SOCIAL ENTREPRENEURSHIP AND ITS BUSINESS MODELS IN FOOD
INDUSTRY**

Master`s Thesis in
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ABSTRACT

The objective of the thesis is to understand social entrepreneurship phenomenon in the food industry and how it generates values for individuals, local communities, and society. The phenomenon is known as a sustainable method that can solve social problems. However, research on social entrepreneurship is more in general from different sectors and regions. Thus, studying in a particular context – food industry to find out what values food social enterprises create and how their business models operate would contribute another perspective for the academy world and provide practices for social entrepreneurs in food industry. A literature review describes central concepts to provide a fundamental knowledge of social entrepreneurship, business model and value creation emphasizing economic and social values. The study uses qualitative content analysis with a case of a non-profit organization (NGO) and theme in-depth interviews conducted with six social entrepreneurs from Southeast Asia and Africa. The findings indicate that innovation, network and human resource play an important role in social business models to generate values for farmers, consumers, and local communities.

KEYWORDS: Social entrepreneurship, Social enterprises, Social ventures, Food Industry, Value creation, Business Model, Business Model Canvas

1. INTRODUCTION

Having personal interests in social entrepreneurship, and food industry, I participated in Global Entrepreneurship Summer School and EIT Food Summer School in Munich and Cambridge to understand more about this phenomenon. During the programs, I found that food industry and agricultural facing various social problems, and both programs promoted social entrepreneurship as a method which can cope with those issues to create more values for farmers and society; Therefore, the research aims to examine the phenomenon of social entrepreneurship in the food industry from business model perspective by analyzing social food enterprises' operation activities and their value creation to solve problems in the food industry.

1.1. Introduction to Research Topic

Social entrepreneurship is a complex and a new phenomenon which has been generated attention from academics, practitioners, policymakers and the general public by its impacts during past decades. OECD (2010, p. 6) mentions the important of social entrepreneurship for research and development functions that societies require. Moreover, social business is assumed to address social problems in various sectors (Satar & John, 2016) by creating social values and financial sustainability. Likewise, Chowdhury and Santos (2010) researched on the scaling-up stage of social business while Perrini, Vurra and Costanza (2010) studied initiatives influencing the development of social entrepreneurship. (Sekliuckiene & Kisielius, 2015). Social entrepreneurship is a new kind of business to address economic, environmental and social problems because it creates revenue and income to cover operating costs while investors do not earn financial values. In other words, social entrepreneurship reinvests in creating more impacts instead of distributing to shareholders.

Furthermore, food and agricultural play an essential role in human life as we consume and need food every day. "Food and agriculture worldwide are fundamental to the preservation and advancement of human life on this planet" (Food and Agriculture Organisation, 2016); therefore, it is important to individuals, organizations, and society to be aware of social problems related to the food industry such as food security, food waste, food logistic, food production or we are ignoring these problems. Lately, the phenomenon of being a social

entrepreneur is increasing because of the downturn in the global economy that encourages entrepreneurs to switch their career from being employees to entrepreneurs or following their interests in wellness, cooking, and nutrition. Additionally, there is a high level of food demand, for example, a range of “foodies” are waiting for serving from food entrepreneurs. “The world population will reach 9 billion people by 2050” (Kline, Shah, & Rubright, 2014), As a result, the demand for increasing food supplies by 60% globally and 100% in developing countries. Thus, there are various opportunities for food entrepreneur along food supply chains to identify market gaps that they can improve or provide new products or innovate processes. Besides the achievement of food security, it is necessary to reduce poverty in agriculture. (Kline, Shah, & Rubright, 2014).

Although the phenomenon is increasing its popularity in developed countries and non-profit sector, it is still a conceptualization (Greblikaite, 2012), and there are a few types of research about social food entrepreneurship and its business model that create social value and financial sustainability. Therefore, this study aims to examine the phenomenon in the food industry focuses on three major concepts: Social entrepreneurship phenomenon in the food industry, social business model, and value creation. To conduct the data collection, the food startups that operates with social mission relating to food supply chains such as food production, food processing, food preservation, food consumption, and food waste are analysed with an intensive case and six interviews with social entrepreneurs. For the literature review, besides narrowing the research in social entrepreneurship, value creation, the thesis also uses Business Model Canvas to analyze and explain the social business model of social businesses and their operations in the food industry. The findings might contribute to the application of food social entrepreneurship practices to food entrepreneurs and young startups as if they intend to start a social business in this industry.

1.2. Research objectives

The purposes of this thesis are, first, to understand the social entrepreneurship in the food industry, which is a new phenomenon in the business world, second to know how social food

entrepreneurship generates social and financial values sustainably through the means of business model innovation. This work would address the research calling from Kline, Shah and Rubright (2014) to explore what appealing partners to involving a new business model to helping low-income people. Therefore, this thesis attempts to address the question:

“How does social entrepreneurship in food industry generate values from their business models?”

Therefore, the set objectives of this thesis are to provide a detailed research direction to answer the topic question and to comprehend underlying themes and concepts of the paper.

Theoretical Objectives:

- *To understand the phenomenon of social entrepreneurship and its business models in Food industry.*
- *To examine values created by social business models for individuals and society*

Empirical Objectives

- *What values social entrepreneurship creates for individuals and society*
- *To analyse and know-how, values generate from social entrepreneurship*
- *To provide the application of value creation from the social business model for entrepreneurs not only in the food industry but also in other sectors.*

Although the thesis focuses on a particular industry, it cannot cover the whole food sectors. Also, social entrepreneurship in different regions would have various practices aligning that might not study in this thesis. Those are the major limitations of this thesis that need to concern for further research.

1.3. Definition of key concept

Social entrepreneurship addresses the combination of entrepreneurship and social mission such as focusing on the generation of earned income in the pursuit of social good or changing social sectors (Dees, 2001).

Social enterprise: Satar and John (2016) define social enterprises as “ventures in the business of creating significant social value in an entrepreneurial and market-oriented way through generating own Revenues to sustain their business” (European Commission, 2013a)

Value Creation refers to “the underlying process of creation, how value is generated, and the role, if any, of management in this process underscores this confusion” (Lepak, Smith, & Taylor, 2007). Value creation is contingent upon the relative amount of value perceived by whether a target buyer (or user), individual, organization or society are willing to exchange. (Lepak, Smith, & Taylor, 2007).

Social value is that improves “the well-being of people, communities, and societies” (Stevens, Moray, and Bruneel 2014). Social value is the highest priority of social enterprises (Dacin, Dacin, & Tracey, 2011) because social entrepreneurship is identified by social values that may not overlap with the identity of commercial entrepreneurship. (Srivetbodee, Igel, & Kraisornsuthasinee, 2017).

Business model: A business model is not a new concept, but scholars “do not all agree on what a business model is” (Zott et al., 2011, p.1020). In the scale of this thesis, a business model is defined as “the rationale of how an organization creates, delivers and captures values” (Osterwalder and Pigneur, 2010, p.14). Moreover, this concept has three aspects to consider including critical functions, stakeholder networks and generate social and financial values. (Joyce and Paquen, 2016).

Business Model Canvas framework proposed by Osterwalder and Pigneur (2010) includes nine components that are “customer value proposition, segments, customer relationships, channels, key resources, key activities, partners, costs, and revenues.” Although Business Model Canvas lacks social, environmental layers, applying this model may support entrepreneurs to align their profit and purpose to support more sustainability-oriented value creation on its ecosystem. (Osterwalder & Pigneur, 2010).

2. LITERATURE REVIEW

This chapter discusses the literature of three primary concepts: social entrepreneurship, value creation and business model to obtain a general view of the concepts. As all concepts have different perspectives, this chapter points out the direction of the paper adapting an appropriate aspect for this topic.

2.1. Social Entrepreneurship

Literature used the term “social entrepreneurship” first in the 1960s although it was applied in 1980 by Bill Drayton as he aimed to achieve social missions by providing funds to promote social entrepreneurship. After that, Stephen Thake (1996) and Jed Emerson (1997) studied this concept and brought it into the academy world. Despite the growth of interests in social entrepreneurship, research requires a long journey to reach the consensus on the definition of social entrepreneurship concept. For instance, the term “social enterprise” and “social entrepreneurship” sometimes are confusing because of interchangeable using. (Guo & Bielefeld, 2014). Department of Trade and Industry of UK (2002) define “business with primarily social objectives that principally reinvest surpluses for that purpose in business or communities” while European Union considers social entrepreneurship based on its primary objective, which focuses on achieving social impact rather than creating profits for shareholders or owners. Social enterprises “operate the production of goods and services in an entrepreneurial and innovative way, and uses surpluses mainly to achieve social goals.” In the academic world, this concept again is defined from various perspectives, such as the process aspect – researchers examine how do social business and activities build up from the beginning, and from behavioral view – what social entrepreneurs do in such ventures. Likewise, Dees (1998) described social entrepreneurship as “it brings changes to society via following steps: choosing one mission with social value, then searching for new opportunities to realize missions. Keeping innovating, adjusting and learning continuously and being highly responsible for behaviors”. (Yi, 2014).

According to Lauzikas and Cernikovaite (2011), social entrepreneurship is “one kind of social innovation” that creates benefits for society and various stakeholders such as reducing unemployment, social issues, and increasing incomes. While public revenues grew slowly

along with the increase in expenditures, the public sector had to cope with external pressures that forced them to operate their activities into business orientation (Zietlow, 2001). Thus, privatizing social services allows organizations to grow sustainably; additionally, the sustainability of social or economic development is one of the key success factors of each nation. As a result, it is important to seek and apply social innovation approaches as the social entrepreneurship (Kostetska and Berezyak, 2014) as well as Yunus et al., (2010) presented that social business is not only about solving social issues but also being financially sustainable.

2.1.1 Social Entrepreneurship approaches

Despite various definitions of social entrepreneurship, one common among them is that social entrepreneurship has clear social goals and attempts to create values for society rather than shareholders or person wealth. In other words, the narrow definition of social entrepreneurship is to an earned-income strategy for a non-profit organization (Guo & Bielefeld, 2014, p. 3). On the great purpose of social entrepreneurship, scholars often refer social entrepreneurship positively in the literature (Runcan.P & Rață, 2014, p. 144); enterprises' mission and market impacts can be used to differentiate traditional enterprise from social entrepreneurship. While traditional enterprises concentrate on generating profit, solving social problems is the primary concern of social entrepreneurship to relieve or eliminate social issues or pressures by creating positive externalities and public goods. Also, innovation and market-orientated are characteristics of social entrepreneurship that distinguishes NGOs and NPOs; in fact, social enterprises pursue profits only to maintain reinvest in social mission and pay for people who work for them. (Yi, 2014). Netherless, researchers also recognize a lack of an empirical foundation to measure the actual outcomes of social business, and there was inadequate attention for managerial and functioning perspective (Satar & John, 2016) although Nicholls (2010) indicated practices to cope a set of global issues with innovation at systemic levels. (Lipponen, 2017).

The opponents of the narrow definition claim that the incentive of social entrepreneurship is social impacts and innovation focusing on earning income only “a mean to a social end” (Guo & Bielefeld, 2014). Also, addressing social issues with commercial approaches and utilizing market-based models in management increase contradiction with a social mission which is the main driver of social entrepreneurs, not profitability (Lipponen, 2017). Conversely, the broad

view of the social entrepreneurship can consider as a holistic concept that includes many diverse aspects such as all types of social value creating and innovative activities. Social entrepreneurship is as an umbrella that covers community entrepreneurship, social ventures, social change agents, institutional entrepreneurs, social enterprise, entrepreneurial non-profit organizations and social innovation. (Macke, Sarate, Domeneghini, & Silva, 2018). Hence, it causes confusion between innovation and entrepreneurship that “becomes a convenient label for any label for almost any new approach that has a social outcome” (Guo & Bielefeld, 2014, p. 7).

Furthermore, the research of Austin, Stevenson, and Wei-Skillern (2016) examined similarities and differences between commercial business and social entrepreneurship also provide a better understanding of this phenomenon regarding four variables which are a market failure, mission, resource mobilization and performance measurement. Based on Sahlman’s PCDO model which stands for People (P), Context (C), Deal (D), and Opportunity (O), researchers implied the management implications of social entrepreneurship and found the difference occurring from the four factors, especially in Opportunity because of difference in mission and responses to market failure. The interaction of performance measurement, which supposed to align with the mission, generates the influence of Context varies on management. Likewise, the role of People varies because of resource mobilization of each type requiring differently. Austin and colleagues recommended replacing the Deal with the term “social value proposition” – “conceptualization of the social value or benefits produced – and People be replaced with economic and human resources.” (Guo & Bielefeld, 2014, p. 8).

To have a better understanding of social entrepreneurship, Macke et al. (2018) conduct systematic research to discuss the overview of this concept by examining academic literature reviews to point out approaches and drivers. They indicate three approaches that are “Social Inclusion and Social Economy,” “Social Entrepreneurship and Economic Development” and “Networks and Social Innovation” which are significantly used for the social entrepreneurship research. However, this thesis concentrates on the second approach “Social Entrepreneurship and Economic Development” (Macke, Sarate, Domeneghini, & Silva, 2018). Furthermore, the approach concentrated on economic development through private and non-private businesses in order to dedicate services and to produce products with social goals as well as examining the theme “value proposition” of social entrepreneurs. In doing so, the thesis provides the

understanding of what values creation of food social enterprises and how they deliver value by their business models.

2.1.2 Central Concepts

Satar and John (2016) define **social enterprises** as “ventures in business create significant social value in an entrepreneurial and market-oriented way by generating own Revenues to sustain their business” (European Commission, 2013a). A social enterprise is defined as an entrepreneurial, non-profit project that supports to generate finance at the same time serve society. Indeed, social economy includes different players such as foundations, charities, networks, and cooperatives, and the social enterprise is also a part of that. Social enterprise’s objective is to achieve sustainable finance by itself instead of gaining revenue from grants. Based on its root in commercial entrepreneurship practice, it is believed that entrepreneurship is a solution and method for building and administrating organizations. (Guo & Bielefeld, 2014). Furthermore, the definition of social enterprises can occur in diverse organizational types regarding their size, operational activities, and organizational, financial structure as well as the geographic scope and the degree of profit orientation (Lipponen, 2017). Despite different views on relationships, responsibility with culture and communities (Peattie & Morley, 2008) and dynamic entities are the main characteristics that allow organizations to be flexible and innovative in nature; it also encourages them to utilize the participation and commitment of active members and volunteers (European Women's Lobby, 2015).

In the research of Dees and Anderson (2006), the “**social innovation**” school of thought considers social entrepreneurs attempting to solve social issues and meet its needs in a novel way; in other words, social innovation aims to search for innovative methods to deal with society’s problems (Guo & Bielefeld, 2014, p. 7). For this thought, social innovation plays a significant role in social entrepreneurship, and this concept is received attention globally because of social media providing communication opportunities to people. Innovation is formed as a new idea has alternative ways of approaching and acting, leading to switching existing paradigms (Cajaiba-Santana, 2014); and, it is often established within a network of connections in informal circumstances. Hence, socializing and networking play a significant role to construct social innovation when individuals are encouraged to involve in meaningful

activities and monitor the impacts of their actions (Cajaiba-Santana, 2014). Social innovation can take place in many fields and processes, for example, planning and development, production, social services, empowerment to disadvantaged or minority groups (European Commission, 2013a). Another example is the case of microloans phenomenon improved lives of poverty groups in developing countries (Cajaiba-Santana, 2014) where restricted resources are solved by innovative ways of doing business (Konda, Starc, & Rodica, 2015).

The social aspect of innovation has been recognized more than technological perspective (Peattie & Morley, 2008), and its impacts can include of several factors, create new types of institutions, and structure of collaborations (Cajaiba-Santana, 2014). Within global financial and economic crisis, the increasing of social innovation's creation is necessary because it partially explains the impacts of social entrepreneurship as it is a concept and the common of social innovation to social entrepreneurship. However, despite the close joining of theory innovation with social entrepreneurship, it needs to consider that not all social entrepreneurship has innovation (European Commission, 2013a).

In general, entrepreneurs are individuals who seek opportunities to generate values through the creation and expansion of economic activities (Lipponen, 2017). **Social entrepreneurs** are particular individuals who are motivated by opportunities to utilize innovative methods, networks, existing infrastructures and resources in new approaches to cope with unsolved problems (Shaw, 2004). There is a wide range of social innovators who are individuals, a network, a community or an organization coming from private and public sector (European Commission, 2013a); and social innovators' purpose is seeking matter problems, issues and deals by modifying business systems, amplifying the solution and convincing societies, communities to take new leaps (Madill & Ziegler, 2012). Although it is difficult to provide a consensus definition about social entrepreneurs, researchers have indicated some certain characteristics which share a quality with regular entrepreneurs. First, social entrepreneurs involve the high degree of risks when taking ventures, they are good at stretching resources more efficiently, and they have new approaches and good ideas to serve niche markets. Second, they generally have creativity, entrepreneurship mindset, agenda-setting and ethical orientation (Shaw, 2004). One thing separates them to regular entrepreneurs is their motivation in term of social impacts and the "potential payoff, with its lasting, transformative benefit to society that sets the field and its practitioners apart" (Guo & Bielefeld, 2014); this derives from the needs

to operate business ethically and more sustainable development (European Women's Lobby, 2015).

2.1.3 Characteristics of social entrepreneurship

In this thesis, I have a particular interest in characteristics of social entrepreneurship in how social entrepreneur operates their business model, hence reviewing their social mission and entrepreneurial spirit, financing approaches, networking, and competition will be addressed to find out the relations of these characteristics to social business models. Due to lack of consensus on the social entrepreneurship definition (Peattie & Morley, 2008), it leads to uncertainty to indicate specific characteristics of all social enterprises. However, the combination between **social missions and entrepreneurial spirit** derived from the private sector is different characteristics for social entrepreneurship from regular businesses (European Commission, 2013a) (Madill & Ziegler, 2012); also, it prioritizes social value creation higher than the others (Mair & Marti, 2006). In other words, social missions are in the center of the business, and business activities include trading goods and services, financing, establishing networks and production as regular businesses (Peattie & Morley, 2008). Hence, it is necessary to balance between social impacts and financial goals because it influences the organization's strategy and operational decisions (Satar & John, 2016). Furthermore, social entrepreneurship is often lack of resources. Thus social entrepreneurs seek for innovative solutions that allow them to exploit and optimize current or existing resources (European Commission, 2013a) to **create social value**. (Lipponen, 2017).

Networking or social networks is a critical element in the creation and the sustaining of new ventures (Satar & John, 2016). According to Shaw (2004), networks enable the opportunities for the organization to acquire market and customer information as well as identify opportunities; also, it is also necessary to elaborate solution to address various social issues (Eikenberry & Kluver, 2004). Its role can reflect as an entrepreneurial marketing tool that allows social entrepreneurs to connect with other stakeholders to support the scalability of social business and social venture (Dacin, Dacin, & Tracey, 2011). Social network indeed is a significant characteristic of social enterprises, although social entrepreneurs might lack resources, they thrive in exploiting their current resources which are networks and relationships

(Shaw,2014). According to Di Domico (2010), networks help social ventures not only acquiring support, experiences and skills but also relational and physical resources (Di Domenico, Tracey, & Haugh, 2010). However, a social business might manage a broader network of relationship than traditional entrepreneurship; those are stakeholders included in their innovative business model not only employees, funders, managers but also local, global institutions, government, and NGOs ((Sud, VanSandt, & Baugous, 2009). Additionally, due to lack of resources, the ability to build a strong network, innovative approaches to multiple stakeholders and managing that networks is essential to entrepreneur, and it strongly relates to the success of social entrepreneurship (Austin, Stevenson, & J., 2006). Different actors in social ecosystem play a distinct meaning role in social entrepreneurship; hence it is essential to building external relations to establish legitimacy with those actors. (Andersson, 2015). However, it leads to an argument about the influence of networks and stakeholders on social entrepreneurship whether it has the similar effects or devised impacts based on the type of their business models and the involvement of stakeholders into that model.

As regular businesses, social enterprises also must face **competition** from other social enterprises who address same problems and similar business models, commercial enterprises, and various third parties (Borzaga & Defourny, 2001). Surprisingly, they have more competition in term of ideologies to address similar issues because of their venture nature. Indeed, social entrepreneurship tries to address social problems and bridge the gap between demand and supply that others who are government, intuitions or NGOs fail to deliver; hence, there is little competition from those actors (Borzaga & Defourny, 2001). Furthermore, social enterprises have less competitive advantages than commercial enterprises because they should create added value for the same customers, align with their social mission and compete against commercial enterprises that have the traditional price and quality axis (Peattie & Morley, 2008). Thus, it is difficult to gain the competitive advantages unless social enterprises create additional value through their innovative business models to attract to the stakeholders.

2.1.4 Social Enterprise Spectrum from non -profit to profit

Social value creation plays a vital role in influencing the chosen organization structure of a social enterprise (Satar and John, 2016), based on the specific social needs, social impacts and business models; social enterprises can choose an appropriate form of business operation to run the organization (Mair and Marti, 2006). Due to the limited access to resources, social

enterprises are working closely with local communities and have a specific legal status including foundation, associations, cooperatives (Di Domenico et al., 2010). Although the organizations, which have the position between the traditional private and public sectors, can be either for-profit or not-for-profit or both business logic (Dees, 1998, European Commission,2013a), they focus on the non-profit sector (Satar and John, 2016). Social enterprises can also concentrate on for-profit only, but their mission aims to create social values, or even their product and services relate to social goals without intention. Besides that, non-profit organizations have to face common difficulties in finance and debt because “they are not able to accept investments”; this is one of the main reason converting the direction of some organizations from non-profit to for-profit business models (Dee, 1998). It is conservative when we call social enterprise non-profits, a social enterprise is similar to a traditional firm as they both need to make the profit to ensure the continuance of their business in the long term. To simplify this concept, Dorado (2006) suggests that social ventures can be grouped into non-profit, for-profit and hybrid business models considered as cross-sector. Table 1 presents three types of social enterprise models based on methods and goals of that firm (Dees, 1998). (Lipponen,2017).

	Non-profit (Non-Profit)	Hybrid	For-Profit (Purely Commercial)
Motive Methods and Goals	Appeal to goodwill Mission Driven Social Value	Mixed motives Mission and market drivers Social and economic value	Appeal to self - interest Market-driven Economic value

Table 1: Social Enterprise Spectrum (Dees 1998)

Despite the common of the hybrid business model in social entrepreneurship, this model is still challenging to manage (Satar and John, 2016). A hybrid business model derives revenues from a combination of market sources including market-rate capital, the sales of products and services as well as from non-market sources including donations from private and public source, and grants from government subsidies (Dees, 1998). Besides that, voluntary work can be counted as non-monetary contributions (European Commission, 2014). Hybrid business models, therefore, associate with the most interesting ventures regarding innovation; In other words, it operates a business in different ways to exploit existing resources and opportunities in scaling and replication (Elkington and Hartigan 2008: 36, 200).

2.2 Value Creation in Social entrepreneurship

This session aims to review the literature of value creation of social entrepreneurship to understand what type of values that social venture generates. Also, findings from this chapter will be used to form a semi-structured interview to understand which additional values are creating business models.

2.2.1. Social entrepreneurship and value creation

According to Konda, Starc, and Rodica (2015), based on value creation, social entrepreneurship is considered a complementary economic approach. From the previous chapter, there are various approaches and definition for the meaning of social entrepreneurship. Thus the outcomes or value creation would differ based on the perception of various stakeholder groups as evaluations of the impacts or outcomes vary. (Andersson, 2015). Generally, the value can associate with monetary and non-monetary terms but also link to a cost-benefit trade-off. Likewise, distinct actors and unit levels would have different assessments and perceptions of value; this increases the complicated of perceived values. Besides that, the specific resources and the level of competition and isolating mechanisms would generate different values (Lepak, Smith, & Taylor, 2007).

Value creation can also approach to ways of use value and exchange value; individuals, organizations, and society are claimed to be the sources of value creation that are summarized

by Lipponen (2017) in table 2, adapted from Lepak, Smith, and Taylor (2007). According to the authors, use values are defined based on the specific quality of products or services or its features that users perceived such as speed and convenience, however, this approach is subjective and individual preferences. While *exchange value* is defined regarding either the monetary amount or the amount that paid by exchanging of goods or services, and the exchanges took place at a point in time or selling and purchasing between sellers and users. Value creation is contingent upon the relative amount of value perceived by whether a target buyer (or user), individual, organization or society are willing to exchange. (Lepak, Smith, & Taylor, 2007).

Level of analysis/ Source of value Creation	Users of Value Creation	Value Creation Process	Value Capture Process
Individuals	Consumers Client Organisation	Knowledge creation Search Ability Motivation Training	Network position Unique experience Tacit knowledge
Organisations	Consumer Society	Invention Innovation RandD Knowledge creation Structure and social conditions Incentives, selection and training	Rare, inimitable, non-substitutable resources Intangible resources
Society	Individuals Organisations Government	Innovation and new firm creation Competition	Factor conditions Demand conditions Supporting industry infrastructure

		Capital investment Incentives Laws and regulations	Firm strategy and rivalry
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Table 2: Dimensions of value creation (Lepak, Smith, and Taylor, 2007)

Social entrepreneurship associates with innovation appeal to researchers to approach the question of how value is created with innovative factors. Ney et al. (2014,60) indicate that value creation relates to the design and delivery of services and products by the involvement of the financing practices, pricing models, marketing and human resource management. The majority of entrepreneurs establish a social business in developing countries have limited resources and no structures, hence it is essential to create innovative business models with unique strategies, organizational structures to fill the gap of limitation to address social problems as well as create additional values (Konda, Starc, & Rodica, 2015). In fact, not all of social enterprises provide innovative or novel products to create unique values; they may generate common product or service. However, their business model is innovative in term of financing, managing, and marketing practices. (Konda, Starc, & Rodica, 2015). Due to social impacts, it requires social entrepreneurship to focus on innovation to create value for society. As a result, innovation is the center of value creation in both processes and product or service; it can lead a social enterprise to achieve competitive advantages and better financial performance (Morris, Coombes, Schindehutte, & Allen, 2007). There is more pressure for social entrepreneurs to find a novel or innovative approach to balancing social and financial motives as well as making the right decision to generate appropriate values (Chell, 2007). Generally, commercial enterprises aim to create economic value while the non-profit sector is more responsible for social value. This notion has been arguing whether all ventures may generate particular value or blended value depending on the emphasis or the mission of enterprises for social, environmental and economic values (Elkington & Hartigan, 2008). Additionally, customer feedback also influences on value creation by the continuous evaluation and improvement to match with customer needs which are unstable (Morris & Lewis, 1995). Anderson and Jack (2002) mentioned the term “social capital” which is also related to value and social entrepreneurship as it generates value by utilizing resources as well as operating the business effectively and

efficiently. Although social capital often associates with the non-profit sector as their responsibility (Eikenberry & Kluver, 2004), now the social enterprises also take the consideration of social capital due to their social goals and missions.

Additionally, regarding Lepak, Smith, and Taylor (2007), there are three dimensions of value creation. Individuals can generate value by their knowledge and skills that utilize to develop new products, services or processes to delivery values to users; they also can “capture value from their unique positions in their social networks.” Likewise, by developing new ways of executing things and processes along with new technologies as well as combining different resources, organizations also create value; hence, the enterprise’s structure which encourages RandD department and innovative processes impact directly on value creation. Exploiting resources by organization structure may generate competitive advantage, especially resource management which plays a critical role. Lastly, the incentives programs for social entrepreneurship and innovation supported by society encourage value creation of social enterprises. Based on existing infrastructure, resources advantages from society, social enterprises may utilize those to create new value for users. The presence of multiple stakeholders needs to be concerned in the value creation contribution although the table 2 does not describe the involvement of stakeholders as the sources of value creation (Lepak, Smith, & Taylor, 2007).

In social entrepreneurship context, the entrepreneurs look for novel methods to solve social issues which are also their mission, and social business generates the values that align with that mission. By creating values for society, social entrepreneurship would contribute to communities and increase productivity by generating sustainable capabilities for changes. (Konda, Starc, & Rodica, 2015). Hence, the creation of social value is the objective and mission of social enterprises (Mair & Marti, 2006). Furthermore, company’s lifecycle is considering as one of the factors influenced by value creation. For example, start-ups often cope with economic growth because of their uncertainty; this also takes places to social enterprises being in a start-up stage. Hence, social entrepreneurship needs to consider the economic growth which occurs “when business actors create extraordinary value for customers and capture extraordinary economic value for themselves” (Isenberg, 2016). For this reason, it indicates that social

enterprises surprisingly may create strong impact and value regardless of their small size or early stage of the life cycle. (Lipponen, 2017).

2.2.2. Social value creation

Besides social innovation, new social value creation is attracting researchers (Austin, Stevenson, & J., 2006). Dee (1999) mentioned the differences between regular businesses – commercial value creation and social entrepreneurship – social value creation that gives more understanding about this term. (Munshi, 2010). While commercial entrepreneurship tries to exploit benefits of a market gap to maximizing the profitability as its primary objective, social entrepreneurship creates social values followed the organization's mission as social entrepreneurs who seek for novel approaches to address social problems through breaking innovation (Light, 2006). (Munshi, 2010).

In literature, social value creation is one of the main characteristics of social enterprises (Srivetbodee, Igel, & Kraisornsuthasinee, 2017) which creates income by selling products or service in a marketplace, and the revenue from those trading aims to support the beneficiary group or community (Mair & Marti, 2006). To achieve social value creation, social entrepreneurs adapt strategies and tools for commercial entrepreneurship. In this context, the stakeholders and community play an important role for social businesses to address social problems and create social value (Srivetbodee, Igel, & Kraisornsuthasinee, 2017). Social value associates with a community and a society; it also impacts on the behavioral practice. The study of Chase and Grabinger (2014,p.58) indicates that value “shapes every step of the food system, from practices on the farm, to marketing messages, to consumption patterns and food waste management.” Social value is the highest priority of social enterprises (Dacin, Dacin, & Tracey, 2011) because social entrepreneurship is identified by social values that may not overlap with the identity of commercial entrepreneurship. (Srivetbodee, Igel, & Kraisornsuthasinee, 2017).

The new business models, indeed, play an essential role in creating new additional values for social enterprise. Elkington and Hartigan (2008, p. 37) founded out social and environmental value in the case of hybrid business models. Generally, enterprises can create significant values which have either negative or positive impacts on society (Satar & John, 2016). However, in social enterprise, it is necessary to have both economic and social motives guiding decisions in

order to achieve positive impacts on society, communities or individuals; Dacin et al. (2011) pointed out that the creation relates to the economic outcomes which are the main financial sources to reach the primary goals of social enterprise. Value creation process generates social satisfaction and seeks innovative solutions to address social problems via empowering or improving the lives of individuals or developing communities (OECD, 2010, p. 186); and these values can create not only by NGOs, social enterprises but also other ventures. There are three component activities generated by a social value chain that can also be seen as a social value. First, in the *procurement* of supplies, it may be preferred to purchase products or services from disadvantaged suppliers or use sustainable and environmental solutions. *The operation* also involves social value chain including to employ disadvantaged individuals. Finally, it is *marketing and distribution* that also can create social values by attracting other communities to support the beneficiary group, utilizing the modern technology or traditional local habits (Guo & Bielefeld, 2014, pp. 75-76). (Lipponen, 2017).

Several beneficiary groups are receiving social value; those are workers, producers, owners, society, and purchasers. Generally, social value derives from improving the well-being of individuals, communities, and societies (Stevens, Moray, & Bruneel.J, 2014) which are also aligning with three dimensions of value creation from the literature review of Lepak, Smith, and Taylor (2007). For example, from the study of the European Women's Lobby (2015) pointed out that social entrepreneurship in Europe has the significant social impact on the level of a specific community, and it influences on different levels of society based on its scope from regional to international. Furthermore, social impacts are aimed to reach the individual, community, and societal levels. Regarding societal level, the research also revealed that the purposes of social entrepreneurship at the societal level in Europe is to change the attitudes of the public which against to particular groups or alter the behavior of a large of citizen (Lipponen, 2017). Social entrepreneurship fills the gap by contributing social value to citizens of a **society** that the market and a political system may provide inadequately (Srivetbodee, Igel, & Kraisornsuthasinee, 2017). Bornstein (2007) indicated that the majority of people who live under poverty condition in the world are farmers and small producers in the agriculture industry, and social entrepreneurship can create social value by improving their lives. **Society** is the second beneficiary group deriving from social value creation. Moreover, the values can be broadened towards the broader society to promote systemic social change. Indeed, social entrepreneurship not only impacts directly to producers but also contribute to the social-economic outcome of their community and their society (Srivetbodee, Igel, &

Kraisornsuthasinee, 2017). For an instant, food social entrepreneurship can enhance community's health (Roy, Donaldson, Baker, & Kerr, 2014) by organic farming which not only produces good-quality food to society but also preserves the environment (Kline, Shah, & Rubright, 2014). Lastly, social entrepreneurship generates benefits and **values for buyers** that can be individuals or government. The individual buyer may have a good feeling when they purchase the products with societal contribution such as supporting the minor community or society, for example helping local farmers and preserving the environment (Auger, Devinney, Louviere, & Burke, 2008). In the research of Auger et al. (2008) indicated that "consumer expectation for firm's ethical conduct, food quality, and anxieties over food risk are all increasing." In other words, consumers prefer social value beside actual values of the product they consume such as reduced pesticides, fair-trade to farmers (McCluskey, Durham, & Horn, 2009). Additionally, low-income people also receive social value from social entrepreneurship as they are purchasers. For example, Grameen Danone sells yogurt to low-income citizens at very low prices to encourage low-income people can buy better products. As the purpose of this social venture is to extend the accessibility for low-income people to buy quality food with a smaller amount of money. Government is also considered as one of the purchasers of social businesses when this stakeholder buys goods or use services for the food subsidy programs and social welfare organizations (Zietlow, 2001). (Srivetbodee, Igel, & Kraisornsuthasinee, 2017).

Due to various aspects and levels influenced by social entrepreneurs, it is difficult to evaluate the improvements or social impacts created by social ventures (Dacin, Dacin, & Tracey, 2011). Some reasons may explain what hinder social impact evaluation. Firstly, the value is not an objective; it is a combination and integration of demand and supply that encourage customers are willing to pay. Secondly, target groups or customer have different expectation or perception about the desired outcomes (Mulgan, 2010). Although the quantitative research is often required, it is difficult to provide the consensus results because of various dimensions of value (Dacin, Dacin, & Tracey, 2011). A different tool has been created to measure social value in term of social return – on – investment (Austin, Stevenson, & J., 2006), (Mulgan, 2010). It is essential for social entrepreneurs to have a clear understanding of the enterprise's mission, how to manage changes and what value for distinct stakeholders (Austin, Stevenson, & J., 2006). Notably, Chell (2007) mentioned the possibility of weakening the social value of social enterprise because of employing non-entrepreneurial or low skills employees which can be one of the beneficiary group of social business due to its tendency. Due to the scale, this thesis

studies social values of food social business for individual purchasers and producers, particular farmers in food value chains.

2.3. Business Model

The common between commercial businesses and social businesses is that both offer values embedded within a mechanism with business activities and multi-relationships which explains the firms' business model (no matter offering products, services or the combination of both) (Chesbrough H. &, 2002). The notion of Business Model has been increased over 20 years (Metalloa, Agrifogliob, Schiavonec, & Mueller, 2018). However, the definition of this concept varies regarding its context which leads to the confusion between a business model, concept, strategy, revenue model and economic model (Qastharin, 2014). For example, some functions and purposes are delegated to business models including the characterization of a value proposition or identifying customer segments and potential target markets (Wolfgang, Mast, & Stephan, 2015) . Thus, it is necessary to determine the limit of this thesis which concentrates on a microeconomic purpose on the companies' scale.

Osterwalder, Pigneur, and Tucci (2005) defines a business model as a conceptual tool which contains a set of objects to express the business logic of a specific firm. "Therefore, we must consider which concepts and relationships allow a simplified description and representation of what value is provided to customers, how this is done and with which financial consequences" (Osterwalder et al., 2005, p. 5). The authors indicate the function of a business model which uses to identify the elements and their relationships to explain the firm's business. (Michelini & Fiorentino, 2012). Likewise, Casadesus and Ricart (2010) and Magretta J. (2012) indicate that a business model reflects the firm's strategy; and a business model answers fundamental questions in the following economic logic to explain how the firm generate value towards consumers, and it defines firm's business model and value creation process. (Delvaux, 2017).

From the research of Zott, Amit, and Massa (2010), the authors pointed out that there are lacking definition explicitly in business model research; in their research, 37% of business model publications do not define the concept at all. For the other research, while Margretta (2002) defines a business model as stories explaining how companies work, Amit and Zott (2001)

suggest that business model identifies the content, structure, and governance of business activities to generate value by exploiting business opportunities. Likewise, Osterwalder, Pigneur and Tucci (2005) analyze a business model based on the values perspectives which are creation, delivery and captures value.

Similarity, each scholar have their research and analysis to propose different components in a business model; therefore it also lacks consensus framework for a general business model components. For example, from the literature review of Michelini and Fiorentino (2012), they give a table of business model components from the other authors.

Authors	Business Model Components
Zott and Amit (2010)	Designing elements (content, structure, governance) and design themes (novelty, lock-in, complementarities, efficiency)
Osterwalder and Pigneur (2010)	Customer segments, value propositions, channels, customer relations, revenue streams, key resources, key activities, key partnerships, cost structure
Rasmussen (2007)	Value proposition, market segment and revenue model, value chain, cost structure and profit potential, value network, competitive strategy
Hedman and Kalling (2003)	Customers, competitors, offering, activities and organization resources, the supply of factor and production inputs, the longitudinal process component
Gordijn and Akkermans (2001)	Value in, value port, actor, value activity, value exchange, value object, profitability calculation

Table 3: Business Model components in the literature (Michelini & Fiorentino, 2012)

This study, however, adapts business model generation with its components and definition from Osterwalder and Pigneur's (2010) studies. The authors propose the building blocks of a business model that supports enterprises and stakeholders to understand what is essential for the firm.

The model and its components are interpreted into a visual form called Business Model Canvas which are reviewed in next session.

2.3.1. **Business model Value creation and Value capture through Activities**

According to the previous review, a business model can explain the firms' value creation, performance and competitive advantage (Zott, Amit, & Massa, 2010).

Value creation in networked markets: the development of the Internet and digital economy has offered firms various potential to build different forms of value creation mechanism including a plethora of partner and diverse users. This concept has appealed practitioners and management scholars to explain value creation in their networked markets; (Zott, C.; Amit, R., 2009) describe business model as the engine of network-based strategies. This explanation of business model has adopted not only in the context of e-commerce but also other businesses such as social business. For instance, the research of (Seelos & Mair, 2007) in the context of deep poverty also point out the value creation mechanism; and the authors conceptualize a business model as a “set of capabilities that is configured to enable value creation consistent with either economic or social strategic objectives.” (Zott, Amit, & Massa, 2010). This definition also aligns with the topic of this thesis to explain that business model can generate different values in various forms including social business.

Finding from the research of Amit and Zott (2001) with a sample of 150 firms, the authors propose a NICE framework which explains the potential sources of value creation. NICE represents for Novelty (types of innovation in the design of a business model); Lock-In (business model features focusing on customers and strategic partners); Complementaries (combining complementary products, activities, and services) and Efficiency (transaction). These factors can interact with others to enhance the effectiveness of any other. (Zott, Amit, & Massa, 2010).

Business model and firm performance: In the past, some scholars often focused on the firm activities and its network of partners rather than researching on how the firms compete to the others through their business models (Casadesus -Masanell & Ricart, 2010). However, this perspective has been studied recently to identify a potential source of competitive advantages

that companies can exploit to improve their performance. Furthermore, a new novel business model might change the economics of industry; in other words, business models may bring new methods of implementing business activities and become the new standard for the industry as well as entrepreneurs (Magretta, 2002). Citing of Zott, Amit, and Massa (2010), business models can play the significant role to describe companies' performance as a company can adapt the method and use its resources to provide stakeholders more values and to earn profits in doing so (Afuah and Tucci, 2001).

Another research of Afuah (2004) proposed a framework with a set of components which explains the company's profitability (Afuah, 2004) that are resources, activities, position and industry implements; these components can act as a lens to envisioning the firm's profitability and performance. Similarity, the empirical research of Zott and Amit (2007) when the business model is as the independent variable imply the link between firm performance and business model design based on two different implications: the total value creation from business and ability to invest and exploit that value. Zott, Amit, and Massa (2010). In another research when business models play as a dependent variable, it can generate either negative and positive impacts depending on how founder-based, firm-specific experience of management team members is adopting the business model (Palzelt, Knyphausen-Aufsep, and Nikol,2008). The business model also plays as a structure that captures the firm's architecture of transactions with stakeholders such as partners, customers, vendors, and communities ;and the research of Zott and Amit finds out that business model can create positive effect on performance when it is at an early entry stage into a market and with a novelty or cost leadership. (Zott, Amit, & Massa, 2010).

Strategy and business models: scholars often discuss the relationship between strategy and business model whether they are different concepts or association. The literature review of Zott at et. (2010) reveals that product-market strategy and business models are different; as a business model can play a role of providing sources of competitive advantage which is different from the company's product-market position (Christensen, 2001). In fact, these concepts are complements, not substitutes because the firms that have the same customer needs and adapt similar product-market strategies might have very different business models conceptually (Zott & Amit, 2008). (Zott, Amit, & Massa, 2010).

From most of the research, scholars focus on two factors to differentiate business model and strategy. First, business strategy concentrates on the competition with value capture and competitive advantage while business model considers cooperation, partnership and suitable value creation including value capture and appropriation (Magretta J. , 2002). This aspect is more suitable for commercial businesses rather than for social enterprises as the total value of this factor is created for stakeholders rather than social. According to Zott, Amit, and Massa (2010) Product-market strategy focuses on the firm positioning vs its rivals to define how a firm can do better than the competitors by adapting embracing principles of differentiation (Magretta J. , 2002) and how to capture value and sustain it (Zott & Amit, 2008). The second interest aspect appealing management researchers is that business models focus on value creation for stakeholders or a customer-centric construct and networked architecture of the value creation pattern. Although these two concepts are different, a business model can play a central role of firm's strategy as it describes how the business activities of the firm are running and interacting together to deliver the company's strategy. (Zott, Amit, & Massa, 2010).

2.3.2. **Social Business Model**

The thesis reviews the literature of social business model, which has been proposed and studied recently, to understand its social business models. From an earlier study by Yunus (2008), the authors imply that social business venture is similar to a profitable business from the outset although it has a particular mission to generate social or environmental impacts. The main purpose of social business ventures is not only to maximize financial returns for owners or shareholders but also to create benefits for other groups such as low-income, minority communities and to capitalize financial resources to reinvest, reach and serve more people. Social business venture has two distinct business models: inclusive business model and social business model. (Michelini & Fiorentino, 2012).

According to Zott and Amit (2013), business models includes all the boundaries of the company and support value creation and value capture from networks and its ecosystems. Moreover, business models also associate with traditional value chain, customers, and monetization; it also interacts with other organizations, partners, and institutions (Seelos & Mair, 2007). In developing the concept of social business model, the business model is a method of discovering and exploiting opportunities for social transformation based on the form of social entrepreneurship ventures. Both profit and non-profit outcomes are the main aims of social

business simultaneously. Nevertheless, Yunus (2010) indicates that social business models have its conceptualization based on well-known business models including micro-financing in developing countries. (Sabatier, Medah, Augsdorfer, & Maduekwe, 2017).

Recently, some researchers have been adapted to the concept of a business model and its components to analyze social and inclusive businesses. For example, Yunus et al. (2010) analyze four components of social business: value proposition, social profit equation, value constellation, and economic profit equation. The authors also refer to the social business model concept which is “the extensions of regular business models” combining the fourth element as a social profit equation (Yunus, Moingeon, & Lehmann-Ortega, 2010). To social business model, it is essential to consider all stakeholders and define the expectation for social outcomes and profit. In fact, the long-term sustainability of a social enterprise is contingent upon not only its ability to generate profits but also to bring values to society (Yunus, Moingeon, & Lehmann-Ortega, 2010). (Sabatier, Medah, Augsdorfer, & Maduekwe, 2017).

Yunus (2008,2010) also indicates two types of Social business model ; the first one has no dividends, in other words, the owners have their money back while the second one uses the surpluses or profit to reinvest to develop and progress the quality of firm’s products or services to obtain social objectives or to fund new social businesses. (Michelini & Fiorentino, 2012). From the research of Yunus (2010), the author mentions that investors « can take back their original investment amount over a period define»; it is an interesting point that this thesis would examine social entrepreneurs in food industry whether they are doing this way.

2.3.3. **Business Model Canvas**

To support the sustainability of firms from outside-in or inside-out approaches, business models can play as tools to do so (Chesbrough & Garman, 2009). A firm can exploit opportunities for innovation by considering different types of new business models of other organization that the firm can modify and adapt; it is called the outside-in approach. In contrast, the inside-out approach to business model innovation starts with the current factors in the organization. To understand an organization’s business model, Osterwalder and Pigneur (2010) develop Business Model Canvas that can present business activities effectively by describing the components of a business model, identifying the potential interconnections and influence factors on value creation. One of adequate function of Business Model Canvas is to visualize

and facilitate discussion, debate, and exploration of potential opportunities and users can use this tool to develop a business model which is more systematic and highlighting its value creation. According to Osterwalder and Pigneur (2010), Business Model Canvas was designed and developed by science methods and studying business model development. In doing so, the model can visualize a business system that provides a shared language between different stakeholders to present about a firm's business model; in other words, Business Model Canvas simplifies a business system to be relevant and understandable. Therefore, the framework has been widely adopted not only by researchers and practitioners but also multiple types of users. (Joyce & Paquin, 2016).

Business Model Canvas is a firm-level concept of a business model; it has nine interconnected components that are value propositions, resources, key activities, channels, partners, segments, customer relationships, costs and revenues (Osterwalder & Pigneur, 2010:9). By using this framework and analyzing the components, users can align profit and key activities to support the firm's business sustainably (Joyce & Paquin, 2016). Big firms and organizations such as Deloitte, IBM, Ericsson, and Government Services of Canada and so on also adopt this model into their business practices (Qastharin, 2014). The nine components of Business Model Canvas are visualized in figure 1.

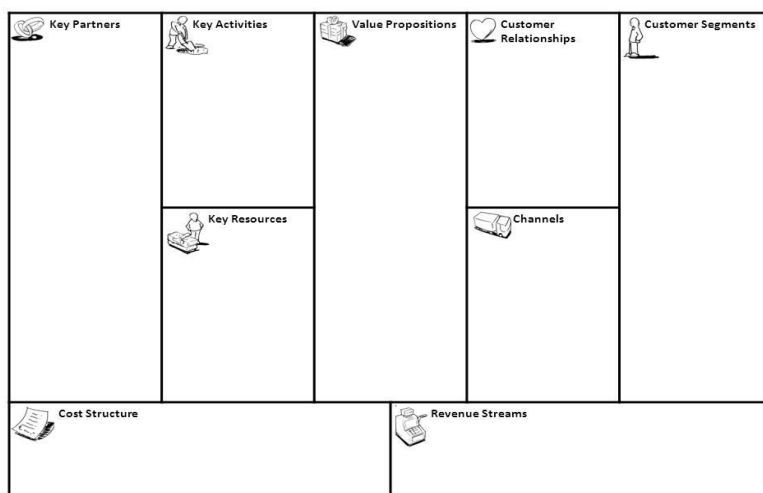


Figure 1: Business Model Canvas adapted from Business Model Generation (Osterwalder & Pigneur, 2010)

Nine elements of knowledge present for “what” of “doing business,” it is a challenge to operationalize and measure those elements because of lacking “how” of doing business. However, since all elements support each other as a system on Business Model Canvas, it can encompass the operationalization and measurement.

According to Osterwalder and Pigneur (2010), there are the description of nine components in Business Model Canvas in figure 1:

1. **Value proposition:** the values from products and services that a firm offers to their customer segments. Values can be measured in different forms and varied from quantitative (e.g., price, the speed of service) or qualitative (e.g., customer service, experience, emotion).
2. **Customer segments:** the target customers (end-consumers or organizations) whom the firm aims to reach and serve
3. **Channels:** a firm communicates and delivers its value proposition to customer segments. It could be both direct or indirect or even virtual platforms that the firm can meet and interact with their customers.
4. **Customer relationship:** the type of relationship with each customer segments that a firm might establish in order to serve and maintain it.
5. **Key activities:** the essential things and activities that a firm needs to implement in order to make business models work and deliver their value proposition as well as reaching new markets or maintaining customer relationships and earning revenues.
6. **Key resource:** the most critical assets that make business models work and run other elements. These resources, including human resources, intellectual resources, intellectual, physical, networks, and finance, allow a firm to generate and provide the value proposition. “Resources can be owned or leased by the firm” (Osterwalder & Pigneur, 2010) or obtained from key partners.

7. **Key partners:** a firm might outsource some activities to its suppliers or partners to acquire their expertise or knowledge of « know-how » to support business models and deliver the firm's value proposition.
8. **Cost Structure:** All costs involved in operating a business model and generating products or services.
9. **Revenue Streams:** a firm generates revenue streams in different ways and levels by delivering values to each customer segments based on its revenue models.

Business Model Canvas can be adapted by not only non-profit organizations, charities, public sectors but also for commercial social ventures. According to Osterwalder et al. (2010:), to generate enough revenue and value to cover its operation and production expenses to survive, every organization or firm has a business model. The authors also characterize business models for not-traditional-for-profit companies by using the term “beyond-profit business models.” This concept is again slitten into two categories: third-party funded enterprise models and triple bottom line business models.

Third-party funded model: In this model, the payers are third parties who would like to contribute their value into society, and the organization implements a mission that could be a social, ecological or public service nature by providing products and services to customer segments (Osterwalder & Pigneur, 2010: 109).

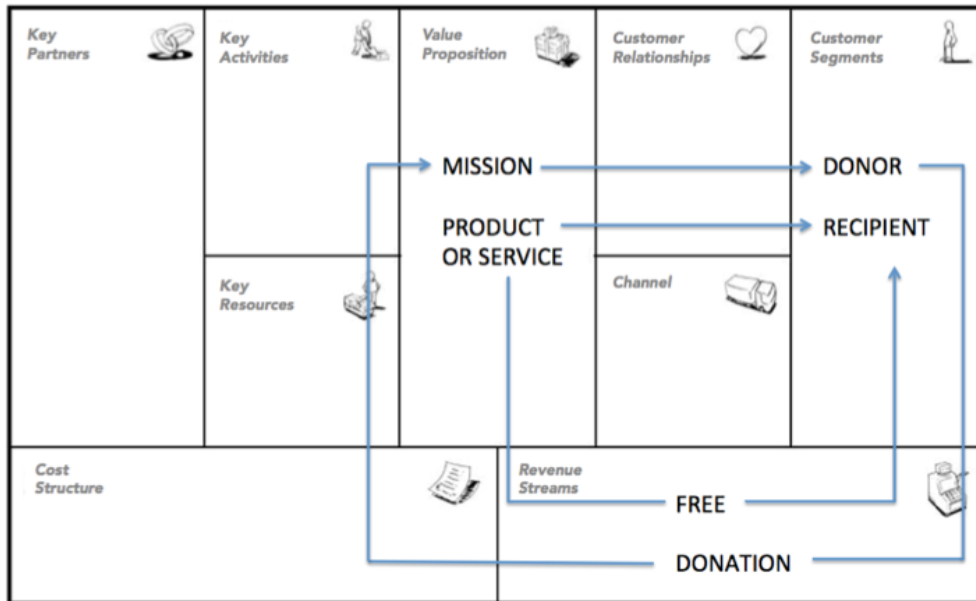


Figure 2: Third-party Funded Model (Osterwalder & Pigneur, 2010)

Triple Bottom line Business Model: Elkington (1994) acknowledged this concept which focuses on not only economic value but also on social and environmental values; the concept has been known popularly along with the growing awareness of sustainable development. The author indicates three Ps which are profits, planet, and people to make it easier for people to grasp. The three pillars also represent for the firm's sustainability. By using a triple bottom line business model, organizations demonstrate different goals not only maximizing shareholder value but also financial sustainability to solve social and environmental issues. Therefore, the Canvas has added two new components: the environmental and social costs and the benefits influencing on society and environment. This additional seeks to minimize adverse outcomes and maximize the positive impacts on society and environment (Osterwalder & Pigneur, 2010). (Qastharin, 2014)

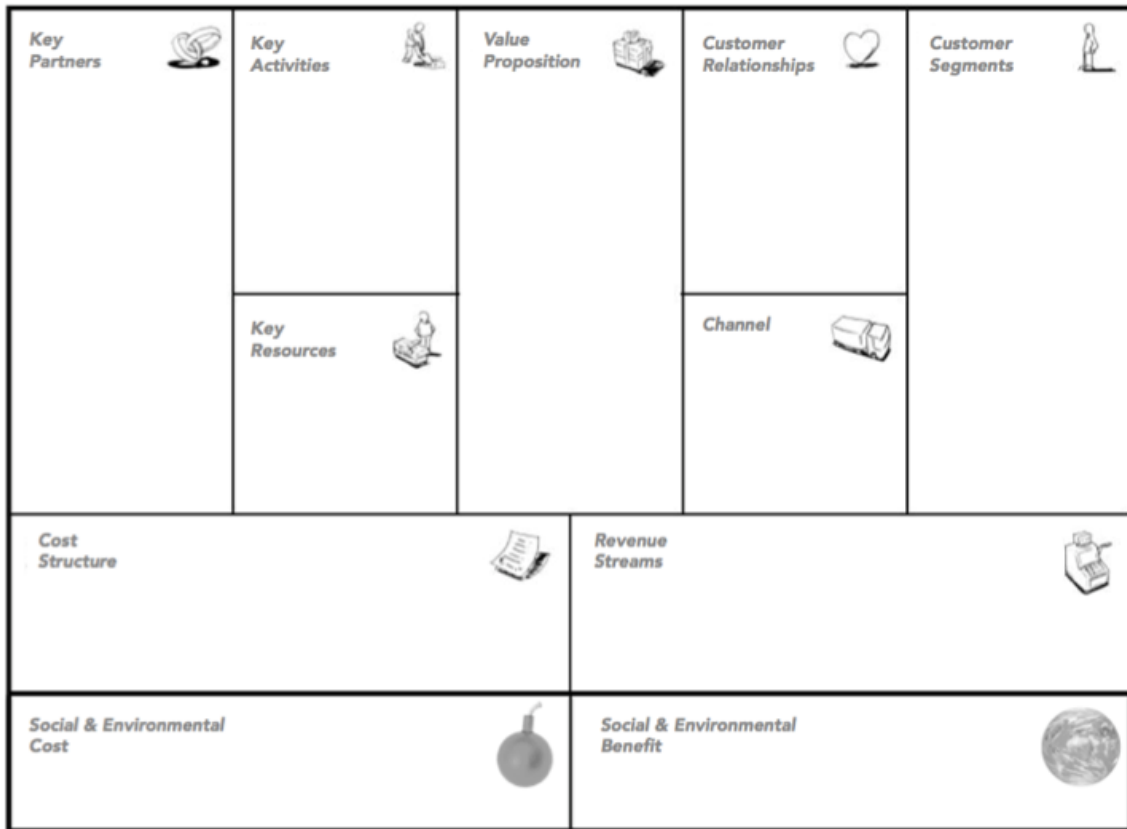


Figure 3: Triple Bottom-line business model (Osterwalder & Pigneur, 2010)

The literature review provides a general understanding about three concepts that are social entrepreneurship, value creation and business model which are applied in the empirical part. First, understanding social entrepreneurship phenomenon and its characteristics & spectrum will support the empirical part by differentiating between commercial and social business, in doing so the selected cases would be appropriate to analyse the phenomenon in terms of for-profit – nonprofit and hybrid models. Likewise, the value creation review indicates how value creation process takes place and which actors would involve in the value chain. From the value creation review, sources and usage of values are varieties from individuals, organizations to society, however the empirical just research on specific individuals who are food consumers and farmers who play both roles, which are sources and usage of value creation. Finally, the business model Canvas will be applied to analyse social business cases based on its nine components, this framework visualizes social business models as well as using as a framework interviewing social entrepreneurs about their business.

3. METHODOLOGY

This chapter presents the research philosophy, research approach and the method of collecting data and analyzing data to answer the research question. The data collect primary information from an NGO and six social entrepreneurs related to food industry.

3.1. Research philosophy and approach

The research philosophy associates with research's views that shows the author perspective on the world (Saunders, Lewis, & Thornhill, 2009). The authors also indicate four research philosophies that are currently applied: realism, interpretivism, pragmatism, and positivism. Positivism researchers tend to generate general rules and tests those with empirical verification to predict behavior and reduce the margin of uncertainty while interpretivism research considers reality as socially constructed. In other words, the meaning of reality to interpretivism researchers are influenced by their values and their approach to see the world.

Realist philosophy tends to extend general rules of positivism and takes into consideration. Although realism is scientific, this philosophy has fewer claims to existing knowledge. Realism researchers recognize that "strategy" and "job satisfaction" are unmeasurable not as chemical and physical processes which can be. To pragmatism, the research question is essential; this perspective provides researchers having the ability to work with both positivist and interpretive positions to select to the effective approach to answer the research question. (Delvaux, 2017).

Deduction and induction are two main research approaches which represent the fundamental perspective of accumulating knowledge. Deduction approach is most adapted for studying the phenomenon theory then forming hypotheses and using empirical results in a linear process. (Lipponen, 2017). The central hypothesis in this study is a social business in food industry created values through new business models and have a significant impact on society. Moreover, this study reviews Business Model Canvas as the central framework to discuss the phenomenon then using data from interviews to support the hypothesis. According to Hedrick et al., (1993), descriptive research aims to provide a well-explained and clear picture about the current phenomenon by characterizing the number of individuals or groups within the nature of

existing conditions. Therefore, descriptive approach is selected for this paper to describing the phenomenon- social business and analyzing findings from social business models in the food industry to understand how values are generated within this context.

Case study and interviews are two methods used for data collection. An intensive case study would give an in-depth analysis of a single individual or an organization (Hakansson, 2013). Also, in order to understand the phenomenon and capture social entrepreneurs' point of view within food sector, in-depth theme interviews will be conducted. These data collection methods are selected to gain sufficient understanding due to the limited timeframe and scope of work for this thesis.

3.2. Case Criteria

There are several strategies for the selection of cases with two main approaches: *information-oriented selection* and *random selection*. According to (National Academies of Sciences, 2009, p. 30), cases are randomly chosen from a large of the sample to establish credibility in random selection; and “in the information-oriented selection, cases are selected to demonstrate a characteristic or attribute of interest” (National Academies of Sciences, 2009).

This study uses the information-oriented selection approach to examine a particular business case doing social business relating to the food sector to describe their economy, society results. Therefore, chosen criteria for the case study are as below:

1. The company's profile (at early and growth stage, a social enterprise, product, and services related to the food sector, number of employees: 0-50)
2. The company mission (dealing with social problems which are either primary or related to the food industry)
3. Geographical situation (Developing countries in Southeast Asia and Africa)
4. The principal business activities (food production, agricultural products or services, food logistics, food waste)
5. Markets and marketing (local and national markets)
6. Social values (an increase of sales, job creation, other social impacts)

7. Economic values (generation of income, values, and profit to maintain business operation).

3.3. Case study

Eriksson and Kovalainen (2008: 116-117) suggest that case study research can be considered as a research approach rather than a method. This approach is most suitable to address complex issues that pure quantitative methodologies might face difficult obstacles to approach, for example, the case of social entrepreneurship in the food industry. In this thesis, the empirical data from the theme interviews with social entrepreneurs to formulate the answers the research question and objectives of this study. A suitable theoretical framework – Business Model Canvas is adopted to describe the phenomena further. Furthermore, case study research has two types: intensive and extensive case study. This thesis has the elements of intensive case study because of a particular industry – Food sector. The focus will be on the successful business model and how the firm generates values and its social values. Using an intensive case to examine the subject from a scholar's perspective, the company and society would give a clear understanding of the phenomenon.

3.4. Them in-depth interview

The interviews with six food social entrepreneurs provide the data conducted either by virtual methods (skype, email, WhatsApp). Moreover, the selection criteria for interviewees are similar to the case study and one more condition which requires the interviewee being the founder or co-founder of the business. The semi-structured approach based on Business Model Canvas framework and a list of related questions (Appendix 1) to capture the current business model operation and its value creation. This type of interview will provide the flexibility while simultaneous observance to have the same standards to all social enterprises. In the interviews, the theme of social enterprise's status, business model, value creation (economic and social impact), motivation are discussed and conducted in English or Vietnamese depending on the interviewees' language and transcribed into English. Each interview takes lasted between 60 minutes to 100 minutes.

The semi-structured questionnaire has three parts. Part 1 focuses on the social entrepreneur context, environment and their mission and motivation for social entrepreneurship as well as describing their social enterprises status. Part 2 focused on value creation of the enterprises to other stakeholders (purchasers, partners, users, and customers). Besides that, other data sources, which are Fanpage, customer's review or website, also are used to have a different point of views. Part 3 identifies social business operation components based on Business Model Canvas. The interviewees are the key person in the social enterprises who are founders, co-founder or general manager to provide the understanding of the direction as well as the operation of food social enterprises.

3.5. Data Analysis

This thesis applies grounded theory method to analyze the case study which is “the theory from data systematically obtained from social research” (Qastharin, 2014). This approach meets the requirement for this thesis which starts with observations (case study) and applying into the theoretical framework – Business Model Canvas to obtain understanding.

The cases listed in Table 3 presents the overviews of the social enterprises that are running social business relating to the food sector. To analyze the interviews *qualitative content analysis* approach is adapted to underly themes in the research materials. According to Elkington and Hartigan (2008, p.187,303), textual analysis is used to compare and contrast texts to test hypotheses as well as forming a perception of the phenomenon based on a systematic examination. Because of translations from Vietnamese to English during the research process, the original data meaning might not wholly transfer appropriately; also, the interviewer is a student who is not a professional translator. Hence, the content analysis is an appropriate method to examine the subjects.

Furthermore, the data is familiarized to acquire the insight of the data relating to the theoretical base. The analysis process starts with *with-in-case analysis*; each social entrepreneur is separated to find what value creation is generated and its innovative solution based on each components business activities to solve social problems. Next steps, using cross-case analysis

can compare cases to indicate similarities or differences and in contrast to theory (Elkington and Hartigan, 2008, p. 130). The cross-case analysis provides the formulation of themes and new information that acquires from the semi-structured interviews. The findings from the cases interview will be accumulated in the form of central themes, these findings and empirical analysis support the subjects, objectives and the research question.

3.6. Reliability, validity, and coverage

The concept of reliability indicates the consistency in overall of a measure. Reliability is partially influenced by the level of controlling on the research method and measurement such as monitoring interview questions or question formats of a survey. From two main types of reliability: internal consistency and test –retest reliability (Rakap, Rakap, & Evran, 2016), the interview questions is applied internal consistency reliability to control the answer underlying construct based on a structured interview which is based on Business model Canvas.

Validity in research refers to evaluate the conclusions of the study and its finding whether it has an adequate explanation of the circumstances or not; the finding has to be present accurately to express the phenomenon with suitable evidence (Lipponen, 2017) which is empirical data from interviews to explain social entrepreneurship in Food Industry. Due to the small number of cases from developing countries in Asia and Africa that might cause an uneven representation of social entrepreneurship phenomenon in the food industry or the region.

4. EMPIRICAL FINDINGS

4.1. Case study

4.1.1. The case overviews

“Food Aid foundation is a non-profit, governmental organization” based in Malaysia that operates as a food bank with the primary objective of providing basic food to needed individuals, needy families, and organizations such as charitable homes, refuges, rehabilitation centers, orphaned institutions (Food Foundation Aid, 2016). The food bank is where other stakeholders are individuals, companies, retailers, manufacturers, and organizations can donate their unused or unwanted foods to distribute to the others. (Food Foundation Aid, 2016)

It is critical to identify whether Food Aid Foundation is a social business or not, in doing so, social missions must be placed first in a non-profit organization. The organization mission is to “rescue surplus food from the supply chain and distributing it to people in need,” and it has a clear primary social objective that is “to save food wastage and end hunger.” (Food Foundation Aid, 2016). In other words, the mission of the organization is to cope with food distribution, food waste issues. This NGO is managed by professionals and experts in the food services industry and executed by volunteers and employees. The role of Food Aid Foundation is as a middle agent to collect surplus food from different places and distribute food to who need it. Graphic 3 presents the operation flow chart of Food Aid Foundation and how does it work. The social impacts have recorded and measured with 57 donors, two food banks, 305.000 food distributed, 76.000 KG saved 740 trips.

HOW IT WORKS?

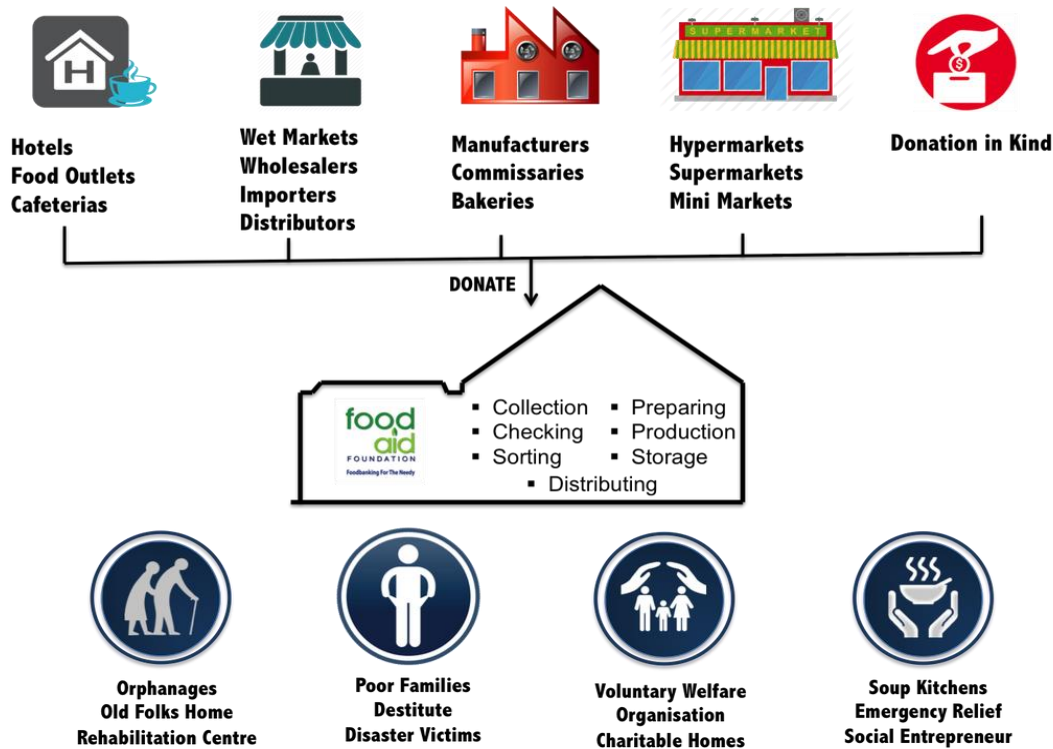


Figure 4: The operation flow chart of Food Aid Foundation (Food Foundation Aid, 2018b)

4.1.2. Analyse the case study based on Business Model Canvas

Value proposition

Food Aid Foundation has a clear value proposition statements which are paraphrased into two versions, first, “ we connect the world of waste to the world of wants,” the second is “ we provide food to the needy and help to reduce food wastages.” The organization attempts to solve the food waste problems that occur in every stage of a food cycle from production to consumption and provides free food for those who needed living in poverty, food insecurity condition. The social mission of Food Aid Foundation points out its business structure as a Non-profits organization. Also, based on the social mission, the organization designs products and services to achieve social outcomes by collecting food waste and distributing it to needed people value to its stakeholders.

The social issues, which the organization would like to solve, are food waste and food hunger. It is crucial to understand why these food issues and this mission are essential to the

organization because it is a reason to exist and a direction for the NGO to deliver their values that reasons show that what they are doing is matter, and the values they are delivering are matter.

According to World Food Program, some 815 million people in the world – one in nine the world population - go to sleep with an empty stomach. Noticeably, “the majority of the world’s hungry people living in developing countries, and Asia is the continent with the most hungry people - two-thirds of the total” (Food Foundation Aid, 2018c). Ironically, the amount of “food losses and waste is roughly US\$ 680 billion in industrialized countries and US\$ 310 billion in developing countries, and approximately 1.3 billion tonnes — gets lost or wasted” (Food and Agriculture Organization of the United Nations, 2018). Therefore, Food Aid Foundation attempts to reduce that gap, especially the food waste in the food supply chains which takes place in agricultural production, postharvest handling, and storage, processing, distribution, and consumption.

The value proposition also plays an important role to convince other partners and communities in Malaysia to support Food Aid Foundation to solve those problems together. As the graphic three shows that food waste in Malaysia produced 15,000 tonnes of food waste every day that can feed 2.2 million people.



Figure 5: Food Waste in Malaysia (Food Foundation Aid, 2017)

Customer segment

According to Osterwalder and Pigneur (2010), customer segments are the different groups of individuals or organizations that the social enterprise aims to serve. In the case, Food Aid Foundation has two different main segments. The first customer segment is food donation group: individuals, organizations, and cooperation who are food manufacturers, retailers, wet or dried markets, hotels, restaurants and so on. Because, based on the food supply chain cycle, those actors contribute an amount of food waste during their activities, therefore, they need to reduce storage and disposable costs caused by surplus food.

- ***Individuals***: they have enough food for their daily living, but they also produce food waste during their cooking or consumption. For example, a mom can cook a big meal for ten people for dinner even there are just 6 participants, the food waste produces from this source. This target group would feel guilty and want to give away their extra food but have no ideas to distribute to whom. By donating food to Food Aid Foundation, they would have the satisfaction of helping others who are hungry and need that food rather than through it away. However, this target group accounts for the smallest value contribution to the organization.
- ***Companies***: they are wholesale wet and dry market, food retailers, distributors, hotel, and restaurant. These actors provide raw-food or halal food that is still eatable but unsellable. The organization will help them to pick up that surplus food and turn them to cooked food to needy. In doing so, the NGO relieves their pains of wasting food and help them to gain comfortable feeling by helping others.
- ***Corporations*** as a food establishment: this is also the primary source of food donation. They provide non-halal food or close -expired - food. This target customer has the pain that is inventory expense. Food Aid foundation encourages them to donate that food to reduce inventory expense, also enhance the company images Corporate Social Responsibility towards society. It adds value to their business and generates a favorable impression in a way that no other forms of promotion or advertising can do.

The second target customers are individuals, institutions and organizations those receive the food waste from the first target group. They are orphanage and welfare homes, Charitable homes

	Halal Food	Non-Halal Food	Raw Food
Collective sources	Hotels, restaurants, caterers, food establishments and others	Food manufacturers, importers, wholesalers, and all willing donors	The wholesale wet and dry markets and companies with food service operations
Consumers	The poor and needy	Charitable homes to help the underprivileged	Orphanage and welfare homes

Table 4: The food collection and distribution flow (Food Foundation Aid, 2016)

Table 4 presents the services of the organization to their users and partners categorized into three main food groups based on the food characteristics in term of raw food, halal food, and non-halal food. Halal food is a kind of food cooked in a certain way for Muslims, and the non-perishable halal food is generally dried, canned or prepackaged including close-to-expiry date products, discontinued promotional products (Food Foundation Aid, 2016). For each kind of food would be distributed to a specific group of consumers and gone through processes to ensure the quality and safety of food.

Customer relationship

The foundation keeps the customer relationship as close as possible to maintain the relationship with them and the operation flow. However, from a personal relationship at the beginning, it is switching to virtual communication via RobinFood which is an app for the first target group. Thus, the first target group can contact and monitor their donation and get support from the foundation via that platform. It is an innovative communication way to show the transparency to the customers and present how the NGO uses their donation for what purpose and its impact.

Therefore the customer relationship establishes bases on application assistance, community, transparent to the first group. This relationship allows the customer to continue donating their surplus food to the organization. On the other hand, the relationship with receivers is based on the network with local government to know which homes and individuals need food. The management board members have the network with the local communities and government subsidiaries in doing so. However, for individuals and poverty family, they have a regular relationship by visiting and giving food occasionally rather than frequently.

Key resources

The principal sources allow the organization to deliver its value proposition and offer value to the target customers, reaching markets and maintaining financial flow; they could be human resources, intellectual, pattern, technology, finances obtaining by owning or acquiring from partners or network. (Osterwalder & Pigneur, 2010)

Human resource is a definite asset of this NGO. First, the founders and managers are experts having absolute **knowledge** of the food industry. This advantage provides knowledge transferring of know-how to operate and manage the organization to achieve their social mission reducing the food waste. The second value of key resources are network; indeed, with the intensive experience in this industry and hold high positions at FandB and hospitality sectors, leaders can exploit this network to connect companies and corporations that have needs to reduce their surplus food. For example, Rick Chee - the founder has 26 years' experience in food service facility planning with business locally and abroad, "his role as managing director of F and B Facilities Sdn Bhd and AR Manufacturing Sdn Bhd. He is also the Chairman of Prominent Freight Services Sdn Bhd and director of Cross-Border Logistic, Usaha Pintas Sdn Bhd, and GP Techno Glass Sdn Bhd; he also involves in various charitable organizations, poverty alleviation is his passion" (Food Foundation Aid, 2016). Furthermore, volunteers and employees also contribute to the organization's performance to deliver their value proposition and reach social goals. **Networks** with partners and government subsidiaries offer varieties range of opportunities to approach companies and corporation who accounts for the most food donation.

As a food bank, the current **facilities** play an essential role to filter food donation into three kinds of food. Inventory management and food processing are essential to qualify the donated

food before sending to the others. The facility includes strategically located operation office, which is convenient to collect and distribute food, dry and cold storage; central commercial kitchen and refrigerated trucks, a fleet of transport. The team, network, knowledge, and facilities are the key resources generating value for the organization and adding values to society.

Key partners

The network of partners that are external stakeholders such as suppliers, local association is essential to capture the value of this network. (Osterwalder & Pigneur, 2010). Hence, Food Aid Foundation has a variety of partners mainly are food providers who are also the target customers they serve, individuals, companies, associations. The NGO captures “a wide variety of financial and in-kind support form one-off contributions to ongoing commitments” (Food Foundation Aid, 2018b). The mission of partners is a donation in term of food, operational condition, sponsoring events and coordinating food drives and providing volunteer groups.

Furthermore, to convince these partners to participate in their business model, the NGO also has to offer benefits for them. For the companies and corporation, the reason they join this model because it matches for their “corporate goals for community involvement, employee engagement or marketing.” In order words, Food Aid Foundation helps sponsors to fulfill their corporate social responsibility toward society. For instance, as a mission partner, the partner’s logo will be placed on Food Aid Foundation’s POSM, marketing material as follows: “vehicles, brochure, website, social media, display bunting, display banners, advertising and promotional materials.” Additionally, Food Aid Foundation organizes food events frequently, where the partners, the sponsor can make participant as the host of the event which are special treats program, festivity event dining, social entrepreneurship program. These activities will add value to partner’s business and creates a favorable impression better than other forms of advertising. This finding indicates that the NGO knows their value that aligns with the partners’ target so the NGO can offer what they want. To individuals, they can volunteers to help the NGO collecting and distributing food for this type of partners, Food Aid Foundation offers does not have a measurable outcome or benefits for them but the emotional benefit which comforts their soul and gets rid of their guilt. As a food establishment, the organization provides a practical method to exploit surplus food and reduce wastages and disposable costs at their factories.

For associations, it is evident that Food Aid Foundation aligns with those association's mission to connect people in the food industry. Therefore the organization also gains network of these associations to reach out to more partners. Some of Food Aid Foundation's strategic partners are Chefs Association of Malaysia, Malaysian Association of Hotels, Malaysian Food, and Beverage Executives Association, International Food and Beverage Association, Add Hope (KFC Foundation).

Key Activities

Food Aid Foundation has volunteers, funding and a management team to operate business activities that are collecting and distributing surplus food, partnership, and marketing.

- ***Collecting food:*** the organization receives the food donation notification from food manufacturers, restaurants and so on via the website and RobinFood mobile application. This upstream activity involves transportation and volunteers to collect surplus food around the city and from the suburban areas to bring it back to the food bank. Before collecting food, it is essential to coordinate the schedule and amount of food for picking up plan. The next step is to classify food type at the food bank.
- ***Food Aid distribution:*** After collecting and classifying processes, food will be processed based on its type and packaged into boxes for distribution depending on the location and the need of consumers. For example, the food is distributed twice a week during a month for a village to children for morning meal program which is one of the regular activities at the organization.
- ***Organizing social and food events:*** this is a regular event at Food Aid Foundation. First, to gather people who need food in one place, this save the distribution costs and still reach target consumers. Second, for marketing and public relations reasons, the events show the organization performance and its social goals. Third, this offers the benefits for donors and sponsors aligning with their corporate social responsibility.

- **Marketing** activities are essential to Food Aid Foundation as other enterprises, as it helps the organization reaching more target customers as well as increasing its reputation to attract more donors, sponsors.

Channels

Like other organizations, one of the most common channels interacting with users is social media via the website, youtube, and Facebook. Besides that, RobinFood is an innovative channel to reach and coordinate with donors. This platform creates not only coordination, convenient but also the trust. By using this platform, donors can monitor how the organization uses their donation and its impacts. In doing so, the donors know precisely their contribution, it is an innovative way to add value for donors.

“Robinfood connects supermarkets, hotels, restaurants and other parties who have surplus food to food banks via a mobile and web app platform” (Food Foundation Aid, 2018b)

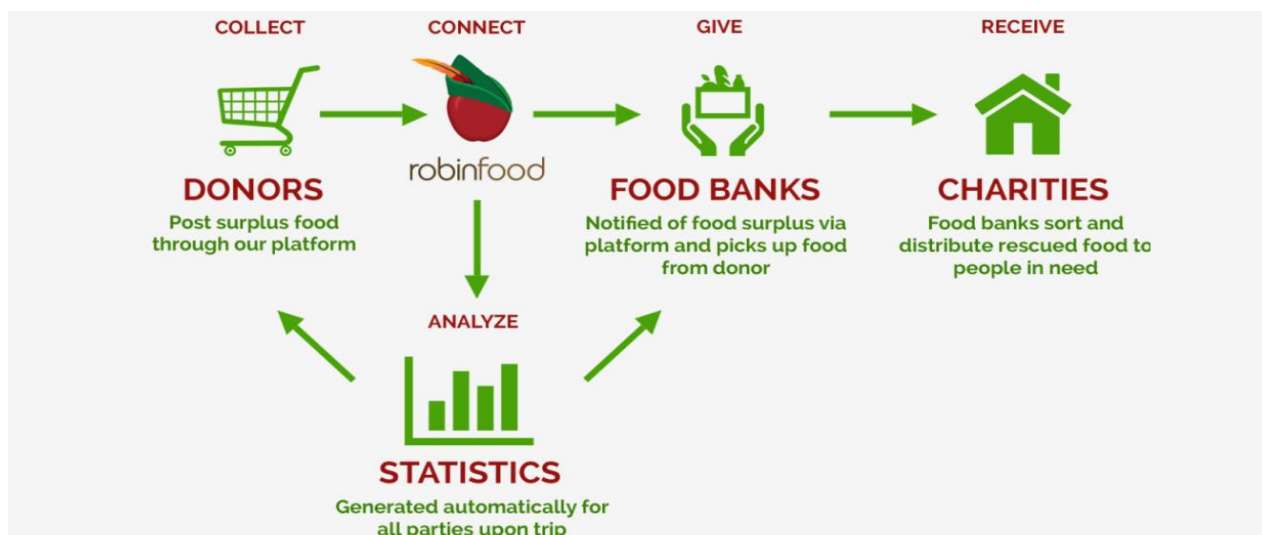


Figure 6: The role of Robinfood in the operation flow (RobinFood, 2017)

Cost structure

Cost is essential as the fuel for machines to operate a business model; and the cost includes fixed costs, variable costs, and economies of scale and economies of scope (Osterwalder & Pigneur, 2010). Costs and expenses at Food Aid Foundation can define based on the integration of key resources, key activities and key partnership following as:

- **Logistic cost** accounts for the most operating expenses because both collecting food and distributing require transportation fee, labors for picking up and delivery.
- **Facility** expenses are buying new vans, office rental fee and so on
- **Operation cost** includes human resources although the organization has a vast network of volunteers. Besides that inventory, maintenance fee, cooking fee are also taking place, expenses for building the web and mobile application (Osterwalder & Pigneur, 2010).

These costs are an assumption based on their key activities. Most of the cost structure is fixed cost depending on the amount of collecting and distributing.

Revenue Stream

Food Aid Foundation has two revenue streams that come from the donors and partners

- **Donation** from individuals, corporations/ companies and government subsidiaries, these stakeholders not only contribute food, material, goods, products but also other financial sources.
- **Sponsorship** from government agencies, association including either monetary or material or both to supports Food Aid Foundation's activities. Besides that sponsorship from companies could be venues and other supports to organize public food events.

4.2. Empirical Findings from the interviews

4.2.1. Overview of the case social enterprises

The majority of cases from developing countries such as Vietnam, Philippines, Kenya, and Nigeria that give the first look at the picture of social entrepreneurship in developing countries. Also, the scale of business mentioned in table 5 regards to the number of employees which is

from 3- 10 core employees and their annual revenue. Only African HomeStay Safaris and Gagaco provide their annual revenue information while others refuse their information because of confidential issues. In general, the scale of case social enterprises is small to medium, and most of the cases are at the growing, excepting African Homestay is at the maturity stage (established in 1994).

Social enterprise	Founders/ PIC	Location	Revenue/ Year (USD)	Employees
Bach Tung	Vo Nguyen Phuong	Vietnam	N/A	6
Greater Masaka Ndiizi Food Community	Kayinga Muddu Yisito	Uganda	2000	7
African Homestay and Safaris	Peter Ongena	Kenya	24000	5
Gagaco	Alex Hoang	Vietnam	40000	3
Phu Quy Farm	Nguyen Thi Le Na	Vietnam	N/A	10
Coldhubs	Nnaemeka Ikegwuonu	Nigeria	5000	14

Table 5: The General information of interview samples

The six social enterprises cases represent a wide range of different social missions related directly or indirectly to the food industry in term of earning logics, and domains, scalability; these lead to the different organizational structure, social enterprise spectrum (Dees, 1998) and strategy. Also, this enriches the data collection for the research. Table 6 illustrates the mixed of business context either B2B or B2C or both. Three of case companies operates in both B2B and B2C markets due to maximizing all resources in the best possible manner, this enhances the flexibility of their business models and cooperation, however, it also comes up with hybrid management issues that would discuss in the discussion session. At the point in time, other interviewers provide their business context, they know what they business operates, but a few cases are switching their business context from B2C to B2B or maybe mixed both (Gagaco, Phu Quy Farm, and Bach Tung).

The information given by interviewer is taken to consider to classify whether *non-profit, for-profit or hybrid business models*. It is necessary for the research to categorize their business spectrum to examine their value creation mechanisms, social mission, and business operation. **Table 6** also presents the distribution between for-profit, non-profit and hybrid business models. To define the case enterprise as a for-profit, non-profit or hybrid model, the interviewees provide the primary data information from the interviews.

The Company	Social Enterprise Spectrum	Business	Social Impact related to the Food Industry
Bach Tung	Hybrid	B2C, B2B	Food Production, Consumption, Food Market
Greater Masaka Ndiizi Food Community	Hybrid	B2B, B2C	Food Production
African Homestay and Safaris	Hybrid	B2C	Food Consumption, Food Market
Gagaco	For-Profit	B2B, B2C	Food production (Urban Garden solution)
Phu Quy Farm	For-Profit	B2B	Food Production
Coldhubs	Hybrid	B2B	Food Storage/ Waste

Table 6: Case Social enterprise spectrum in the Food industry

All six social enterprise attempt to solve social problems related to food industry, specifically in food production, food waste, food distribution and food market although each of company has different primary social goals. For instance, the study also takes into consideration African HomeStay and Safaris, even the main social mission does not focus on the food industry, but the outcome has a positive impact on local food consumption

“My business generates a market for the food sector as demands for food for local homes increases when tourists use homestay accommodation” (Peter Ongena, Africa Homestay and Safaris)

4.2.2. Cases introduction and its social business model

In this session, six food social enterprises are described shortly to demonstrate their social business in term of social entrepreneurship motivation, social goals and other components of their business.

Bach Tung

The company was established in 2017 by Ms. Vo Nguyen Phuong; Bach Tung aims to improve the local living, especially at local villages in Vinh Long province, Vietnam. The founder realizes the root of the poverty in this village is education. Local farmers try to work hard in agricultural products not only for their living but also for investing in their children’s education for a better future. With a voluntary background in many NGOs, she had known about social business and started this path five years ago. After recruiting enough members and having a clear direction, she started to establish Bach Tung. The primary social goal of Bach Tung is education, and improving farmers living. To obtain that goal, Bach Tung creates an educational platform that supports local young people in implementing their project related to food production. Bach Tung brings more customers for local fruit market, shorten the food supply chain, add more values to the local products.

Target customers are young urban families who have a higher awareness of safe food consumption, besides that tourists and visitors are the secondary target consumers purchasing directly at farmer’s gardens. To attract and keep a relationship with customers, Bach Tung sends new samples and unique gifts to any potential customers whether they do not purchase their products. By forming a partnership with tourism agencies, educational institutions, and safe food retailers, Bach Tung can access the customer database and introduces their product partner’s customers. The primary revenue of the company comes from selling safe fruit to consumers in both B2C and B2B channel; the second revenue stream is tourism packages such as team building activities at fruit gardens. Thus, education, fruit production consulting, selling

products and tourism are main activities of Bach Tung' business. After paying the expenses for fruit production to farmers, Bach Tung uses the profit to reinvest in local education for farmer' children. Currently, the company tends to sell more fruit in retailer channels. However, Bach Tung lacks qualified employees to extend the business.

Social impacts of the company are creating more jobs for local farmers, increasing the income of farmers, improving education for young people who do not have the condition to continue their studies. The data analysis provides that Bach Tung has a hybrid business model which combines for-profit and non- profit drive, as the company uses the profit from food production to invest in education.

Gagaco

Established in 2015 by three co-founders, after one year and a half, two Vietnamese founders left, Alex Hoang, who has both German and Vietnamese blood, became the new second founder who brought new energy to Gagaco. The company business design, build and provide urban garden services to everyone who prefers innovation and sustainability in gardening. The primary mission of Gagaco is to bring innovative and sustainable urban gardening solutions to citizens. Their business model is similar to other farming services. However, they have a clear social mission that provides sustainable material for their products although it increases the price. Hence, Gagaco is a social enterprise for-profit providing food production solutions.

Alex Hoang - the founder, has an agricultural background and interests in the wooden workshop. Therefore this is his motivation to start this business and wish to generate environmental impact from food production solution. In the beginning, the business focus on B2C, not it is extending to B2B context. The majority customer of Gagaco is expats and young Vietnamese family who have the high income and cares about gardening. Besides that, Alex Hang collaborates with international schools to organize garden workshops for international students; this channel also brings the amount of customer who is student's parents. Due to the garden services including maintenance after designing and building, the relationship with the customer is stable.

“ I do not have many friends here, but my customers become my close friends”

(Alex Hoang)

Innovation is a part of this business, according to Alex Hoang, although Gagaco is a for-profit business, the founder takes consideration into sustainability which turns out becoming their differences and competitive leverage in the urban garden market. Therefore, the company controls profoundly the supply for their products, for example, imported wood from Canada which took from sustainable forests and searching for composition materials.

“I think our innovation is about our chosen materials which have not only a good looking from outside but also sustainability and eco-friendly. There are no products like this in the urban garden market. Others use plastic or cheaper wood” (Alex Hoang)

The revenue streams generated from designing and building garden service in the B2C market. At this growing stage, besides the key activities in providing urban garden services, the company focuses on searching innovative solutions rather than scaling their business. Then, all profits are reinvested in the workshop machines. Facebook is the principal channel to communicate with customers, besides that the close communities and network, for example, expats, play as advocate or ambassadors for Gagaco's channel. For this case, although social and environmental impact places as a second priority after profit, the company also contributes their sustainable solutions in the food industry, especially in urban areas.

Phu Quy Farm

After many years working for international companies, Nguyen Thi Le Na decided to back to her hometown which is the center of a typical orange in Nghe An Province to established Phu Quy Farm in 2013. Her first purpose was to help her own family to sell their oranges at a reasonable price without the bargaining power of traders. Then, she realized that she could help other farmers to increase their bargain power, and her dream is to build a strong brand for the local oranges. The missions of Phu Quy Farm presents as below:

- Protecting local oranges quality by promoting traditional plating without chemicals

- Building a strong brand name - Yen Ky Orange based on the typical orange pieces
- Creating higher income for local farmers,
- Creating more jobs for local communities, and minor group.

Phu Quy aims to build a strong brand for local oranges which is claimed as “organic oranges.” Oranges are the primary products; the second one is related products to utilize the rest of oranges such as orange oil, candied oranges. The new planting model for oranges is applying traditional methods to enrich the soil with natural sources and prevent chemicals that can destroy the quality of the soil. However, this model is too new to farmers and even local government to adapt and scale up. To convince farmers, the founders attended different contests for social entrepreneurship to acquire the reputation for her model and access to the network. During those events, she has the connection with experts from around the world to come to Phu Quy Farm to explain and share with farmers to encourage them joining the new model. Besides that, extending farmers connection is a priority of Phu Quy Farm to create power for farmers in the economy of scale.

Currently, Phu Quy farm forms a partnership with social entrepreneurship association and retailers such as supermarkets. The central revenue comes from selling fresh oranges to the retailer (B2B); last year, the founder also imported about 1000 kg of related orange products to overseas markets. Following production cost, Marketing and PR also account for the following expenses in the cost structure. Hence, it is clear that Phu Quy farm has a for-profit model running a business for social purposes. All revenue is reinvested in extending the factory.

In the future, to increase to the ecosystem for this social business, the founder tends to add ecotourism to her model. However, at this stage, Phu Quy farm faces difficulties with local government because of lacking supported policies for social business as this concept a new phenomenon to the government.

Africa Homestay and Safaris

Founded by Peter Ongega in 1994, African Homestay and Safaris is seen as an NGO running a business as a cultural tourism agency that connects tourists with local communities in Africa,

majority operated in Kenya. Personal travel experience in Japan of Peter had given the inspiration for him to start this agency. The primary purpose is to support the local communities by creating more income, jobs for them via tourism services including food, accommodation, local experience. Second, to help international visitors have another view of Africa. Hence, this case demonstrates how doing social business in other sectors correlates to the food industry.

“My business generates a market for the food industry as demands for food for local homes increases when tourists use homestay accommodation” (Peter Ogage, Africa Homestay and Safaris)

The program organized by Africa Homestay and Safaris offers an integration package includes LIVE, STUDY and WORK with an African family. This package designs between 1 week to 3 months. By living with local families, visitors pay a small number of expenses than other means of accommodation; importantly, local food consumption is increased along with visitors' demand. Visitors have several options to stay in the cities or the countryside. Besides that, the program encourages visitors to take part in voluntary work with local, e.g., farming activities. As a rich culture continent, the visitors have the opportunity to learn new cultural aspects from different tribes.

It is clear that the target customer of the agency is young visitors from oversea those love to experience Africa genuinely by living, working and learning from the local. The company connects local hosts to visitors, so they can start to communicate before arriving. The agency organizes the accommodation and food agreement, picking up at the airport and drive visitors to local hosts, short trips. The revenue stream comes from the commission of package fee - 20% of the amount paid for hosting to spending on transportation, marketing, and operational cost. It is not challenging to convince local hosts to participate in this model because the agency can show them how they can earn more by joining this model. As with the other social enterprises, there is no support from the local government. However, this model is hard to scale up because of lacking finance and human resource.

Greater Masaka Ndiizi Food Community

The community of Greater Masaka Ndiizi Food was established in 2014 in Uganda by Kayinga Muddu Yisito who is a Managing director of COTFONE, and National Vice-president of Slow Food-Uganda. The organization believes in traditional farming practices that protect biodiversity and the natural environment. The Masaka region is facing the extinction of banana because of its reducing in plantation and value for producers and the disease (Banana Bacterial Wilt). For this reason, the idea was planting apple banana with traditional farming practice and in organic method to create new value for apple banana (Ndiizi) and prevent the disease.

“He got the inspiration to grow Ndiizi after realizing that the ordinary banana variety was not resistant to Banana Bacterial Wilt” (Raja, 2017)

With a Social mission to preserve this banana variety, he gathered the first member for this community from his family, relatives, neighbors about of 25 members to produce Ndiizi bananas. After that, the community develops their model to create a common market where they can share the facilities and economy scale such as transportation for their product, planting experience, technical, material to increase the quality and quantity of bananas. The community has a flexible focusing more on B2B business and operates with a hybrid model to adapt to the chances of markets. The target customers are hotels, restaurants, and supermarkets. With the feedback mechanism, it allows the community to know the customer’s comments for their products as well as where the end-consumers buy bananas.

Applying the traditional farming practice the community has a better quality of apple bananas and sells it at a much higher price not only across the country but also in International Markets. Besides extending farmers network, trying to enter other markets is a current strategy of the community. In order to convince farmers joining the community’s model, first, the management team shows farmers the value they can get if farmers participate in this community, and it is vital to ensure that their products will be consumed. Thus, the city funds are given to farmers as the purchasing deposit. Second, the Slow Food association that is the key partner supports the community by providing education, experience, and food for a local farmer to modify them.

Coldhubs

Coldhubs is a social enterprise, founded by Nnaemeka C. Ikegwuonu in Nigeria, the company designs, set up and provides a walk-in, solar-powered cold stations - food storage solution to farmers, retailers and wholesaler in developing countries. This solution attempts to solve the food waste problems of post-harvest losses in fruits, vegetables, and other perishable food. According to Coldhubs, the statistic shows that 45% of food spoils in developing countries coming from lack of preservation methods (Coldhubs, 2017) because after cutting off from the nutrition and water sources, fruit and vegetables lose weight, texture, nutritional value, flavor, and appeal. With this loss, the farmers or sellers will lose the amount of money. For instance, tomatoes are sold at 1 USD/ kg in the morning, but the price is just 20 cents/kg in the afternoon because of customers' judgment on food appearance (Nnaemeka Ikegwuonu)

The solar-powered cold stations are installed in food markets or at food production, food consumption centers areas. Solar panels run the cooling system on the rooftop of the cold room which is stored in high capacity batteries. This solution not only reduces food waste but also saves energy cost and be friendly to the environment. Farmers pay with a subscription model which is flexible pay-as-farmers-store each crate/night. These crates are clean and reusable provided by Coldhubs. The capacity of each cold hub is about 3000 kg. It is possible to store from 2 days to 21 days with a reasonable and cheap price (Coldhubs, 2017).

According to the founder, this solution has several social impacts. First, it reduces food waste of loss in post-harvesting by 80% and extends a life cycle for food from 2 -21 days. Second, Coldhubs increases local farmer income by preserving their products before selling, in doing so farmers can sell their products at the reasonable price; this increases farmers' annual income by 25%. Third, the major labors working at Coldhubs are women to manage the hub's operation, this creates more jobs and income for women who are struggling with their living because of gender equity issues in developing countries. Lastly, more food is preserved to maintain the nutrition for urban dwellers and children as well as being eco-friendly and sustainable.

4.2.3. Social Entrepreneurship Phenomenon and Social enterprises

According to responses of interviewees, the phenomenon of social entrepreneurship is not well-known in their country. As all cases are collected in developing countries, these also cause difficulties for social enterprises to scale up social business to increase the impacts. Generally, people assume social enterprises are similar to NGOs, or charities organizations; even local governments also do not support much for social enterprises as this concept is too vague to them.

“There are not many social entrepreneurs, especially in the food industry, although most of the people living to depend on agriculture. This concept is new to citizens; therefore, we do not have much support from the local government” (Nguyen Thi Le Na, Phu Quy Farm)

Therefore, social entrepreneurs with social motives have the clear social goal since they started social enterprises. The founders know about social entrepreneurship from network and environment they were working; for example, the founder of Bach Tung was working for an NGO for many years during her student period, from international students, she knew about the power of applying business to solve social problems. Likewise, Kayinga Muddu Yisito, the founder of Greater Masaka Ndiizi Food Community has an impressive background in sustainable development as he is a Managing director of COTFONE and National Vice-president of Slow Food-Uganda.

“ Social entrepreneurship is a new concept to people in my country, with my network and experience at Slow Food - Uganda, I could facilitate the community as a social enterprise from the beginning” (Kayinga Muddu Yisito, Greater Masaka Ndiizi Food Community)

The case of Phu Quy farm has the different starting. Ms. Nguyen Thi Le Na, the founder, had the background in economy and worked for international cooperation. She started this enterprise based on her family's issues in selling oranges, she got back to her hometown and built a role model of a traditional planting method for oranges. The more she involved in this

model, the more she realizes its sustainability for all farmers to preserve the traditional oranges in Vietnam. The personal incentive for - profit to start a social enterprise also presents in Gagaco. As, the founders started to earn money, but using social mission as a key strategy allow the firm to become different in the market.

“ In the beginning, I just tried to solve my family problems in selling oranges. After that, I observe that we can sell higher price with the new planting model, so I want to gather more farmers to do it together, this can preserve the quality of our oranges and create a strong brand. When the business becomes bigger, I meet experts in social entrepreneurship to develop this model” (Nguyen Thi Le Na, Phu Quy Farm)

“Not many urban garden service provides the sustainable products as we do, our primary incentive to start this business due to profit, and social values for urban food production solution is our impact, before that we did not think much about social aspects, but now it becomes our strategy” (Alex Hoang, Gagaco)

The majority of cases' social mission aims to reduce poverty in rural areas where food producers - farmers mainly are the focal actor. Besides that, other cases social enterprise have the clear social mission to solve food waste (Coldhubs), food production (Bach Tung, Gagaco), food preservation (Phu Quy Farm and Greater Masaka Ndiizi Food Community), food consumption (Africa Homestay and Safaris). Despite having different social missions, solving food issues is considered as a solution to achieve their primary social goals either in the food industry or related sectors. For example, Bach Tung aims to support farmers selling their products directly to end consumers, then using that revenue to invest in education, because, education is the primary social mission of this social enterprise

“By bringing more customers and creating a new market for farmers' products, they will have more income to invest for their children; also, Bach Tung provides English class for farmers' children as a condition to convince them participating in Bach Tung's model. Through this model, I can achieve my primary social goal in education, with better education, we can reduce poverty in rural areas, I believe so” (Vo Nguyen Phuong, Bach Tung)

Likewise, solving other social issues related to the tourism industry, African HomeStay and Safaris also creates the demand for local food consumption. This case shows the integration of clear social goals directly or indirectly impact on the food industry, indeed, solving the problems of tourism also impacts on the food industry and the case of African Homestay and Safaris showing. Therefore, the crossed industry social mission integration is also value creation aspect that is discussed in the next chapter.

“Local food consumption has a strong connection with local tourism, as we connect international visitors, we can increase the demand for local food, this can bring more income for local hosts and reduce poverty” (Peter Ongena)

The business idea and business model have the strong influences on the value creation because an innovative model can exploit the existing resources to maximize environmental and social impacts. Although a case social enterprise has different primary social goals, the business is operated in the field of work integration to generate value as much as it can not only for society but also for stakeholders that also play key roles in business models. **Table 7** demonstrates the products and services offered by social enterprises. The role of them is like a new middleman to connect food producers and end- consumers, non-profit and hybrid models tend to play that role rather than for -profit. For example, the case - Gagaco, it provides urban garden services by itself.

The Company	Primary Social Mission	Services/ Products	Business Idea
Bach Tung	Better Education, Reducing poverty	Fruit, Tourism	A safe planting model for farmers brings customers to the gardens by tourism services
Greater Masaka Ndiizi Food Community	Preserve traditional food varieties to avoid	The market for Apple Banana	Organic Apple Banana

	the risk of extinction		
African Homestay and Safaris	Reduce poverty	Cultural Tourism: LIVE (Homestay), STUDY (cultural and educational) and WORK (Internship and Volunteer)	Creating an agency to connect international visitors and local hosts
Gagaco	Safety Food, Sustainability	Urban Garden: Design-Build - Plant - Maintenance - Farming education	Urban garden services from designing, building and maintaining with sustainable solutions
Phu Quy Farm	Safety Food	Fresh Orange and related orangy products, tourism	Organic Orange planting model, exploiting the rest of oranges to turn to related value products
Coldhubs	Reduce Food Waste (storage solution)	Solar-powered Cold stations	Walk-in, solar-powered cold stations for food (vegetable) storage and preservation in developing countries

Table 7: Social mission and Business Idea of All Cases

The majority of food social enterprises' *social mission* aims to reduce the poverty of food producers - farmers mainly; in other words, the cases attempt to solve food issues in order to achieve their primary social goals. For example, Bach Tung aims to support farmers selling their products directly to end consumers, then using that revenue to invest for education, Because, education is the primary social mission of this social enterprise. On the other hand, while solving other social issues related to the tourism industry, African HomeStay and Safaris

also creates the demand for local food consumption. This case shows the integration of distinct social goals directly or indirectly impact on the food industry, indeed, solving the problems of tourism also impacts on the food industry and the case of African Homestay and Safaris showing

4.2.4. Social business model in the food sector

There are new findings from the interviews about social business models. Firstly, all social business model has at least one *innovative factors* that make their products and services distinct from current models and competitors in the food industry. Innovation in business models of social enterprises takes place from the model itself, products, services, as well as marketing approaches. The new business model generates sustainable values for either producers or end-consumers as well as society. Instead of approaching the current market with different competitors in the traditional ways, social business models provide social enterprise's advantages to attract customers with its new values focusing the niche markets. For instances, Phu Quy Farm, Bach Tung and Africa Homestay and Safaris approach food consumers by adding new values to offer for end-consumers as ecotourism at the garden, visiting the orange factories and living with locals. The niche market of their social enterprise is young individuals, families, foreigners who love new experience and prefer organic and local food. Another approach is to bring the innovative product to users. It is the case of Coldhubs; the storage station is installed nearby the food collection areas such as markets and farms, this approach brings the storage services close to the users. Alternatively, Greater Masaka Ndiizi Food Community introduces Apple Bananas to Italy market where the organic food is preferable.

“Before this community, farmers did not care about apply banana as they did not have the appropriate market for their products. Leading to the abundance of this kind of banana that we try to preserve. With the international market, Apple Bananas have more values, and farmers start to invest in this fruit” (Kayinga Muddu Yisito, Greater Masaka Ndiizi Food Community)

Innovation in food production and services play a key role to be different on the market which is the competitive advantage for social enterprise. All the case social enterprises focus on a niche market where requires the differences to generate the need. Gagaco’s strategy focuses on providing sustainable solutions to their customers, in doing so, Gagaco designs the

planting pots using sustainable material although the current market does not offer much. Similarity, Coldhubs has the solar-powered cooling system for the storage station, this reduces the energy cost and can run sustainably with solar energy. As a result, the price offer for farmers is much cheaper than current market. Being a social enterprise also contributes to the values for the firm. Customers of Bach Tung would buy more and pay more as they know that they also contribute to the local community. This finding is similar to the characteristic of the Case Study - Food Aid Foundation, an NGO

“Our customers are well-educated citizens, they want to have an urban garden for their home, in the beginning, they used common material from other suppliers, but it did not last long. We introduced our innovative solutions with sustainable material that they might pay higher. As a result, they prefer to use our solution for their garden for sustainable reasons. Social mission values become our competitive advantage for this niche market” (Alex Hoang, Gagaco)

However, being a social enterprise can become **a disadvantage** for social enterprise at the early stage of extending their business model. Because this concept is so different to what people are doing and strange to food producers, especially farmers those often refer the traditional and safe path, at the result, they hesitate to involve in the social business models. For Phu Quy Farm is that case, the organization creates a new model for planting oranges at the founder’s hometown, this model needs the involvement and engagement of local farmers; however, the temporary effect of this model impacts the productivity. Therefore, local farmers do not understand the sustainable values of this business model brings to them than another traditional model. To cope with the farmer’s perception, Phu Quy Farm invites foreign experts and organizes farming workshops for farmers, besides that Phu Quy Farm, has its garden model which follows the traditional planting method. These factors make the farmers believe in the new model of Phu Quy.

“Farmers do not like to change and hesitate to try new things, and they even hate other farmers if they have a better performance. Foreign experts play an important role that the farmers know Phu Quy’s model is well-known in overseas, and it can apply in Vietnam” (Nguyen Thi Le Na, Phu Quy Farm)

Likewise, Coldhubs needs eight months to utilize the full capacity of the first storage station due to the hesitation of farmers. Coldhubs had to train and demonstrate the benefits of using this new solution for farmers' post-harvest products. The conservation and perception of farmers prevent the extending of the new business model, so it takes a particular period and effort to convince farmers while they are the ones who benefit from the solution.

Furthermore, government voice is essential to convince the farmers joining the new model. However, as social entrepreneurship is a new concept, and there is no explicit instruction and policies to provide support for social enterprises. Exceptionally, the case of Greater Masaka Ndiizi Food Community, the social enterprise receives funds from the local government to provide to farmers. This financial support is crucial for depositing farmers' products in advance before production, in doing so farmers believe that their products will be sold no matter happens. Therefore, the role of local government is essential to extend social business models.

“Local Government treats us as a commercial company that I pay the same tax policies as the others; Moreover, I see that the local government has the power to provide technology, training for farmers but we cannot receive this support, just NGO or traditional charity organizations” (Vo Nguyen Phuong, Bach Tung)

The most challenging of social enterprises is financial. Indeed, it is difficult to balance between social goals and profit targets to a hybrid model. Bach Tung is a typical case of a hybrid model struggling with financial flow due to the surplus revenue invested in education. Also, Bach Tung cannot call the invest from other investors as commercial startups because this kind of business does not give financial profits to shareholders. While, Greater Masaka Ndiizi Food Community is also a hybrid model, with the support of city funds, it can extend the business model faster than others.

“This is a difficult time for Bach Tung and me, as the revenue stream does not bring much profit to reinvest as well as to maintain the operation to hire qualified employees. Because the business does not bring financial benefit for shareholders, so I do have the external investment as well as government supports” (Vo Nguyen Phuong, Bach Tung)

On the other hand, for-profit social enterprises as Phu Quy Farm also has a slow financial flow as the long-term investment. Gagaco and Coldhubs do not have much pressure due to finance as they have a stable revenue stream, but it is still difficult for them to scale up the model when it needs a large of an investment.

“The financial is super slow as we invest in the long-term run for the ecosystem of this farm, and oranges are seasonal. Therefore, we try to produce other related products to export in order to push the flow” (Nguyen Thi Le Na, Phu Quy Farm)

The role of Network is highly emphasized in a social business model of six interview cases. The network brings various and variety of opportunities to social enterprises. A network of the network is an example, for six cases gain support not only from their customers and suppliers network but also for a wide range of partners. Social enterprises receive the values such as technology, a network of the network, experts, experience, knowledge, financial support and sponsorship from their network. Being a social enterprise allow the firm to approach particular networks that a commercial business might not have. Phu Quy Farm is an example of this when social enterprises attend social entrepreneurship conferences where the founder finds valuable networks of experts in farming that they can support Phu Quy farm unconditionally. Likewise, the network generates new potential customers; Gagaco has its first customers B2C that are international teachers, from that network, Gagaco was introduced to organize garden workshops at international schools for students. Interestingly, another source of customers is coming from that networks who are parents of those students that demonstrate the unexpected values of networks because it can benefit social enterprises.

“ From those events, I know new networks that they introduce my social business model to other international experts. Thank for that, the experts come to my farm and organize farming workshops; in doing so, I can convince the farmers that we are on the right track.” (Nguyen Thi Le Na, Phu Quy Farm)

“ I was invited to organize gardening workshops for students; surprisingly, their parents contact me to design their garden as the introduction and excitement of their children” (Alex Hoang, Gagaco)

Extending and building the network is one of the key activities of social enterprises because it can create a power of “together.” For instance, the network of farmers can generate a common market, bargaining power, sharing the similar facilities and reducing cost.

“We focus on extending our farmers network to build a strong community, in doing so we can maximize the existing resources and gain bargaining power to the markets” (Kayinga Muddu Yisito, Greater Masaka Ndiizi Food Community)

Base on Business Model Canvas, all six-food social enterprise are analyzed according to nine components of the model: Value proposition, target customers, key activities, Customer relationship, key partners, key resources, channels, cost structure, revenue stream. **Table 8** shows the detail for each case. In general, the founders have trouble to present their value proposition in a short sentence because their hybrid model might combine different values to aim for either producers or consumers, e.g., Bach Tung. Social media is a common channel to communicate with end-consumers, but farmers or local people need to be approached directly by face to face due to the limited knowledge in social media platforms. The revenue streams come from the selling products or services of farmer’s products, Coldhubs proposes a subscription revenue model while Bach Tung, Africa Homestay and Safaris, Phu Quy Farm, and Greater Masaka Ndiizi Food Community offer the traditional revenue model – sales commission per products/ service after paying cost production for farmers. Social enterprises have a variety of partners from farmers, local NGOs, tourism agencies, educational institutions, service providers, and technology providers and so on. Social enterprises acquire values from these partners such as knowledge, experience, sponsorship, and collaboration. In return, some partners volunteer to support social enterprise without requests from social enterprises while a wide range of benefit that needs to provide to key partners. There is another common finding from the interviewees that all social enterprise has a healthy relationship with customers. The firms offer more after-purchasing services to consumers-users to enhance the customer acquisition.

“Besides the main service, Gagaco provides the maintenance fee; therefore, we have more opportunities to communicate with current customers. We become friends after they use our services; this is an advantage for us. Our customers also become the advocates to introduce our services to their friends and network” (Alex Hoang, Gagaco)

The Company	Value Proposition	Customers	Customer Relationship	Key Activities	Key Partners
Bach Tung	Safety Agricultural Products	-Young urban families (households, individuals) - Tourists	-Well taking care of both customers and visitors by extra and unexpected gifts to customers After purchasing services	- Education (English, and project teaching) - Selling agricultural products - Agricultural and Education Foundation	Farmers Private retailers Exchanged Students Tourism agencies Education institutions
Greater Masaka Ndiizi Food Community	"We preserve local food, increase the income for farmers and provide organic and good quality product to consumers."	- B2B: Hotel, restaurants, supermarket - B2C: Urban citizens and foreigners	Feedback Mechanism, and tracing how customers know about the products	- Marketing - Extending Farmers network and entry new markets - Training for farmers - Market Exhibition	Local NGOs Farmers Selective Restaurants/ Hotel

African Homestay and Safaris	"African Homestay and Safaris is a cultural tourism agency that links people who want to LIVE, STUDY, WORK in Africa with local hosts in rural villages and towns" (Trickleout, 2015))	Budget tourists, researchers and students.	The social enterprise plays as a middleman connecting tourists and hosts	- Marketing - Picking up tourists	Service providers (transportation)
Gagaco	"a full range of urban gardening services focusing on sustainability to anyone" (Alex Hoang)	- Teachers, expats and Family (both expats and local) (25-50 years old) Educational institutions	Being friends and providing after services (maintenance, taking care of the garden)	- Production - Searching for new sustainable/innovative solutions - Design and Set up urban gardens	- Educational institutions - Retailers - Environment Association (Zero Waste) - Architecture Companies
Phu Quy Farm	"Orange products produced by the traditional methods for consumers' health" (Nguyen Thi Le Na)	- Retailers - Tourists	Grageenter for customers can change the products for any reasons Building the trust (in quality, safety condition)	Building and Expanding the farmer' network Distribute products to retailers Branding and	- CISIP, Oxfam (Social entrepreneurship support network) - Experts in agriculture - Retailers (Vinmart, Sói Biể)

				Marketing activities Attending agricultural exhibition, conference, and contests	
Coldhubs	"We provide solar-powered walk-in cold room, for food storage and preservation of perishable foods for farmers, retailers and wholesaler" (Coldhubs, 2017)	Farmers, retailers, wholesalers	close relationship	<ul style="list-style-type: none"> - setting new hubs - Marketing - Training and educational programs 	<ul style="list-style-type: none"> - NGOs (Factor E) - Solar solution associations (GIZ) - Accelerator centers (Fledge)

Table 8: Business Components of case social enterprises - Part 1

The Company	Key Partners	Key Resources ⁷⁶	Channels	Cost Structures	Revenues
Bach Tung	Farmers Private retailers Exchanged Students Tourism agencies Education institutions	Human resources (Volunteers)	Retailers At the garden Social Media	- Education (implementing local projects) - Business Operation: Logistics, operation fee	Commission per product Tourism package
Greater Masaka Ndiizi Food Community	Local NGOs Farmers Selective Restaurants/ Hotel	- Network: Farmers Farmer's land - NGOs' supports	Exhibition	Transportation Marketing	Grants from Local Government Selling Banana
African Homestay and Safaris	Service providers (transportation)	Leads and referrals Office	Social Media Volunteer sites	Marketing and outreach Transportation cost	20% of the amount paid for hosting; Selling Short Trips
Gagaco	- Educational institutions - Retailers - Environment	- Knowledge and Expertise in Agricultural	- Social Media - Flea Markets - International	- Human resources - Production	- Design and setup - Selling related products

	Association (Zero Waste) - Architecture Companies	- Expat Networking	Schools - Word of mouth		- Maintenance fee -
Phu Quy Farm	- CISIP, Oxfam (Social entrepreneurship support network) - Experts in agriculture - Retailers (Vinmart, Sói Biển)	- Network - Property (land and family farm)	- Conference, Exhibition - Social Media (own website, facebook)	- Production - Marketing	- Selling fresh oranges - Export-related products (candied fruit)
Coldhubs	- NGOs (Factor E) - Solar solution associations (GIZ) - Accelerator centers (Fledge)	- Network - Solar battery technology	Face to face meeting At old hubs station	Training/education workshop for farmers Operating the station	- Subscription model

Table 9: Business Components of case social enterprises – Part 2

4.2.5. Value creation through social business model

Besides social value, according to social missions of six social enterprises, the main actors receive economic and social values from non-profit, for-profit and hybrid model are farmers/ food producers, and consumers. Social enterprises aim to support farmers to improve their well-being by living by earning more income from their food productions. Besides being a primary actor in social business models, farmers can have indirect or direct impacts on achieving social goals. For example, to preserve Apply Banana in Nigeria, Greater Masaka Ndiizi Food Community gathers farmers and offers them more benefit to have reasons to plant apple bananas. Likewise, Bach Tung's primary goal is education, but farmers play a key role to achieve that social goal, this indicates the role of farmers, food producers not only being valued receivers but also value exchanger. Table 8 presents the value creation for food producers, consumers in the food industry and society/environment impacts.

“ Coldhubs provides the solutions for farmers to help them preserve their post-harvesting products, but also farmers play a role in the revenue model to maintain the financial flow of the firm ” (Nnaemeka Ikegwuonu, Coldhubs)

The Company	Value Creation for Producers/Providers	Value creation for Purchasers/Users	Value creation for society / Environment
Bach Tung	Better education for their children; Knowledge and Experience Increasing farmers income;	Safety products Better quality for fruit A natural environment Farming experience	Creating more jobs for local people Better education Empowering Maintaining the ecosystem, avoiding chemicals
Greater Masaka Ndiizi Food Community	Knowledge and experience Increasing farmers income;	Organic Banana Better quality of local food	Preserve typical local food from extinction Creating more jobs for local people Empowering

African Homestay and Safaris	Increasing the local food demand, bringing more income Voluntary labor for agriculture production	Local experience by living and working with local people Cheap food and accommodation Local food, cultural values	Cultural exchange Education Creating more jobs
Gagaco	Sustainability Gardening Solution Value proposition	Urban gardening solution/ consulting Eco-Friendly Farming Education	Food consumption at the place Green environment Sustainable products/ solution (Eco friendly - environmental sustainability)
Phu Quy Farm	Branding position for the local orange Increasing farmers income Maintain farmers' health Knowledge and expertise	Safety oranges Farming experience	Creating more jobs for minority groups Preserving the typical product of the province (cultural aspect) Maintaining the quality of soil
Coldhubs	N/A	Food Preservation Solution Low price, accessibility	Reducing food waste Increase farmers income Create jobs for women Self-sustainable business model

Table 10: Value creation for producers (farmers), Purchasers (end-consumers) and Society

Therefore, it is essential to identify what values social business provides to food producers to get their involvement in the model. Bach Tung was struggling to change its business model to convince farmers to follow the new way of doing gardening, and grow their fruit without chemicals. Because farmers often do the way more temporary profit rather than long-term value. Bach Tung has to identify what value may attract farmers the most to create value that

matches the farmers' needs. Better education for their children is the to farmers that is what they want to achieve in their life. Knowing this value, Bach Tung organizes English class for farmers who attend the firm's model. It works because education value is the missing piece in rural area and countrysides in Vietnam.

The case of Coldhubs also needs eight months to educate and train farmers on the benefits of storage station for their products; therefore training sessions need to provide values for farmers. While, Greater Masaka Ndiizi Food Community has to ensure that the product will be bought if the farmers participate in the model by paying the deposits before production, doing so Nigerian farmers receive the security for their production. Phu Quy Farm offers experts' experiences and workshop to provide knowledge and experience to farmers, as the same time, the firm has to demonstrate the benefits of the new model, then they can believe that they can earn more with this model.

For-profit social businesses have more values for consumers because consumers are the key factor in their model. Gagaco's services and products provide sustainable solutions for end-consumers, they can consume their vegetable from the urban gardens. The value from Gagaco's model matches well with the target customers. However, the founder targets his products to "everyone," but the sales statistic demonstrates specific customers who are well-educated and adaptable for eco-friendly products. In the food social enterprises, users and consumers receive a better quality of food and more safety that are the key value social enterprises provide to them. Likewise, the users - international visitors of Africa Homestay and safaris can access local food which is cheaper and typical cultural aspect that the visitor desire to acquire from the service of the agency.

"Using sustainable material makes our products become differently and add more values for our consumers who are well-educated and have an awareness of sustainability that other urban gardens company do not provide in Vietnam market" (Alex Hoang, Gagaco)

The business models of all cases are diverse that also generate different values for the social enterprises to achieve their social or profit goals from value creation. The value creation possibly comes from different components of the model. For example; key resources, human

resources, being a foreigner, the founders can increase their reputation in exploiting that differences.

“I observe that being a foreigner in Vietnam is an advantage for me to attract customers under marketing point of view because of Vietnamese customers’ perception, they prefer the foreign origins associating with better quality” (Alex Hoang, Gagaco)

Similarity, social entrepreneurship network also provides new values for social enterprises such as access to their customer network, databases, knowledge, and experience. Those factors have added value for enterprises to let them offering better products for end-consumers; in return, the social enterprise uses those factors to exchange values to create a positive impact for society and environment. In general, six cases food social enterprise aiming to improve the well-being of individuals, farmers, end consumers and local communities. First, solving issues related to food production, food waste, food preservation, food market and food consumption is the primary social impacts generated by social business models. Second, Farmers has increased in their income when they participate in social business models. Third, more jobs are created for women (Coldhubs), minority groups (Phu Quy Farm).

5. CONCLUSIONS

This chapter concludes and discusses the key findings analyzed from an NGO and six social enterprises to answer the research question and achieve research objectives. Moreover, it also presents managerial implications to social enterprises of other sectors as well as mentioning the limitations of the thesis.

5.1. Discussion and conclusion

By using a qualitative data collection and a descriptive, analytical approach, the thesis aims to discuss the phenomenon of social entrepreneurship in the food industry and to understand how social business models generate values for producers (farmers), consumers and social well-being. It was challenging to find a consensus definition of social entrepreneurship and relating terms such as social enterprise due to the differences varying between continents, countries, and stakeholders; furthermore, it makes social impacts' measurement challenging. The data is collected from semi-structured interviews with founders of six social enterprises and analyzes a study case of an NGO – Food Foundation Aid to reach the objectives and answer the research question.

The research of this thesis is:

“How does social entrepreneurship in food industry generate values from their business models?”

The set objectives of this thesis are to provide a research direction to answer the question but also aim to comprehend overall underlying themes and concepts.

Theoretical Objectives:

- *To understand the phenomenon of social entrepreneurship and its business models in Food industry.*
- *To examine values created by social business models*

Empirical Objectives

- *What values social entrepreneurship creates for individuals and society*
- *To analyse and know-how, the values generate from social entrepreneurship*

- *To provide the application of value creation from social business models for entrepreneurs not only in the food sector but also in others.*

In order to summary, table 11 indicates the key findings of this thesis on three main concepts social entrepreneurship, value creation and social business model in food industry.

Main Concept	Key Findings
Social entrepreneursip	<ul style="list-style-type: none"> - Less well-known in developing countries (South East Asia and Affica). - Social mission of social entrepreneurs in food industry mostly integrate with other industry such as tourism and education.
Value creation	<ul style="list-style-type: none"> - The main sources and usaged of value are farmers and end-consumers in food industry. - Valuese from social entrepreneurship networks plays an important role to support social value creation. - Need more added value from society ,excepcially local government.
Social Business model	<ul style="list-style-type: none"> - Not much different from commercial business models in term of exchanging and creating values. - Hybird model is more popular and prove its effectiveness - All factors in the social business models can play a vital role to contribute more added values to the social business

Table 11: Summary Research's findings

The Phenomenon of Social Entrepreneurship

The primary incentive of starting an enterprise is a core factor to differentiate social entrepreneurship from traditional entrepreneurship; in other words, social ventures purpose is to create social values (Austin et al. 2006) while commercial businesses aim to achieve profits for shareholders. Moreover, one of the characteristics of social enterprises is the motivation of trying to solve social; scholars indicate that social entrepreneurship can use business power to cope with social issues (Elkington & Hartigan, 2008). The findings also point out that social enterprises attempt to solve issues related to food production, food waste, food market and food preservation; all cases have clear social goals to cope with problems in food issues either having direct or indirect impacts. For the cases of for-profit social enterprises, although they have for-profit drives, their business models can generate social or environmental impacts. Gagaco is a social enterprise, but it has a primary goal to earn profits that can be misunderstood as a traditional business because Gagaco does not share much about its environmental impacts as one of the fundamental values generated by Gagaco's business model. Therefore, it does not have enough evidence to point out precisely which is a social enterprise or a traditional business based on its primary goals.

Social entrepreneurship in developing countries is still a new concept to not only citizens but also local government; for example, the interviewers knew about social entrepreneurship from NGOs or foreign friends instead of government and universities of schools. Moreover, lack of awareness of social entrepreneurship would prevent social enterprises access resources. According to Satar and John (2016), social entrepreneurship is well-known in the non-profit sector rather than the others. In the context of the food industry, social business incubators and accelerators focus on spreading out the phenomenon via marketing channels within social entrepreneurship's community but the public. Although social entrepreneur's communities in Vietnam, Nigeria, Kenya, and Uganda are small, they have an awareness of other social ventures in the industry; for example, Bach Tung locates in the south of Vietnam, but the founder has a strong connection with Phu Quy Farm's founder in the north (1100 km away).

To the public, social entrepreneurship is similar to traditional businesses because social enterprises exchange values to customers not giving away as charities; hence, social enterprises might have to face difficulties regarding value exchange and value creation due to lacking awareness of social entrepreneurship concept that demonstrates clearly in the case of Bach Tung, Phu Quy Farm, and Coldhubs. Moreover, the local government treats the food social enterprises equally as commercial businesses while social enterprises need more support from government regarding technology transfer and knowledge that other charities and NGO are receiving. Additionally, it is harder for social enterprises to approach social support such as land policies (Nguyen Thi Le Na, Phu Quy Farm), transferring technology (Bach Tung) to maximize value creation and scale up social business models for positive outcome although the government has the power to provide resources for social enterprises. Therefore, the awareness of social entrepreneurship is essential to social enterprises to utilize current resources from government to generate more values and impacts to society.

To sum up, besides coping directly with food issues, the social missions of social ventures in the industry can relate to education and tourism, and it is unclear evidence to differentiate between for-profit social enterprises and commercial enterprises based on its primary goals. On another hand, the relationship between food social entrepreneurs and NGOs is close and warm as they know each other within small communities; thus, the phenomenon is well-known in the non-profit sector, but the public and local government and other sector do not have an awareness of this phenomenon. Moreover, it is necessary to increase the awareness of social entrepreneurship and its application to solving social problems because, from social entrepreneurs' perspective, they are deserved to have more support from local government to develop local communities.

Social Business Models and Value Creation

The study examines business models of social ventures to have a better understanding of how social enterprises operate their business and generate values not only for stakeholders but also for society and environment. The spectrum of social enterprises is all analyzed with an intensive case of NGO – Food foundation Aid, three hybrid models, three for-profit cases of social enterprises in Food industry to see the similarities and differences of their business model.

Despite having different organizational structures for-profit, non-profit or hybrid model based on its primary incentives for social values, social enterprises' business model has common characteristics founded from data analysis. The Business Model Canvas is applied to analyze nine components of food social enterprises (six cases) which are a value proposition, target customers, customer relationship, key partners, key activities, key resources, channel, cost structure and revenue streams.

Value proposition statement of social enterprises can describe what values social enterprises aim to serve specific segment, for that reason social entrepreneurs are supposed to know what value they generate for individuals, organizations, and society. The findings of this thesis indicate that the entrepreneurs of NGOs, for-profits social business can provide a clear value proposition statement of what businesses and customers they are offering. Conversely, it is not easy to the interviewees to point out their value propositions because of complication crossed different values for distinct segments; in order words, hybrid model social ventures have a complicated ecosystem or crossing other sectors such as education and tourism to generate more values. Also, cross-sectors and cross-social missions are a widespread phenomenon in social entrepreneurship. As a result, this model might have not only a vast scale of social impacts but also influencing cross-industries, and this complex network can confuse social enterprises when they decide first values to what specific customer segment; for example, Bach Tung offers an ecosystem for education, gardening, and tourism. To conclude, it seems that hybrid models mechanism can maximize current resources and network opportunities and its cross-value creation (Elkington & Hartigan, 2008) to create more values regarding social, economic and environmental values to various actors than non-profit and for-profit enterprises.

Second, the target customers of social enterprises in food industry mainly are both farmers and end-consumers. For farmers, social entrepreneurship offers innovative solutions for them to solve their problems; for example, Coldhubs and Food Foundation Aid both aim to solve food waste issues and offer farmers different innovative solutions. The finding presents that social enterprises attempt to serve a niche market; as a result, this targeting allows social enterprises to raise a new demand and offer unique products and services to food consumers. This characteristic demonstrates clearly from Bach Tung, Phu Quy Farms, Greater Masaka Ndiizi Food Community and Gagaco; these cases concentrate on a niche market that not many competitors offer similar kind of products – organic fruit. Unlike commercial businesses, social

enterprises do not have many resources to compete with current competitors in same markets. Having different strategy approach, social entrepreneurs introduce more innovations to markets than traditional commercial enterprises (Borzaga & Defourny, 2001). As a result, choosing a niche market would provide social enterprises advantages to generate unique values from not only innovative products or services but also its customers and stakeholders; and in the food industry, while many products aim to service consumers, farmers can play two roles as customers and producers.

Third, relationship with customers of social ventures is warm and close due to value co-creation; it is another common characteristic of social entrepreneurship. Social ventures apply business practices of commercial businesses to strengthen the relationship with after purchasing service, importantly, social enterprises care more for customers when the firms place social and customer's well-being over profits; this also convinces end-consumers to exchange the value such as monetary and their network to social enterprises. For example, Gagaco has good relations with its customers and becomes friends with them, so the customers introduce Gagaco's service to their friends. Customer relations also generate value exchanges between social enterprises and customers regarding new networks from customers.

Fourth, networking is a center of value creation in social business models because this demonstrates via partnership networks with a wide range of stakeholders from different sectors. Generally, partners of social enterprises are social entrepreneurship associations and other institutions such as educational institutions, local NGOs that social ventures can acquire the values from this networking such as knowledge, marketing promotion, customers relationship, and technology transfer. In returns, these partners might require either returned values from social enterprises in term of economic, marketing and other forms of values or even nothing due to voluntary.

Fifth, extending networks is one of the key activities of social enterprises, they attend specific events and conferences for social entrepreneurship to seek opportunities and supports. Phu Quy Farm has valuable networks by attending social entrepreneurship programs that social enterprises can present themselves asking for support; after those events, the enterprise receives

support from foreign experts. Similar to commercial enterprises, besides production activities, social ventures also focus on marketing activities although budgets for this activity is not much. Social enterprises have similar key activities as commercial ones, but networking is a primary activity for social entrepreneurship to acquire external resources.

Sixth, human, network, and technology are main resources found in all cases that improve social capture ability that the social enterprises utilize existing facilities as well as other resources. For example, Solar-powered technology allows Coldhubs to have a different solution to store post-harvesting products; the social enterprise needs to partner with technology holders in Japan and Europe. Regarding human resources, in the beginning, founders play a vital role in operating social enterprise based on entrepreneurs' expertises, experience, and their network. Furthermore, founders of social ventures are those either have experience in the non-profit sector or absolute knowledge of business operation; besides that, there are a few young social entrepreneurs who started with non-experiences in social ventures but with their awareness of using business power to solve social problems as Gagaco. Human resources, network, and innovation are key resources that gain more value creation for social business models.

Seventh, revenue models are one of crucial factors for the scalability of the food social business models. The revenue stream of food social enterprises is similar to other enterprises; for example, commission is a typical revenue model founded in the cases when social enterprise plays role as a middleman or agency; besides that selling products and service is a basic revenue model applying in for-profit social enterprises, interesting revenue streams come from different sources of the whole ecosystem. The data illustrates that for-profit business models have better opportunities to call investment as it has a stable revenue stream because of focusing on for-profit while non-profits are facing difficulties in seeking investors as social goals are priorities to NGOs. Meanwhile, Bach Tung, which has a hybrid model, is also coping with challenges in calling investment with its models due to lacking proof to present a profitable model to investors. Therefore, for-profit social ventures have better scalability opportunities to amplify social impacts because it can prove its profitable model and sustainable revenue streams to call investment

Eighth, due to working with farmers who live in rural areas, in general, social enterprises communicate with them via the face-to-face channel. Meanwhile, social media channels are also adapted to reach consumers. Finally, the cost structure of social enterprises is mainly focusing on production and business operation like a commercial enterprise. Noticeably, the cost of training and education takes place to generate values for farmers to encourage them joining social entrepreneurship models.

Value Creation

Social ventures create a variety of values for individuals, organizations, and society or multiple levels simultaneously (Lepak, Smith, & Taylor, 2007); for that complexity of value creation mechanism, value creation actors can simultaneously play as the creators and users of value. In the context of the food sector, the primary individuals, who play both two roles, are farmers and food consumers; in other words, farmers play as value creators based on their values contributing to food social enterprises. To succeed in social business models, social enterprises have to create an exchange value that farmers need. It is not like charities that people can give away, in social entrepreneurship the values need to exchange. For instance, Bach Tung organizes English classes for farmers' children because children are the motivation that encourages farmers to earn more and to reduce poverty in future. Likewise, Phu Quy Farm desires to extend the community of farmers, but farmers hesitated to participate in the model because of their traditional perception which denies new methods, the Farm invited foreign experts to provide knowledge for farmers to convince them. On the other hands, consumers are willing to accept organic food and sustainable products from social enterprises' services after trying although it has a higher price, and consumers do not have a certain need for this type of products in the beginning. Because social enterprises generate that such value for consumers' health and potential demand. In return, end-consumers provides economic values for social ventures to sustain their business model. Social ventures create more values for society, environment, and the food industry. First, creating more jobs for local people such as women and farmers who live in rural areas where the majority income derives from farming, is a direct impact on social ventures in the food sector. Second, preserving food diversity and reducing food waste improve the well-being of local communities which is the primary social goals of all cases.

To conclude, social enterprises with primary social goals have generated positive impact not only on individuals (farmers and consumers) but also for society and environment through social business models. Business models of social enterprises are not much different from commercial enterprises due to similar practices in offering products, services, and operating business activities. However, the core value of social business model comes from its social goals that generate unexpected values from its network and key resources.

5.2. Managerial implications

A social venture has become an alternative for traditional business models due to its effectiveness in creating social and environmental contributions which are necessary for the eyes of the public. The increasing of awareness in sustainable development and sharing economy also encourage entrepreneurs to dive into social entrepreneurship. This study provides managerial implications in doing social entrepreneurship within the food sector.

First, it is crucial to have clear social goals that are also the principles of social enterprises to balance financial and social goals. In the food industry, agriculture has significant problems in food production, food waste and food consumption at which social entrepreneurs can start. Importantly, the integration of cross-sectors can be taken into account by leaders to build up an ecosystem interacting with other sectors such as education and tourism to optimize the resources of other businesses. This integration can create more value for social enterprises. Second, being a social enterprise has a unique advantage in term of marketing for social purposes; however, the phenomenon is less well-known to the public or even government in developing countries. Therefore, managers and founders should take this advantage to increase the awareness of this concept. The suggestion is that if the phenomenon were well-known or taught at universities in developing countries, the awareness of social entrepreneurship would increase to reach more people and acquire more support from the public than current situations. Alternatively, social entrepreneurship associations need to concern about marketing campaigns or program to raise awareness of social entrepreneurship phenomenon from the top – policymakers to the bottom – end consumers – citizens.

The thesis presents the application of Business Model Canvas to visualize social business model to present probably that social enterprises can adapt to present their models. In addition, the model can be a strategic tool to start a social enterprise with an overview of business operation activities. Hybrid and for-profit are popular models in food social entrepreneurship because they have financial model sustainability; thus it is crucial for social entrepreneurs to consider the revenue streams of their models. Finally, the value creation of social entrepreneurship derives from innovation, network and human resources which are the central finding of this research that should be taken in to account at the early stage of social entrepreneurship.

Subjects	Implications
Social entrepreneur phenomenon	<ul style="list-style-type: none"> - Social entrepreneurs should focus more on marketing the phenomenon to public. - Social entrepreneurship could be studied in universities to encourage youths contributing their knowledge and skills to solve social issues.
Business model	<ul style="list-style-type: none"> - Application of Business model Canvas into visualizing social business that entrepreneurs can practise. - Suggestions to concentrate on revenue streams which would maintain the financial problems of social enterprise.

Table 12: Implication for social entrepreneurs

5.3. Limitations and suggestion for future research

Due to the scale of this study, all cases are chosen randomly from Vietnam, the Philippines and three cases from Africa, thus with different criteria and region selection, the result and conclusion might be different. Also, these cases focus more on agricultural production, food waste, and food consumption cannot represent for the whole industry in particular regions. Semi-structured interviews also provide some variation between the cases in term of open questions and detail into specific business; hence answers are influenced by the entrepreneurs affected the quality of the interviews. Moreover, the theoretical framework - Business Model Canvas also influences the direction of results, and it lacks social and environmental value measurement components although the triple -bottom layers are introduced. The reason is the cases are at small-scale and early stage of social business, thus it is difficult to collect the data of how they measure those impacts.

Moreover, the research suggests for further research more conducting in quantitative to explore the phenomenon in the food industry in other regions such as Europe and America. Measurement social and environmental values need to be invested in the know- how social enterprises evaluate their impacts.

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APPENDICES

Part 1: Identify the motivation of social entrepreneurs and describe food social enterprises

1. What social problem is your business going to solve? And why is this problem matter?
2. What are the advantages and the disadvantages when you run a social business?
3. What is your motivation to run a Social Enterprise How about the other entrepreneurs in your country?
4. How do you think about social business in your country and in the food industry?
5. Where did you start? Like having experience or financial supports before starting this business?
6. Could you please describe your social business? (what are your key services or products which brings the most revenue for your business and values for social impacts), and how do you think about the prices of your services/ product, it is similar to the market or higher and why do you come up with that price?
7. Could you please tell me the status of your social business (growing stage, establish years, number of employees, revenue/year, competitors)

Part 2: Identify value creation of SE

8. What values do you think your business generates for:?
 - Food industry
 - Local communities or society

- Your partners and customers?

Part 3: Using Business Model Canvas to analyze the social business model of SE

9. What are the differences between your business and the other traditional businesses that provide the similar products/services?
10. What is the value proposition of KOTO in (1 or 2 sentences: Provide what and which value to whom ?)
11. Who are the target customers?
12. How often do your customers use your products/ services?
13. What is the relationship between you and your customer that makes differences?
14. Could you please to describe the main activities at your social business? what are the results and outcomes of those activities? (e..g. partnership, business development, production, marketing or grant funding)
15. Do you have key partners? Who are they? Why do you choose them as the key partners? What is their value contribution? How do you convince them to involve in your business model?
16. Do you have any support from the local government? And what is that?
17. What are your key resources (technology, partnership, network, finances, HR, assets, and so on)? is it different from now?
18. Do you change or develop your business models? Why? what are the results?
19. What are your revenue models or how do you generate economic values to re-invest?
20. What is the cost structure of your business and which accounts the most?