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Barriers to multiple stakeholder value co-creation in JSE-listed companies

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ABSTRACT

This study contributes to the recommended approach to innovative collaboration, which supports value co-creation with multiple stakeholders. Identifying the barriers to effective collaboration processes and the challenges when adopting collaborative behaviours will enable organisations to proceed with a proactive rather than a reactive approach to co-creation.

This study made use of exploratory qualitative research and semi-structured interviews with managers of selected industries listed on the Johannesburg Stock Exchange. The research questions aimed at analysing why and how value is collaboratively created with stakeholders and identified what inhibits the process of evolving co-creation with stakeholders.

The findings of this research contributed to the understanding of co-creation with stakeholders, the tools, approaches and impediments were identified. Additionally, the diverse barriers and challenges that impede co-creation were identified and an awareness of the impediments can support an organisation to engage in a more predictable and satisfactory process of co-creation. Finally it was found that the barriers uncovered could be categorised as barriers and challenges and were more numerous and profound than was initially identified in the literature supporting this study.

KEY WORDS

Stakeholders

Value co-creation

Barriers

Challenges

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Masters of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Nicole du Toit

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CHAPTER 1: INTRODUCTION TO THE STUDY

1.1. Research Area and Problem

Reypens, Lievens and Blazevic (2016) and Filieri, Mcnally, O'Dwyer and O'Malley, (2014) note that the global business environment is complex and continuously changing. This dynamism and complexity has ushered in a need for innovative strategies for organisations to develop competitive advantages (Viljakainen & Toivonen 2014). Roser, DeFillippi, & Samson (2013) suggest that “Businesses in today’s economy have to continuously reinvent themselves in order to adapt to complex and dynamic market realities” (p. 21). Frow, Nenonen, Payne and Storbacka (2015) suggest value co-creation as a means of providing managers and organisations with the capabilities to develop and improve their innovative strategies.

Value co-creation involves information and knowledge exchange. Viljakainen and Toivonen (2014) argue that “using one’s competencies for the benefit of another party is the primary purpose of economic exchange, and thus knowledge is the main source of competitive advantage.” (p. 19). Therefore, a benefit for organisations to engage in co-creation is knowledge sharing and value creation by merging key capabilities and resources of various stakeholders, thereby exceeding the restrictions of a single entity (Nissen, Evald & Clarke, 2014; Romero & Molina, 2011).

Feng, Sun and Zhang (2010) and Mostafa (2015) define a competitive advantage as the amount an organisation needs to advance and maintain a significant status over its competitors by differentiating itself and generating a value for stakeholders. According to Feng et al., (2010) many authors recommend that organisations should incorporate and apply the knowledge and skills that stakeholders hold to develop their competitive advantage. Similarly, Gouillart (2014) stated that to benefit from the value co-creation method and to create a competitive advantage, an organisation needs to connect its key procedures to the diverse ecosystem of actors and engage in on-going opportunities.

A study by Snow, Fjeldstad, Lettl and Miles (2011) showed that collaboration between firms and stakeholders results in a favourable competitive advantage. Scholars maintain that certain stakeholders participate more in co-creating value than others do but that an organisation should not restrict their interaction but acknowledge all stakeholders to maximize value (Frow et al., 2015). An advantage to participating in co-creation is knowledge sharing and interaction(Greer, Lusch & Vargo 2016; Nissen et al., 2014). “To share knowledge involves an exchange between actors in which the knowledge is the application of a resource for the benefit of another actor” (Greer et al., 2016, p.7.) When stakeholders share knowledge concerning their needs and expertise, value in use is increased, which offers an organisation a greater chance of success in a competitive market (Aarikka-Stenroos & Jaakkola, 2012).

To maintain competitiveness in this unpredictable environment, Reypens et al. (2016), argue that organisations should change their processes of producing goods and services in isolation and to adopt a co-creation mind-set of creating value with stakeholder networks. This is because in addition to being complex and multidimensional, value is a significant debated theory in marketing literature (Agrawal, Kaushik & Rahman, 2015; Dey, Pandit, Saren, Bhowmick & Woodruffe-Burton, 2016).

Agrawal et al. (2015) argued that value is a construct of co-creation and has evolved from being a form of exchange for the customer to a form of value in-use. Value in-use is the value the consumer identifies from the experience of using the product or service rather than only focusing on financial worth (Gronroos & Voima, 2013).

The traditional understanding of exchange was that delivering a goods or a service created value and the provider controlled the value creation process (Jaakkola & Hakanen, 2013). However, current marketing literature has moved away from this viewpoint and there is an increasing recognition that value is collaboratively and collectively created through the interaction and sharing of resources between the organisation, consumers and all the stakeholders involved (Skålén, Pace & Cova, 2015; Jaakkola & Hakanen, 2013; Gummesson, 2008; Gronroos & Voima, 2012; Yngfalk, 2013). This shift can be viewed as a challenge for organisations that require certain capabilities to deal with these transitions. Similarly in order for organisations to generate income they rely on many stakeholders in the production process and thus emphasising that multiple stakeholders are important for business success (Hillebrand, Driessen & Koll, 2015).

Saarijärvi, Kannan and Kuusela (2013) as well as Mostafa (2015) suggest that the ability to identify and be aware of the activities of value co-creation in stakeholder ecosystems is critical to continuing competitiveness. According to Agrawal et al.

(2015), developing value co-creation should be measured in a context of a network of multiple stakeholders. Accordingly, value is determined and created in a social context where it is experienced by the beneficiary. Each stakeholder contributes to and benefits differently from the value co-creation process. It is therefore understood that the function of the organisation is to communicate their value proposition for the benefit of the beneficiary (Greer et al., 2016).

The development of the service-dominant (S-D) logic theory initially emphasised the importance of customers co-creating value while the firm offered the value proposition (Vargo & Lusch, 2008). The service-dominant (S-D) logic theory was refined through subsequent research by Vargo and Lusch (2008). All actors were recognized as playing a role in social networks of value co-creation with knowledge and service being at the centre of the co-creation process (Vargo & Lusch, 2008).

According to Pera, Occhiocupo and Clarke (2016), the method of value co-creation is created by the collaboration between stakeholders with distinctive characteristics that are all briefly merged in the same business ecosystem. Galvagno and Dalli (2014) suggest that the stakeholders are suppliers and customers who co-create through interaction, which in turn leads to the improvement and creation of business practices and opportunities. Galvagno and Dalli's (2014) view is supported by Gouillart (2014) who states that an organisation should transform its value chains, from protecting unique competences within the firm, to the sharing of resources and knowledge thus creating a diverse ecosystem of stakeholders. As such, stakeholders are seen as resource integrators that work together as a synergetic ecosystem to create shared value (Merz, He & Vargo, 2009).

1.2. Rationale for the Research

As stated by Hult, Mena, Ferrell and Ferrell, (2011) “the scarcity of holistic stakeholder-related studies is currently a major limitation of marketing research. The major research gap is the narrow focus on one or two stakeholders...” (p. 1460). The majority of studies in value co-creation have focused on consumer. In contrast studies regarding the significance of the value co-creation process by multiple stakeholders is emerging in stages (Agrawal et al., 2015) and the challenges that it involves, are absent (Markovic & Iglesias, 2014).

To address the issue of limited research on value co-creation Agrawal et al. (2015) suggested that additional studies on the topic is needed and “although the number of empirical studies is rising, the subject demands greater in-depth exploration.” (p.156). Additionally, Reypens et al. (2016) argued “few studies examine how value co- creation unfolds among multiple stakeholders” (p. 1). Aarikka-Stenroos and Jaakkola (2012) indicated that literature emphasises the existence of multiple actors influencing value creation but there is no or little elaboration on their roles of contributing to value. Therefore the investigation of identifying barriers that obstruct joint problem solving between stakeholders is feasible. Gronroos (2011) also highlights the importance of customers and organisations in co-creating value and management’s role of supporting customers’ value fulfilment. This limitation suggests a need for further research.

A need to explore the topic of value co-creation was expressed by Iglesias, Ind and Alfaro (2013) who confirmed Vallaster and von Wallpach (2013) argument that value co-creation from a multiple stakeholder approach has received little attention but has focused on the part consumers play in the process. Thus the main gaps in the existing literature regarding value co-creation:

- The lack of clarity on the process of value co-creation (Aarikka-Stenroos & Jaakkola, 2012; Gronroos & Voima, 2013).
- Limitation on the significance of how multiple stakeholders collaborate to co-create value (Kornum & Muhhlbacher, 2013; Iglesias et al., 2013; Galvagno & Dalli, 2014; Reypens et al., 2016).
- Paucity of studies investigating the factors that impede value co-creation (Agrawal et al., 2015)

Agrawal et al. (2015) concluded in their study that barriers that impede or disrupt co-creating value should be investigated. They also implied that the value of trust could play a role in co-creating value. Pera et al. (2016) highlighted that a challenge for companies is to foster a culture with stakeholders on the values of trust, inclusiveness and openness, which they describe as enablers of the co-creation process. Ind and Coates (2013) agree that stakeholders are more productive working together when there is a measure of trust between all parties involved. However establishing relationships based on trust is time consuming and demands commitment (Martinez, 2014).

Aarikka-Stenroos and Jaakkola, (2012) argue that to achieve optimal value outcome for all parties requires finding a balance between the achievable value and the sacrifices involved. However, managing value conflicts can involve considerable determination and effort from stakeholders therefore understanding what creates value for all parties involved is critical challenge for organisations, which needs to be managed (Aarikka-Stenroos & Jaakkola, 2012).

In conclusion, there is paucity of studies investigating value co-creation by multiple stakeholders and examining the barriers that disrupt the process. This research contributes to the gap in the literature by determining how and why value is co-created by the organisation and its stakeholders.

1.3. Purpose and Significance of Research

The objective of this study is to explore the impediments that negatively impact the value co-creation process by multiple stakeholders. This process will be researched from the managerial perspective (Markovic & Iglesias, 2014). The outcome of identifying the barriers to value co-creation should be the improvement of the value generated by goods and services for stakeholders.

Markovic and Iglesias (2014) point out the importance of researching how value is co-created between the organisation and its stakeholders from the managerial perspective. They assert that this is borne out of the significance of stakeholders in value co-creation literature. They further point out that few researchers have determined the managerial viewpoint of the value co-creation process and the barriers encountered by firms when participating in the this process.

There is extant literature identifying the process of value co-creation and the positive effect that it has on a company’s competitive advantage, conversely there is limited literature on the challenges companies face when adopting co-creation. This study will involve managers from leading JSE listed organisations from various sectors, with the objective of generating insight into how and why value is co-created with networks of stakeholders.

Ind, Iglesias and Schultz (2013) have emphasised the importance of such research and the impact on the firm’s competitive advantage, particularly regarding the need for managers to “develop the ability to listen actively and adapt their points of view and brand strategies in order to align these with the inputs from other stakeholders" (p. 685). Reypens et al. (2016) stated that due to the dynamic and complicated business environment organisations are operating in, there is a transformation from producing products and generating services in isolation, to value being co-created through shared and interactive networks of stakeholders. Similarly, Jaakkola & Hakanen (2013) indicate in their study that an organisation's value-in-use can significantly increase from joint ideation and problem solving with multiple stakeholders. In the ideation stage of a product, collaborating with stakeholders, identifying their requirements and integration of the innovation process with stakeholders is advantageous to value-in-use(Greer et al., 2016). The innovation process in the organisation, as a shared influence between the consumers and the firm, is known as value co-creation (Prahalad & Ramaswamy, 2004).

Current studies have indicated that the importance of value has become a subject of great discussion (Agrawal & Rahman, 2015). The Marketing Science Institute (MSI) highlighted the importance of the topic and incorporated value in its main research priorities for two sequential periods from 2010 to 2012 and from 2012 to 2014 (MSI, 2010, 2012 as cited in Agrawal & Rahman, 2015). Further to this the MSI emphasised the need for organisation to adapt and understand new approaches to conducting business in a collaborative economy (MSI, 2016).

The research objective is to determine how value is co-created by multiple stakeholders; and the barriers that are encountered in value co-creation by multiple stakeholders.

1.4. Research Scope

The research was conducted from a service marketing and business management perspective concentrating on the area of managers and value creation. The focus will be on stakeholders co-creating value and the challenges that organisations and their network of stakeholders face during that process. Additionally this study is not limited to customers in the value creation process.

The service-dominant logic (S-D) interpretation is focused on service exchange between stakeholders, which recognises that firms, customers and networks collaborate to create value (Karpen, Bove & Lukas, 2012). This theory forms the foundation of the proposed research.

The study was limited to companies listed on the Johannesburg Stock Exchange (JSE). This limitation was adopted as JSE listing requirements are very specific and promote strong governance and compliance with the principles of the King III. Furthermore the principles of the JSE support the underlying reason of this research of exploring collaborative interactions between stakeholders. The JSE recognise the interrelationships between themselves and their stakeholders, who are the companies listed on the JSE. The goal of the JSE is to continually reassess their processes and approaches through a regulatory framework for their stakeholders. Additionally, sustaining engagement and creating a platform for their stakeholders to access their resources is significant. Because of this guidance, JSE listed companies are more likely to focus on unique market offerings that create value for their stakeholders (JSE, 2015).

The geographic spread of the proposed study will be completed within South Africa, in Gauteng, particularly in Johannesburg, as this region is considered the economic powerhouse of South Africa.

1.5. Conclusion

The research is twofold: Firstly, current literature was explored regarding value and the co-creation process with diverse stakeholders as well as what negatively impacts that process. Secondly, an understanding was established of the main barriers that can obstruct value co-creation through the interaction with JSE listed company managers. Subsequently developing suggestions for future research that can contribute to the theory of value co-creation.

In conclusion the study will be significant for:

1. Managers interested in co-creating value and the influence of multiple stakeholders. This study will also highlight the main barriers that organisation faces when participating in value co-creation.
2. Marketing practitioners providing importance of the value co-creation process by multiple stakeholders.
3. Academics interested in co-creation theory, where the results produced by this research can build on this theory.

CHAPTER 2: LITERATURE SUMMARY

2.1. Introduction

This research topic was introduced in Chapter 1, which also identified the purpose of this research and its significance. Of particular importance in the introductory chapter was the argument of why organisations should pursue a multi-stakeholder approach to co-create value for their stakeholders. The research is undertaken to determine the value co-creation process by multiple stakeholders, as well as to identify main barriers that can obstruct this value. In this chapter, literature related to the constructs of multi-stakeholder value co-creation will be reviewed with the view of identifying what is not known about the topic to formulate the research questions. The purpose of the review of literature is to demonstrate the achievement and justification of certain objectives. It establishes the context of the problem, distinguishes what has been researched from what needs to be researched and rationalises the significance of the problem. It positions the research in a historical context to show insight into developments of the topic. This results in merging new information with existing knowledge to generate a new perspective (Boote & Beile, 2015).

2.2. Value

Before reviewing the barriers to the process of value co-creation in management and marketing academic literature, it is imperative to define what is implied by the term value.

2.2.1. Understanding value

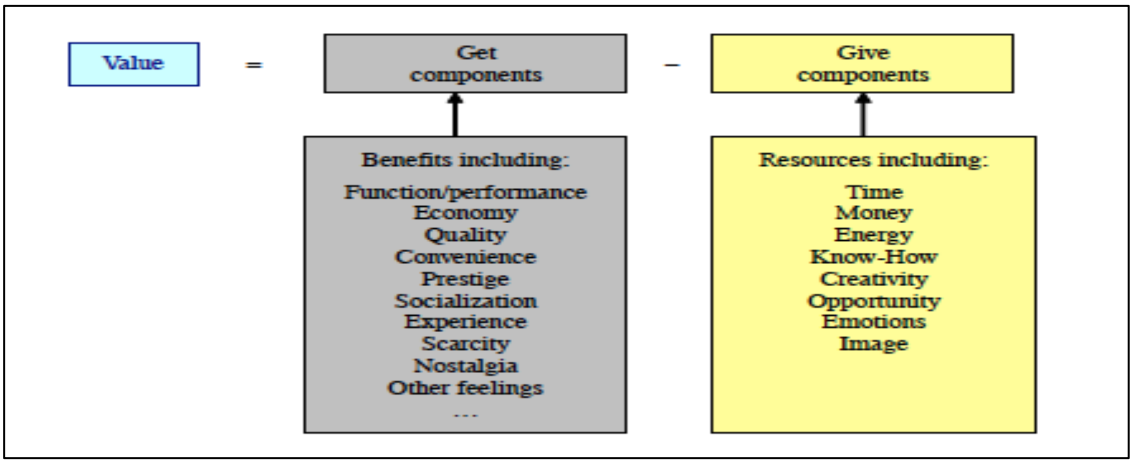
Gallarza, Gil-Saura and Holbrook, (2011) have acknowledged the importance and relevance of value in marketing literature for its transactional utility, where value is related to perceived price and secondly where value relates to the experience of the product purchased. However, there seems to be no agreement on the concept of value. Karababa and Kjeldgaard, (2014) note that the understanding of value has been complicated because “the nature of consumption has individual, social, psychological and economic dimensions” (p.121).

Zeithaml (1988), on the other hand, based his definition of perceived value on intangible perceptions and suggested “perceived value is the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given.” (p.14).

Babin and James (2010) presented a basic value framework (Figure 1) influenced by the definition by Zeithaml (1988). The object of this framework was to simplify the understanding of value as a result of “get” and “give” components and provide a framework to assist future research on value. The framework illustrates how, as relationships between firm and stakeholders progress, the get and give components are exchanged (Babin & James, 2010).

The three most typical “get” components that produce value are function (how the offering achieves its purpose), quality (competence level in achieving its purpose) and convenience (least invasive on the consumer). The organisation should view the “give” components as a positive contribution to the co-creation process. The more engaged the consumer or supplier is with the co-creation process the greater the organisations opportunity becomes to create value (Babin & James, 2010). Nonetheless it is important for an organisation to take into account that the greater the stakeholders’ engagement, the greater the value co-created, but possibly there is a greater risk for both (Babin & James, 2010). This statement will be explained further along in the study when impediments to value co-creation with multiple stakeholders is analysed.

Figure 1: A value equation



Source: Figure extracted from Babin & James, 2010, p.475

This research investigates the “get” and “give” components relating to the exchange of service between the organisation and their stakeholders. Even-though the “get” and “give” components vary between stakeholders and the firm, value represents an exchange of these components when a service is undertaken (Babin & James, 2010).

2.2.2. Value perceptions

Gummerus (2013) states that despite the importance of value in marketing research it is surprising that no consensus has been reached on the definition of the concept of value. What is of paramount importance for an organisation is to analyse what activities create value and what activities give the organisation a competitive advantage. Gummerus (2013) states that this competitive advantage is achieved by drawing a connection between value creation activities with value perceptions. A question that should be at the forefront of an organisations strategy is “How does the customer define value and how well are we providing it? (Webster , 1994 p.29) thereby suggesting that collaboration will bring the value activities of the organisation in line with the value perceptions of the customer, which will support management problem solving (Webster , 1994).

The literature review presented in this research concentrates on how value is generated and the value creation process (Gummerus, 2013) and how customers value proposition is matched to a companies capabilities (Rintamäki, Kuusela & Mitronen, 2007) Service and value are intertwined whereby value for the customer is measured by the experience of the service given. Customers have become non-complaisant and organisations should view them as co-creators of value (Babin & James, 2010).

Because value for the customer is defined by the total experience with the product or service, it is logical that management should therefore develop distinctive value propositions based on customer perceptions (Rintamäki et al., 2007). They state that identifying a competitive value proposition is complex and challenging for an organisation. Accordingly, a companies’ management goal should be to develop a distinctive value proposition. The value proposition is categorised as:

- Value proposition to match the customers’ perceptions of relevance;
- Value proposition to be more resourceful and competent than that of competitors;

- Value proposition to be unique in the value offering; and
- Value proposition to present a competitive advantage.

Hillebrand et al. (2015) argues that customers are not most relevant and not the only value-producing stakeholder. The value perceptions of all stakeholders should be considered significant for a competitive advantage.

In conclusion, relationships and interactions are becoming more important to the creation of value and meaningful marketing undertakings are directed at value creation, which makes the concept and understanding of value vitally important (Babin & James, 2010).

2.3. Value co-creation

While Agrawal et al. (2015) argue that the main activities of any organisation is creating, articulating and producing value, they suggest that literature is incomplete on co-creating value. They further indicate that stakeholders partaking in co-creating value, is still in its infancy.

Roser, DeFillippi and Samson (2013) suggest that value creation is collectively co-created in the stakeholder marketplace ecosystem due to the increased interaction of actors and therefore less reliant on just the organisation's value proposition. Subsequently Ind and Coates (2013) adopt an alternative approach of the organisation as the creator of value and move to a collaborative process, where the firm and stakeholders engage and co-cultivate value.

The term co-creation was introduced by Kambil, Ginsberg and Bloch (1996) in the context of co-creating of value for consumers. They suggested a shift in the relationship between an organisation and the customer, and suggested the inclusion of the customer in all phases of the value chain from production to delivery of value. The term value co-creation was subsequently established and publicised by Prahalad and Ramaswamy (2004) which suggested that the foundation of value co-creation was that organisations concentrate on the customer experience at engagement points rather than only focusing on the offering. Therefore in the development of a new service and product, consumers should be involved at all levels from the ideation stage, through to the product stage (Gummerus, 2013).

Similarly Iglesias et al. (2013) defined co-creation as a process that “brings consumers, managers, and employees together to participate in brand development and to create new products and services” (p. 5). They assert that it is more than the interaction with consumers and entails collaboration and innovation between the organisation and participating individuals to produce collective benefits. Ind et al. (2013) further indicate value co-creation as a fluid space where individuals and the firm meet face-to-face or through on-line interaction to discuss and develop brands.

Pongsakornrungsilp and Schroeder (2011) explained the concept of co-creating value as a transformation in the marketing theory that repositions consumers from the end point of an organisations value chain to a fundamental and central point in the value creation process. A study by Galvagno and Dalli (2014) suggested that co-creation is a relatively new process in management literature where the firm and consumers interact to create value.

It is relevant to remember organisations are not uniform in nature therefore co-creation varies between different firms (Roser et al. 2013). As Kohlbacher and Mukai, (2007) point out no one size-fits-all attitude can be adopted to create value with stakeholders. Therefore organisations must determine how they will plan and administer their own co-creation processes (Roser et al. 2013).

In conclusion Prahalad and Ramaswamy (2004) propose co-creation is collaborating and understanding the requirements of stakeholders and tailoring the service to co-create a unique experience, similarly, Gouillart (2014) describes the future of co-creation as a “value chain evolution and its reconfiguration as a network of stakeholder platforms that provide constant stimulation and insight” (p.2)

2.4. Understanding the value co-creation process

The evolution of theories developed by various authors should be evaluated to understand the value co-creation process. Frameworks and processes developed by scholars can assist organisations in understanding how to undertake and approach the process of co-creation (Payne, Storbacka & Frow, 2008).

2.4.1. DART model of co-creation

Prahalad and Ramaswamy (2004) developed the DART model of co-creating value, as a means of explaining co-creation using key building blocks: "dialogue, access, risk-benefits and transparency" (p.9), these are necessary prerequisites for co-creation. Combining these building blocks could assist organisations to improve their engagement processes with consumers as collaborators to develop a shared and unique benefit. (Prahalad & Ramaswamy, 2004)

Dialogue - Organisations and consumers must be prepared to share information in line with the predetermined rules of engagement, thereby assist in answering mutual problems. All parties should engage in interactive collaboration and become equal partners in the dialogue (Prahalad & Ramaswamy, 2004).

Access - To co-create successfully requires there to be accessibility of information and tools for both organisation and the consumer (Prahalad & Ramaswamy, 2004).

Risk-benefits – There is a potential risk that a consumer faces as a co-creator. Co-creation is a mutual process therefore risks are not one-sided. The more informed the consumer becomes the more involved in the service they become and the more insistent they become in making choices even-though at times they may not possess the expertise. Accordingly, it is the organisation's responsibility to inform the consumer about any risks associated with their choice and deny the choice if necessary (Prahalad & Ramaswamy, 2004).

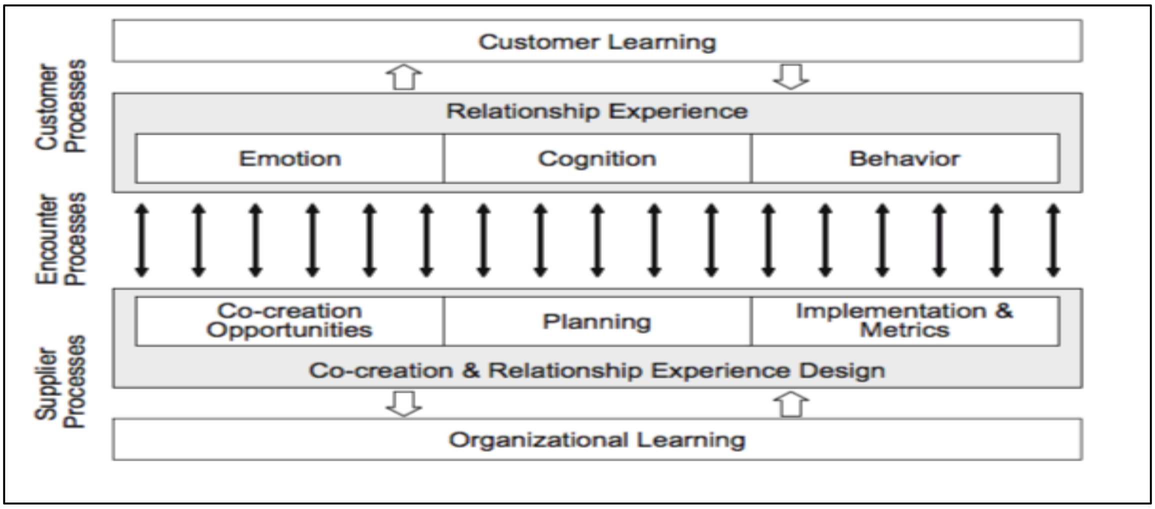
Transparency - Information asymmetry between the firms and the consumers will shift to firms becoming more open and transparent towards consumers (Prahalad & Ramaswamy, 2004).

2.4.2. Conceptual framework for value co-creation

Subsequently Payne et al. (2008) developed a framework intended to develop knowledge of the co-creation process and facilitate the ease of managing the process. The framework conceptualises the management of co-creation through developing a service by building a relationship with customer. Also capturing customer knowledge and using it effectively and alignment of organisations functions and processes to deliver what is promised.

The framework develops co-creation through a sequence of encounters between customers and organisations and highlights the importance of shared learning and knowledge, which is significant factor of co-creation. The framework is a two-way process, co-creation and relationship experience design processes by supplier and relationship experiences in customer processes. The customer value-creating process is focused on the actions executed by the customer to accomplish a particular objective. The supplier creating process is the planning, developing and co-creating a relationship experience with stakeholders and the encounter process describes on-going collaborative exchanges occurring, between the customer and the supplier, to develop these experiences. Accordingly, value is produced by customer, by the supplier or created when customer and supplier interact (Payne et al., 2008).

Figure 2: A conceptual framework for value co-creation



Source: Figure extracted from Payne, Storbacka, & Frow, 2008, p. 48.

2.4.3. Service-Dominant (S-D) Logic of Marketing

The theory of value co-creation is an important perspective in the evolving and developing of the service-dominant (S-D) logic of marketing (Lusch, Vargo, & O'Brien, 2007). S-D logic is proposed as concept for the development of service marketing, a mind-set (Vargo & Lusch, 2008) and a service lens (Bettencourt, Lusch & Vargo, 2014).Viewing marketing through a service lens contributes to the competitive advantage of an organisation (Bettencourt et al. 2014).

Vargo and Lusch (2008) advocated that S-D logic is based on knowledge of the creation of value for actors by the formation of networks, and the interacting and exchanging of ideas and competencies for their own well being. Williams (2012) attempted to simplify the understanding of S-D logic in his study stating firstly that service is exchanged in all economic exchange, emphasising co-creation of value, secondly, the most valued operant resource in S-D logic is skills and knowledge which are applied for the benefit of the resource integrators.

Vargo and Lusch, (2008) stated that S-D logic encompasses ten (FP's) foundational premises. However, Williams (2012) challenged Vargo and Lusch (2008) of S-D logic by analysing these foundational premises and believes that the following (FP's) are the principles of S-D logic.

"FP1 (Service is the fundamental basis of exchange) and its consequence; FP4 (Operant resources are the fundamental source of competitive advantage); FP6 (the customer is always a co-creator of value) and its consequence, FP8 (a service-centred view is customer-oriented and relational)" (Vargo & Lusch, 2008 p.7).

These four foundational premises, although contentious in Williams (2012) opinion, are positive and uncontroversial statements.

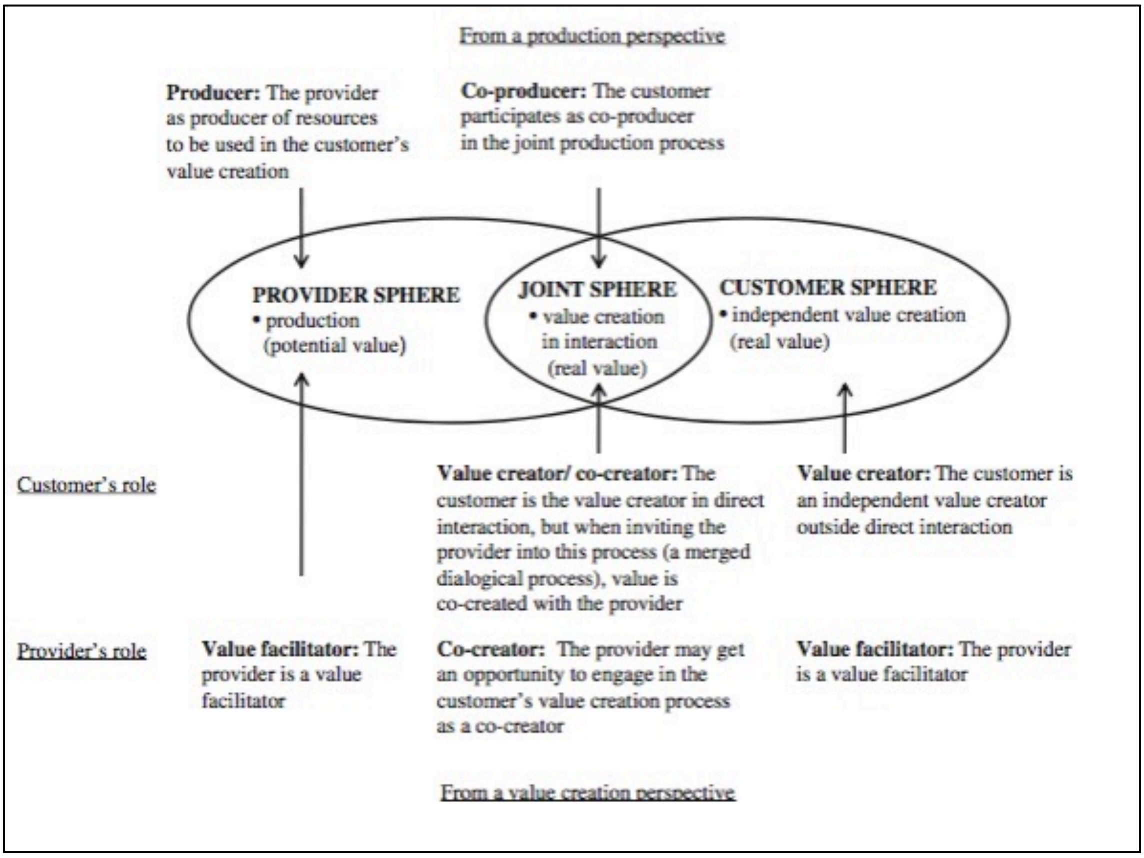
The foundational premise that forms the foundation of the research is FP9, "that all social and economic actors are resource integrators" (Vargo & Lusch, 2008 p.7). This emphasise value proposition of stakeholders as collaborative and interactive and exchanging service for service (Payne et al., 2008).

2.4.4. Value creation sphere

Because of misconceptions of S-D logic perspective and value co-creation between firm and customer (Vargo & Lusch, 2008), there was a need to specify the roles of firm and customer and their interaction to create value. Gronroos and Voima, (2013) identified value-creating spheres presented in figure 3, which explained the various parts the organisation and customer represent. The value creation spheres demonstrate interrelatedness of the organisation and customer and by successfully managing this interaction the organisation can influence the value created for the customer. Conversely, unsuccessful management of this interaction may inhibit value creation

The provider sphere is the value facilitator where the firm provides potential value to be used by the customers to create value and the joint sphere is where the firm and customer co-create. These interactions can lead to positive or negative value creation. The customer sphere is defined as “the experiential sphere, outside direct interactions, where value-in-use (real value) emerges (is created) through the user’s accumulation of experiences with resources and processes (and their outcomes) in social, physical, mental temporal and/or spatial contexts.” (Gronroos & Voima, 2013, p. 142)

Figure 3: Value creation spheres

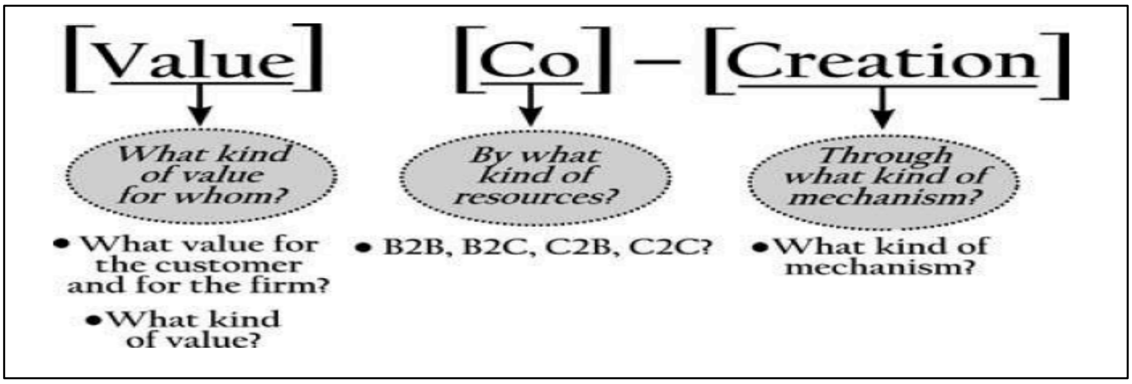


Source: Figure extracted from Gronroos & Voima, 2013, p. 141.

2.4.5. Dismantling value co-creation

Saarijärvi et al. (2013) state value co-creation can be simplified by examining the theory in separate parts (Figure 3). ‘Value’ refers to the different kinds of value for the firm or the customer; ‘co’ defines the actors and resources involved such as business-to-customer or business-to-business and ‘creation’ refers to the activity through the various actors, for example the firm or the consumer.

Figure 4: Dismantling value co-creation into its constituent parts



Source: Extracted from Saarijarvi, Kannan & Kuusela, 2013, p. 10.

Saarijärvi et al. (2013) argues that there is often a misunderstanding in literature regarding value. Fundamentally, clarity as to the kind of value and for whom value is co-created is necessary.

Table 1: Analytical framework for practitioners

	"Value" What kind of value for whom?	"Co" By what kind of resource?	"Creation" Through what kind of mechanism?
Customer	• What is the customer benefit? • How is the customer's value creation supported?	• What firm resources are integrated into the customers value-creating process?	• What is the mechanism through which firm resources are integrated into the customer's process?
Firm	• What is the firm's benefit • How is the firm's value creation supported?	• What customer resources are integrated into the firm's value-creating process?	• What is the mechanism through which customer resources are integrated into the firm's process?

Source: Extracted from Saarijarvi, Kannan & Kuusela, 2013, p.12.

Table 1 highlights new methods for co-creating value. The guiding questions intend to assist companies in assessing whether customers' resources could be significant to the company's value-creating processes.

2.4.6. Approach to innovation through co-creation

Co-creation provides a platform for resource integration, which is the key to successful innovation. This advantage is due to co-creating with stakeholders, which allows stakeholders and the organisation to access new resources (Frow et al., 2015). Information exchange also supports innovation, and establishing an element of trust between stakeholders and the organisation is beneficial (Greer et al., 2016). Also, innovation is understood as a social process of stakeholders and organisations interacting and creating value and supports the S-D logic of service exchange(Greer et al., 2016). Romero and Molina, (2011) propose that there is a need for the organisation to adjust their processes to keep up with the customers' demands by not presuming to understand their needs but to involve them in the innovative process from the inception of the service.

Supporting this advancing trend of innovation through co-creation, Gouillart (2014) identified five processes to assist organisations to develop a powerful co-creation strategy and to encourage stakeholder involvement. These processes are:

1. To build a diverse community with primary and secondary stakeholders;
2. To create a platform for this community to express, share and generate ideas and experiences;
3. To develop stakeholder interactions and interrelatedness;
4. To provide an experience-based interaction for all stakeholders.
5. To ensure economic value is achieved by co-creating in a stakeholder ecosystem.

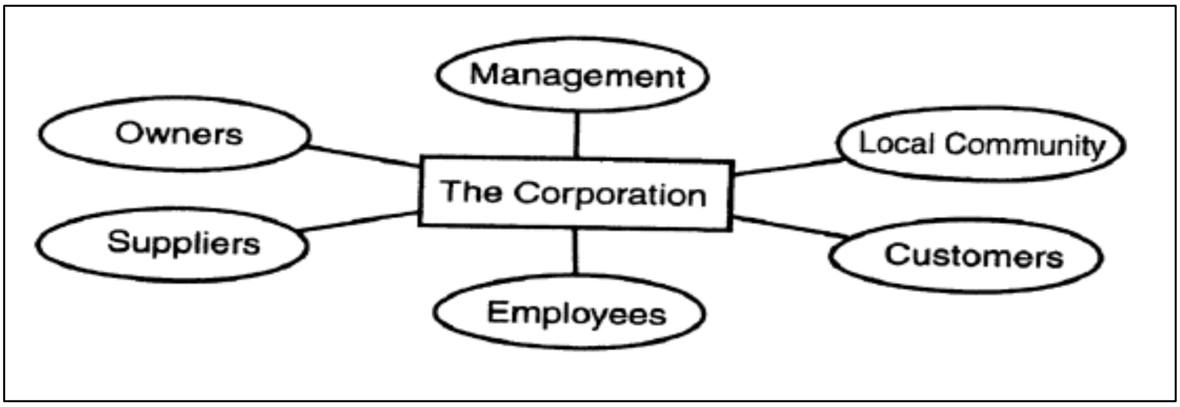
The processes identified above are fundamental to an organisation's promotion of the co-creation process in a project undertaken and can be adopted in any order relevant to a company. By accessing resources, managers can identify the strengths and weaknesses of the project thus positively influencing their competitive advantage (Gouillart, 2014).

2.5. Stakeholder theory

Freeman (2001) described a stakeholder as “any group or individual who can affect or is affected by the achievement of the organisation's objectives (p. 49). Freeman (2001) suggested that stakeholders consist of owners, employees, suppliers, customers, local community and management. He proposes that management, like employees, are stakeholders whose responsibility is to satisfy other stakeholders' needs. Freeman (2001) established a stakeholder model (Figure 5) which depicted the relationship of stakeholders with the corporation. Gummesson (2008) further highlighted that identifying stakeholders and building long term relationships with stakeholders has successful economic consequences.

Clarkson (1995) acknowledged that stakeholders could be divided into two groups, the primary stakeholders who directly influence the organisations survival and secondary stakeholders who indirectly influence the organisations survival. Primary stakeholders possess certain attributes, power, legitimacy and/or urgency therefore management see them as more significant then secondary stakeholders.

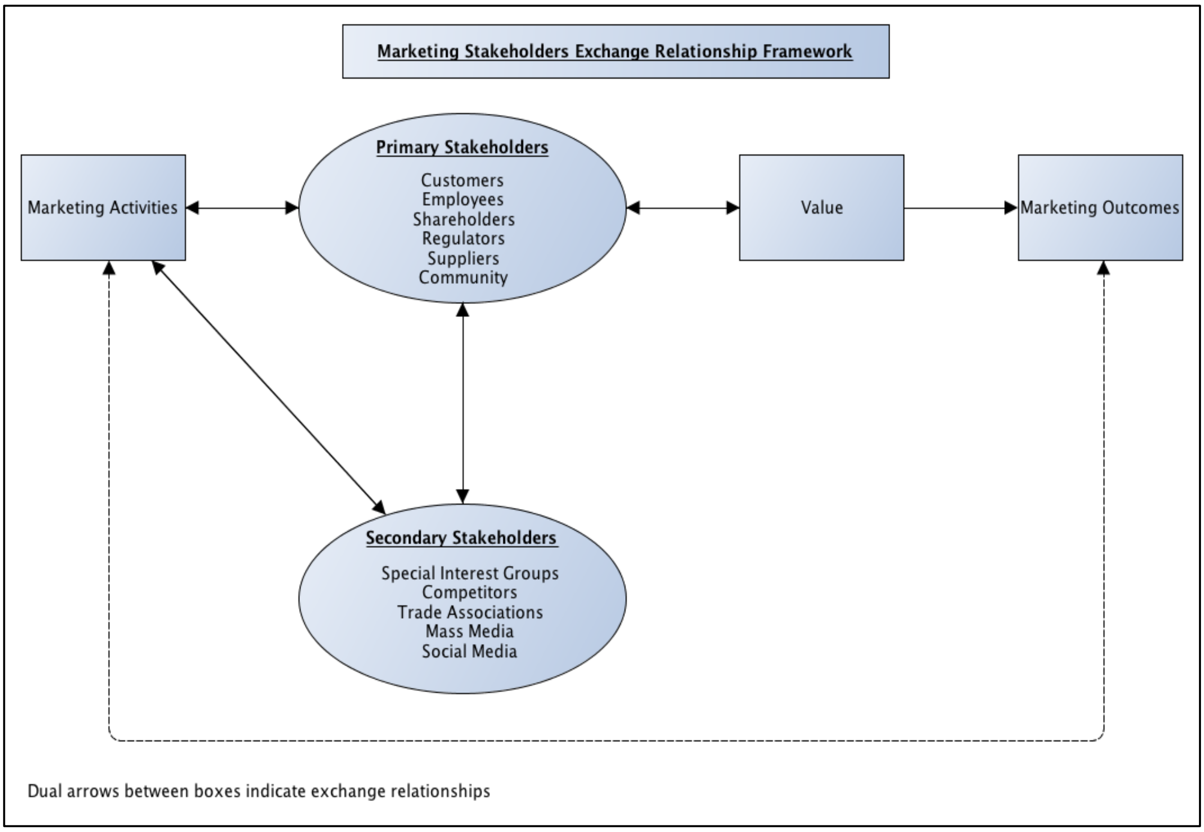
Figure 5: A Stakeholder model of the corporation



Source: Figure extracted from Freeman 2001, p. 42

Hult et al. (2011) examined extant literature on stakeholder theory and identified six stakeholder groups, namely "customers, suppliers, employees, regulators, shareholders and the local community" (p.45). They suggest that an organisation should develop a relationship with a network of stakeholders. Frow and Payne (2011) proposes that organisations need to classify and categorise stakeholders into different contexts. This should be the initial step for an organisation, which will assist in developing strategies to collaborate with each market and highlight the value proposition for each stakeholder. Therefore the categorisation of stakeholders will develop a structure, which will provide an organisation with an opportunity to enter into resource and knowledge sharing (Frow and Payne, 2011).

Figure 6: Marketing stakeholder exchange relationship framework



Source: Figure extracted from Hult, Mena, Ferrell, & Ferrell, 2011, p. 58

Hult et al. (2011) accepted arguments of Hatch and Schultz, 2010 that service is a collaboration and network of activities involving multiple stakeholders. Hult et al. (2011) developed a framework, illustrated in Figure 6, which demonstrates marketing activities as interrelated collaboration occurring in an organisations structure. It is imperative for management to recognize that the organisation is part of a network of interdependent stakeholders and part of the marketing activities and processes.

In conclusion, because stakeholders have competing demands the organisation should prioritize resources to those that will increase the marketing outcome. This approach can maximise economic performance outcomes.

2.6. Stakeholder in value co-creation

Hatch & Schultz (2010) note that the term value co-creation became a preferred topic for analysis and moved from innovation scholars to marketing scholars. They claimed that extant literature proposes that consumers are central to creating value for organisations. This built on earlier claims by Vargo and Lusch (2008) that "the customer is always a co-creator of value" (p.7) and interactions of stakeholders creates value.

Researchers such as Hult et al. (2011) , Vallaster and von Wallpach (2013) as well as Gyrd-Jones and Kornum (2013) have recognised that although consumers are important to the co-creation activity, few studies have focused on value co-creation from a multi-stakeholder viewpoint. Fyrberg Yngfalk (2013) acknowledged that in marketing literature more attention has been given to provider and resource integrations than to the interactions between firms, consumers and other stakeholders co-creating value. This was affirmed by Hillebrand et al. (2015) who reiterated that past marketing research has been centred around the relationship between the organisation and customers, they recommend that marketing research should now explore the importance of interactions and interrelations between all other stakeholders. They explain that research to date has scholars dealing with stakeholders who are unrelated to each other. Similarly, Hill and Martin (2014) argue that scholars have not progressed further than acknowledging the presence of multiple stakeholders and tend to focus on only increasing the number of stakeholders by adding to the existing group of consumers thus failing to benefit from interconnectedness between multiple stakeholders.

The aspect of value co-created with multiple stakeholders is a key element of this study, therefore, a stakeholder marketing perspective that suggests that an approach of a multitude of stakeholders is more beneficial for the organisation to create value relevant for this research (Hillebrand et al., 2015).This perspective of value creation is not limited to the organisation, it happens throughout the network of stakeholders. Therefore continuous multiplicity is explained as the process of interrelatedness of stakeholders. Hillebrand et al. (2015) further explained that by acknowledging that some industries will find these capabilities challenging, their research revealed that industries should persevere in this direction.

In conclusion, research by Merz et al. (2009) emphasise that a company mind-set of co-creation will encourage stakeholders to voluntarily become part of the stakeholder network and contribute to value from the bottom up. They assert that marketing scholars had given little recognition to stakeholders who interact with companies therefore proposed that in future, marketing scholars should look at stakeholder research in a more innovative way and emphasised a need to research how and why value is co-created between organisations and multiple stakeholders.

2.7. Impediments of value co-creation

Research is scarce on the subject of impediments to the co-creation (Hoyer, Chandy, Dorotic, Krafft & Singh, 2010). Further studies should investigate the impediments that disrupt value co-creation (Agrawal et al., 2015). This motivates the research question of what are the impediments companies encounter when co-creating value.

2.7.1. Complex value exchange relationships

Marketing literature is moving away from its focus on customers to value co-creation by interrelatedness of stakeholders, Gyrd-Jones and Kornum (2013) therefore argue that value co-creation may be jeopardized without respect for cultural identities of the stakeholders involved. Conflict can arise and inhibit co-creation when the principle of respect is breached. The integration of customers in co-creation is not without its challenges because of the heterogeneous needs of customers (Agrawal & Rahman, 2015). Conflict may develop in multiple stakeholder engagements and this could adversely impact the resource configurations of the organisation (Vallaster & von Wallpach, 2013).

2.7.2. Change in mind-set

Hillebrand et al. (2015) and Pera et al. (2016) have consensus on three managerial challenges for organisations to alter their mind-set capabilities to facilitate value co-creation.

- Systems thinking: The challenge is to understand how to contend with complex value exchange relationship in stakeholder networks.
- Paradoxical thinking: How to deal with the tension that arises from exchange relationships in stakeholder networks creating an enabling environment where stakeholders can become active collaborators.
- Democratic thinking: How to share control with stakeholders for development of innovative relationships.

Another challenge for organisations is creating a company philosophy that accentuates co-creation (Merz et al. 2009). This requires a service-dominant mind-set, which needs to be adopted by all employees. A co-creation mind-set is about understanding that co-creation is not entirely under the firm's control, it is about co-operation, understanding and respecting stakeholders opinion and exploiting their talents (Greer et al., 2016). Hoyer et al. (2010) highlights diminished control of the organisation as a significant challenge of co-creation. There is a reluctance to relinquish complete control of the organisation's innovative planning and strategies.

2.7.3. Secrecy and ownership of intellectual property

Hoyer et al. (2010) identified secrecy as a barrier that could obstruct an organisations co-creation process suggesting that it hindered collaboration. They assert that when organisations or stakeholders depend on secrecy to protect their interests, it is doubtful that they would participate in co-creation activities. Ind and Coates (2013) argues that this should be a two-way process as it would be exploitative if companies expected consumers to share ideas while they were not forthcoming with their own. A major barrier to co-creation is the question of ownership of intellectual property. Both the organisation and stakeholders might have a problem with sharing their skills and knowledge without any acknowledgement or reward, therefore a lack of consistency in intellectual property regulations could suggest that parties will object to sharing their skills and partaking in co-creation (Hoyer et al., 2010).

2.7.4. Information overload

While recognising that information overload was problematic, Hoyer et al. (2010) suggest that scrutinising and validating the vast source of information and ideas obtained from the co-creation process with stakeholders, could be complicated and time consuming for an organisation.

2.7.5. Word of mouth and online communities

A stakeholder's perception of an organisation can be shared through word of mouth (WOM) and can generate disagreeable responses from participants, resulting in negative perceptions. Agrawal & Rahman (2015), Zwass (2010), Romero & Molina (2011) and Plé & Cáceres (2010) identify word of mouth as a powerful form of marketing which could be a contributing or destructive factor in co-creation. Zwass

(2010) argues that increasing customer loyalty can minimize negative word-of-mouth therefore continuously engaging with stakeholders and being creative and innovative towards the voice of the customer can achieve this.

Another challenge for management is a need to develop skills to manage positive and negative reactions in online communities (Hoyer et al. 2010; Gebauer, Fuller, & Pezzei, 2013; Romero & Molina, 2011). Social media enables stakeholders to instantly broadcast their opinions, and experiences, with a product or service.

Table 2 identifies the literature that was found on the main impediments to value co-creation organisations may encounter.

Table 2: Summary of the main impediments to value co-creation

Authors	Impediments of value co-creation
Gyrd-Jones & Kornum (2103) Agrawal & Rahman (2015) Vallaster & von Wallpach (2013)	Complex value exchange relationships
Hoyer, Chandy, Dorotic, Kraft & Singh (2010) Ind & Coates (2013)	Secrecy and ownership of intellectual property
Hoyer, Chandy, Dorotic, Kraft & Singh (2010)	Information overload
Agrawal & Rahman(2015) Zwass (2010) Romero & Molina (2011) Ple & Caceres (2010) Gebauer, Fuller & Pezzei (2013)	Word of mouth and online communities
Hillebrand, Driessen & Koll (2015) Merz, He, & Vargo (2009) Pera, Occhiocupo & Clarke (2016) Greer, Lusch & Vargo (2016)	Change in mind-set

2.8. Conclusion

In conclusion, this study demonstrates that marketing theory is evolving from a theory that value is co-created, in a dyadic relationship, by an organisation and their consumers, towards a theory that value is created through collaborative innovation with an organisation and multiple stakeholders. The manager is only one player in the stakeholder interactions and performs a key part in ensuring the collaborative interactive process with other stakeholders. The literature review has provided management and scholars with numerous processes and approaches with regard to building co-creating interactions. Additionally, the review has highlighted barriers that can inhibit co-creation.

These insights could facilitate the success of value co-creation amongst multiple stakeholders, which could ultimately give organisations a competitive advantage.

CHAPTER 3: RESEARCH QUESTIONS

3.1. Introduction

This study is to determine why and how value is co-created by the organisation and its stakeholders. The study will also explore the barriers and challenges that negatively impact the value co-creation process. The research questions have been established to explore this topic.

The research questions below are aimed at contributing to the body of knowledge to enhance the understanding of why and how value is collaboratively created as well as the current approach and processes organisations follow when engaging in value co-creation with various stakeholders. The focus of the study is on companies listed on the Johannesburg Stock Exchange.

The research questions are as follows:

Question 1 addresses the organisational context of the current business environment that necessitates collaboration. This question also identifies the importance of value, which has become a topical issue for researchers. The Marketing Science Institute (MSI) incorporates the identification of value in interactive experiences as a research priority for 2016-2018 (MSI, 2016).

3.1.1. Research Question 1: Why is value co-created with multiple stakeholders?

Sub-questions:

3.1.1.1 Research Question 1(a): What sources of newness with regards to value necessitate collaborative innovation?

Question 2 addresses the current approach and processes that the organisation embraces when collaborating with stakeholders with the objective of co-creating value.

3.1.2. Research Question 2: How is value co-created with multiple stakeholders?

Sub-questions:

3.1.2.1 Research Question 2(a): What are the processes to building collaborative interactions?

3.1.2.2 Research Question 2(b): What are the tools used to effect collaborative engagements?

The research questions described below (sub-questions 3a and 3b) discuss the barriers and challenges encountered when co-creation evolves through collaboration. Sub-question 3(c) addresses the approach that the organisation undertakes to achieve innovating solutions to the process of value co-creation.

3.1.3. Research Question 3: What inhibits the process of evolving co-creation through collaboration with stakeholders?

Sub-questions:

3.1.3.1 Research Question (3a): What are the barriers to effective collaboration processes?

3.1.3.2 Research Question (3b): What are the challenges when adopting collaborative behaviours?

3.1.3.3 Research Question (3c): What is the recommended approach to strategic innovation through co-creation?

CHAPTER 4: RESEARCH METHODOLOGY

4.1. Introduction

This research investigated the process of value co-creation by multiple stakeholders. This chapter outlines the research process undertaken by the researcher in the process of seeking answers to the research questions outlined in Chapter 3. This chapter will also identify the methodology chosen for this research as well as providing the rationale for the choice.

In addition, the data collection strategy, the research instrument as well as the process undertaken to analyse the data, will also be discussed. As with any research, this one also has limitations, which are outlined in this chapter.

4.2. Research Design

As discussed in chapter 3, this research has two core objectives: the first was to investigate the value co-creation process by multiple stakeholders. Specifically, this part of the research will explore why and how value is co-created by the organisation and its stakeholders. The second objective was to understand the main barriers that the organisation will encounter when they engaging in the value co-creation process with diverse stakeholders.

Jaakkola and Hakanen (2013) recommend a qualitative, explorative research approach in order to create insight into the value co-creation process by multiple stakeholders. This study will add to a richer base of knowledge on how value is co-created by multiple stakeholders. The barriers to the value co-creation process, by multiple stakeholders, will also be assessed.

To address the issue of limited research on value co-creation Agrawal et al. (2015) suggested that further research on the topic is needed and “although the number of empirical studies is rising, the subject demands greater in-depth exploration.” (p.156). Additionally, Reypens et al. (2016) argued “few studies examine how value co- creation unfolds among multiple stakeholders” (p. 1) therefore this study is an exploratory study that explored the process of value co-creation by stakeholders and the impediments that inhibit the process.

To address the research problem and objectives a qualitative research method is considered the most suitable and will therefore be the method used for the study. This method collects data in the participant's natural setting where the problems under study are experienced. Thereby allowing the researcher to collect the data through interviews as well as observing the participants behaviour in their environment (Creswell, 2013). The semi structured interview process of qualitative research allows interviewees the freedom and ease of responding using their own language and terminologies to communicate their points of view. This will greatly assist the researcher to understand how managers identify the value co-creation process in their environment (Qu & Dumay 2011).

4.2.1. An Exploratory Study

To obtain clarity on the research questions in chapter 3, a qualitative research method was deemed the most suitable given the exploratory nature and objectives of the study. The limited literature addressing the topic of value co-creation from a multiple stakeholder perspective necessitates deeper insights into this topic, which could only be provided by an exploratory research. The exploratory study involves collecting information and gathering new insights to assist in developing a richer knowledge and understanding of the identified topic (Saunders & Lewis, 2012). As Kothari (2004) says "the major emphasis in such studies is on the discovery of ideas and insights." (p. 36).

Saunders and Lewis (2012) define the methods to be applied when conducting exploratory research such as: reviewing academic literature to find limitations in the current research and conducting interviews with experts in the field of study. These methods will be followed in the research.

4.2.2. In depth interviews

To investigate the research questions concerning value co-creation the interview method was selected. Qu and Dumay (2011) believe that the interview process is a way of understanding the role of others, which in this study it is the role of the organisation in value creation. With careful planning, the interview process can provide compelling data for this study.

The advantages of choosing this method was that more information with greater detail was acquired due to the collaborative and interactive nature of the approach as well as the flexibility provided opportunities for the interviewer to observe the respondent. This was useful in discovering greater insights into how stakeholders co-create value (Kothari, 2004). Louise Barriball and While (1994) also considered the interview process as useful because of the ability of the interviewer to probe for additional information and clarity of involved topics.

Therefore in-depth interviews were conducted. An in-depth interview method was imperative to a study that investigated participants' past experiences (Marchall & Rossman, 2006).

There is little empirical literature on the barriers that impede value co-creation(Agrawal et al., 2015) therefore probing the managers to delve deeper into matters and explore additional data was helpful.

4.3. Universe and Sample

4.3.1. Universe

This research is focused on companies listed on the Johannesburg Stock exchange. Within these companies, senior managers and marketing managers are the individuals deemed to have the knowledge to answer the questions for this research. Accordingly the population of this research is senior and marketing managers in companies listed on the Johannesburg Stock Exchange. A population is defined as a group of research subjects that is being sampled (Bell, 2014).

For convenience purposes, only those senior and marketing managers of companies listed on the Johannesburg Stock Exchange based in the Gauteng province of South Africa will be targeted

4.3.2. Sampling Method and Size

Given the impracticalities of accessing the whole population for this research, a sample of the population was made. A sample is a section of the population (Saunders & Lewis, 2012). A sampling fame existed for companies listed on the Johannesburg Stock Exchange; a purposive and convenience-sampling method was selected. Purposive sampling is "a type of non-probability sampling in which the researcher's judgment is used to select sample members based on a range of possible reasons and premises" (Saunders & Lewis, 2012, p. 138). For this research, accessibility to the participants interviewed in the study was selected from the researchers business network. Convenience sampling is used "When population elements are selected for inclusion in the sample based on the ease of access" (Kothari, 2004, p. 15). This sample was obtained through the researcher's network of contacts.

Elo, Kääriäinen, Kanste, Polkki, Utriainen and Kyngas (2014) point out that the sample must be made up of participants who have sufficient experience on the research topic and are the best candidates on the subject. To confirm the homogeneity of the sample, inclusion and exclusion criteria were established (Robinson, 2014) to ensure that interviewees have adequate level of knowledge and experience. The criteria used for this was that:

- The participant had to be currently in a senior management role working in a company that is listed on the Johannesburg Stock Exchange (JSE).
- The participant had to be currently in a marketing management role working in a company listed on the Johannesburg Stock Exchange (JSE).

The criteria were intended to ensure that the respondents would be able to provide unique and important perspectives related to the research questions (Saunders & Lewis, 2012).

Fossey, Harvey, McDermott and Davidson, (2002) emphasised that no set number of participants needs be interviewed in order to suitably conduct qualitative research. Guest, Bunce and Johnson (2006), indicate that for a homogenous population to achieve saturation of data, twelve interviews are adequate. The important requirement is collecting quality information to verify the research question with the aim of determining data saturation. Due to the homogeneity qualities of the chosen sample, a sample size of 17 respondents was selected.

The sample was obtained through the researcher's current network of contacts. Based on the time constraints and resources available, the researcher was able to interview 17 respondents over two months.

The majority of the interviews were undertaken with participants who had identified themselves as either senior managers or marketing managers of JSE listed companies in the financial service sector. Table 3 details the date of the interviews and the participants position held in the their organisation.

Table 3: Interview summary – order by date

Order	Date	Participants	Industry	Position
1	25 August 2016	Participant 1	Finance	Manager
2	30 August 2016	Participant 2	Banking	Manager Business Development
3	30 August 2016	Participant 3	Banking	Head of Group Marketing
4	30 August 2016	Participant 4	Insurance	Manager Business Development
5	31 August 2016	Participant 5	Finance	Manager Asset Portfolios
6	1 September 2016	Participant 6	Manufacturing	Head of Human Resource
7	2 September 2016	Participant 7	Banking	Head of Marketing
8	7 September 2016	Participant 8	Banking	Head of Global Client Support
9	8 September 2016	Participant 9	Banking	Group Service Executive
10	12 September 2016	Participant 10	Telecommunications	Head of Human Resources
11	13 September 2016	Participant 11	Finance	Head of Business Development
12	15 September 2016	Participant 12	Manufacturing	Manager
13	19 September 2016	Participant 13	Banking	Head of Marketing
14	20 September 2016	Participant 14	Banking	Head of Global Markets
15	21 September 2016	Participant 15	Finance	Manager
16	22 September 2016	Participant 16	Telecommunications	Head of Marketing
17	26 September 2016	Participant 17	Manufacturing	Head of Global Markets

4.3.3. Unit of analysis

Elo et al. (2014) describes the unit of analysis as critical for the credibility of a study. If the unit of analysis is too broad it may become impossible to administer and may result in misunderstandings. If the unit of analysis is too narrow it may cause the analysis to be distorted.

The unit of analysis for this research will be the process of value co-creation by multiple stakeholders as it is perceived by managers and marketing managers of the organisations.

4.4. Data Collection Methods and Research Instruments

According to Creswell (2014) various methods can be implemented to collect data in qualitative research. Firstly, the researcher may conduct unstructured, open-ended interviews guided by interview notes or supported by audio recordings and transcriptions of the interviews. Secondly, the researcher may perform semi-structured interviews verified by audio recordings and transcriptions. Thirdly, the researcher may conduct focus group interviews supported by audio recordings and transcriptions of the session.

Qualitative research conducted by means of semi-structured interviews was chosen. In-depth face-to-face interviews were conducted with senior managers and marketing managers. The literature review identified the gap in literature on the basis of which the research questions were developed.

An interview schedule (Appendix 1) was used to guide the discussion during the interviews to assist the researcher in structuring the course of the interview and to ensure that all the relevant topics were covered. Kvale (2008) stated that semi-structured interviews allow the researcher to adapt the sequence of questions and configuration to follow up on the answers given by the interviewee.

They also provide interviewees the freedom and ease of responding using their own language and terminologies to communicate their points of view. This greatly assisted the researcher to understand how managers identify the value co-creation process in their environment and consequently contributed to improve quality in the data collected, as the topic was examined in greater detail (Saunders & Lewis, 2012).

Creswell (2014) states that the advantages, of using semi-structured interviews as a method of collecting data allows participants to describe historical knowledge and permits the researcher to adapt the line of questioning. The researcher can also observe the interviewees' emotional state and body language during the interview.

According to Saunders & Lewis (2012) the following approach should be used in the data collection process: prepare; pilot; conduct the interview and transcribe and record in analysis tool.

4.4.1. Preparation

To prepare for the interview process an interview guide was developed (Appendix 1) and organised around a set of predetermined open-ended questions (Creswell, 2013). The researcher used probing questions to elicit more complete information and elaboration on answers. The probing can be done through rephrasing a question or through body language (Qu & Dumay, 2011). The use of probing questions was found to be an important technique for ensuring reliability and allowing the interviewer to clarify inconsistencies during the interview process. According to Louise Barriball and While (1994), probing enhances the reliability of the data collected.

The participants were also asked in advance to take part in the research study and to complete a consent letter (Appendix 2). The consent letter also indicated that the researcher would adhere to confidentiality and ethical conduct. The interviewee and the researcher agreed on a date, time and place for the interview to take place.

4.4.2. Pilot

Saunders & Lewis (2012) believes that a researcher needs to pilot-test their interview questions and their interview technique before the actual interviews are conducted. This pilot-test would ensure that the interviewee understood the questions and that the questions were not leading. According to Louise Barriball and While (1994) the pilot testing enables the researcher to address problems that could arise during the interview and make necessary changes and corrections to the interview schedule beforehand. The Pilot-test would also help the researcher to assess the interview techniques as well as testing the recording device. Saunders & Lewis (2012) state that not only is a pilot necessary for gauging the interviewee's understanding of the questions but also is necessary to ensure that the questions capture the correct data. It was for this reason that after the pilot was completed the interview guide was amended and sub-questions were added to questions 1 and 2.

4.4.3. Summary of the interviews and the interview process

Spradley (1979) stated that it is important for the researcher to conduct the interview in a way that involves a respect for the information the interviewee is willing to share. Building a successful rapport with the interviewee develops through the following stages, apprehension, exploration, co-operation and participation. Having a positive rapport with the interviewee provides a basis for the free flow of information during the interview process (Spradley 1979).

All participants as well as the interviewer were fluent in English therefore the interviews were conducted in English and the use of a translator was not deemed necessary.

The research sample comprised of 17 senior managers or marketing managers of JSE listed organisations. The researcher did not seek further interviews after the last interview as no new information emerged after the 17th interview.

Information regarding the study participants is presented in Table 4 and organised according to the industry they represent. As specified in section 4.3.2 by the researcher, all participants occupied senior management positions in their respective organisations all of which were listed on the Johannesburg Stock Exchange. This ensured that they had similar experiences and knowledge bases. The interviews were conducted with eight head's of departments; seven senior managers; one managing director; one group service executive. A total of 433 minutes (7 hours 13 minutes) of audio recordings were captured and transcribed. In total, this was equivalent to a total of 77 945 words. The interview statistics, as presented in Table 5.1, shows the average interview as 25 minutes long and the average transcript length as 4 585 words. The longest interview was the third interview registering a time of 50 minutes. This interview was with a senior Head of Group Marketing who, because of the length of time given, was able to contribute significantly to the research data.

Table 4: Participants and interview statistics

Participants	Position	Industry	Length (min:sec)	Word count
1	Manager	Finance	18:42	3 149
2	Manager Business Development	Banking	43:36	7 736
3	Head of Group Marketing	Banking	50:25	9 326
4	Manager Business Development	Insurance	12:05	2 286
5	Manager Asset Portfolios	Finance	30:03	4 116
6	Head of Human Resources	Manufacturing	30:15	6 109
7	Head of Marketing	Banking	16:36	3 252
8	Head of Global Client Support	Banking	17:07	3 344
9	Group Service Executive	Banking	33:50	6 782
10	Head of Human Resources	Telecommunications	25:08	3 976
11	Head of Business Development	Finance	22:47	4 771
12	Manager	Manufacturing	21:49	2 994
13	Head of Marketing	Banking	15:46	2 111
14	Head of Global Markets	Banking	31:57	6 415
15	Manager	Finance	27:35	5 775
16	Manager in Marketing	Telecommunications	8:25	1 409
17	Managing Director	Manufacturing	27:04	4 394
		Average	**25:29**	**4 585**
		Total	**433:10**	**77 945**

The interviews were conducted over a two-month period, from August 2016 to September 2016. The interviews where conducted using an interview guide that was developed as to facilitate the research. Fifteen interviews were conducted face to face in private meeting rooms except for 2, which were conducted telephonically. All interviews were recorded using two digital voice recorders. For safety reasons these interviews were backed up and stored in icloud.

The first interview was undertaken with a person known to the researcher and in a managerial position, the object was to pilot-test the interview process as well as the researcher's interview technique, ensuring that the questions would be understood. A pilot-test is recommended by Saunders and Lewis (2012) as the researcher should be able to overcome possible problems before proceeding with the interview process. After analysing the pilot interview, the interview guide was refined which ultimately improved the subsequent interviews and outcome of the research.

The literature reviewed during this research revealed that age; race and gender information of the participants was not a significant factor for this study. To maintain the participants confidentiality, all interview transcripts have been anonymised. Anonymity has been achieved by referring to the participants as Participant 1 to Participant 17. The numbering of the participants relates to the order of the conducted interviews. It was noted that interview number 6 was transcribed in two parts therefore interview 6 was referred to as participant 6 and participant 18. Chapter 5 referred to all mentions from interview number 6, as participant 6.

4.4.4. Transcription

With consent from the participants the interviews were digitally recorded and transcribed for analysis. The researcher will also took notes as a backup, in case of an audio file being corrupted. The recordings of interviews were transcribed for analysis. Creswell (2014) states that transcribing is an interpretive process, which is the first step to analysing data, subsequently the level of accuracy and quality of the transcript directly affects the quality of analysis. The transcripts that were created in Microsoft Word format were sent to the interviewees for verification.

4.5. Qualitative Data Analysis

The computer-aided qualitative data analysis software (Atlas.ti) and Microsoft Excel were used for the qualitative data analysis. Creswell (2014) suggests the following approach in the analysis of the qualitative data.

Organise the data for easy identification; Code the data and identify themes; Develop categories and explore the relationship between categories; Develop theory and incorporate the pre-existing knowledge, testing the theory against the data.

The aim of this research was to explore why and how value is co-created with multiple stakeholders as well as the barriers that obstruct value. A deductive analysis was used to identify emerging themes followed by the development of a set of categories for classification. The researcher used the steps suggested by Creswell (2014) as the approach to analyse the data to discover the factors that affect value co-creation.

A thematic analysis was used examine the units of data (relevant sentence or direct quote) that are given particular codes. Themes began to develop and emerge based on differences and similarities in the units of data.

Coding is understood as a process of organising data and allocating symbols to answers in order that the responses can be classified. Coding is an essential tool for efficient analysis. It identifies units of data that can be interpreted to develop themes and patterns (Kothari, 2004).

4.6. Data analysis procedure

4.6.1. Preparing the data for analysis

The recorded interview conversations were transcribed availing verbatim data for detailed analysis. The transcripts were checked by the researcher to ensure that information had been correctly captured and accurately represented the interview conversations conducted with the sampled respondents. The transcript data was then loaded into Atlas-ti, a software program that supports the detailed analysis of qualitative data.

4.6.2. The analysis procedure

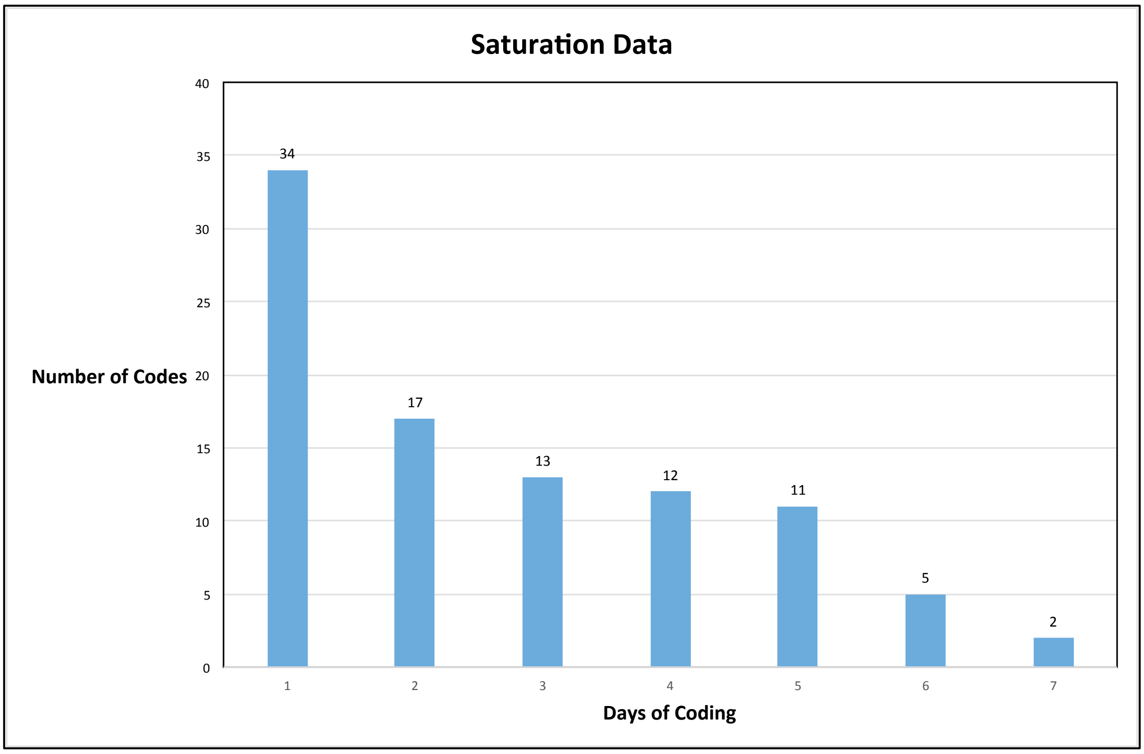
The first phase of the data analysis entailed the categorisation of data into related themes or codes (Creswell, 2003). The coding process assists the analysis of large volumes of data characteristic of qualitative studies (Flick, 2009). Respondent feedback on their practical experiences with relevant phenomena were fragmented into segments of meaning that could be related to the more abstract constructs identified in literature. Both deductive and inductive reasoning (Reay & Jones, 2015) was applied in examining the data. The deductive approach entailed working with the literature review data presented in Chapter 2 to develop a list of key conceptual constructs for identification in the primary data. In parallel, inductive reasoning was also employed to identify new ideas that were noted in the data. Employing both approach enabled the researcher to identify ninety-four (94) codes. New code names were created until coding was noted to have reached saturation and no additional relevant new ideas could be isolated.

The second phase of the analysis served to assist the researcher to advance the process of understanding the coded data through the aggregation of codes into related categories of themes or code families. The key theoretical constructs identified in literature were again used to guide this process. The coder ensured that the themes highlighted were well aligned with the aspects of the research questions of the study outlined in Chapter 3 of this report. Further analysis entailed firstly examination of how well the themes were represented in individual interview transcripts. Secondly the researcher also checked to see where codes and categories overlapped based on the way respondents phrased their responses. This perspective serves to deepen appreciation of how concepts interrelate within their fields of practical implementation and enables the researcher to extract constructive insight into any cross discipline influences that may serve to extend understanding.

Output reports of the analysis outcomes were consolidated in MS Word and Excel and used as key input into framing the study outcomes discussion that is presented in Chapters 5, 6 and 7.

Data saturation shown in Figure 7, was reached on day 7 of coding the interviews, as there was a decrease in the number of codes created. This suggests that limited new codes would be generated after day 7 and the amount of data captured had provided enough relevant data for analysis.

Figure 7: Saturation Data



4.7. Data Validity

Validity determines that the research accurately measures what it was meant to measure and factors that threaten the validity of the research should be eliminated or controlled (Saunders & Lewis, 2012). Creswell and Miller (2000) suggest various procedures that can establish validity in qualitative research such as triangulation technique, member checking, peer reviews, thick description and external audits.

The triangulation technique in data collection was used to ensure reliability and validity of data. Triangulation demands the use multiple methods of data collection within a research study. Face-to-face, in-depth interviews, recordings and note taking which ensured the researcher attained credible and dependable data. Other corroborating evidence was collected assisting the researcher to determine relevant themes such as the use of newspaper reports and company literature (Saunders & Lewis, 2012).

Validating the clarity of the participants' responses, the interviewer continually repeated and confirmed the responses to the questions being asked. This technique contributed to assessing whether the interviewer's interpretations were an accurate representation of the responses as well as contributing to uncovering new insights towards the research topic (Creswell & Miller, 2000).

The use of a peer review contributed to establishing the validity of the study (Creswell & Miller, 2000). Therefore the collaboration and review of data by the peer reviewer continuously questioned the researcher's assumptions, which supported the credibility of the study.

4.8. Research Limitations

The limitations of the research are the following:

- The study was exploratory in nature and was to investigate original ideas, which can be followed up with future research to provide dependable results (Saunders & Lewis, 2012).
- The nature of an exploratory study is to investigate original ideas, this should be followed up with future research to provide added dependable results (Saunders & Lewis, 2012).
- The value of the data was reliant on the information obtained from the in-depth interviews, which was challenged by the specified timeframe
- The contribution from each interview was limited to the views of the participants and consequently biases of an individual respondent.
- A potential limitation of the study can be researcher bias due to the subjectivity of the exploratory study. The perspective of the researcher may have reflected on the outcome of the study and therefore influenced by researcher bias.

- Due to only studying organisations in the Gauteng region, the research will be limited in terms of generalisability.
- Generalisabiltiy limited the research due to the number of interviews, which is considered by the researcher as a small sample. The time fame given for the study contributed to the limited number of interviews.
- The researcher used contacts from the researcher's network and it must be stated that the researcher is based in the financial service industry. This resulted in 11 out of the seventeen interviews were involved in the financial services industry. This may have placed too much emphasis on a particular theme.

CHAPTER 5: RESULTS

5.1. Introduction

Chapter 4 of this document presented the methodology followed in conducting this research. This chapter presents the results of the semi-structured interviews conducted with senior managers and marketing managers of companies listed on the Johannesburg Stock Exchange to assist in answering the research question.

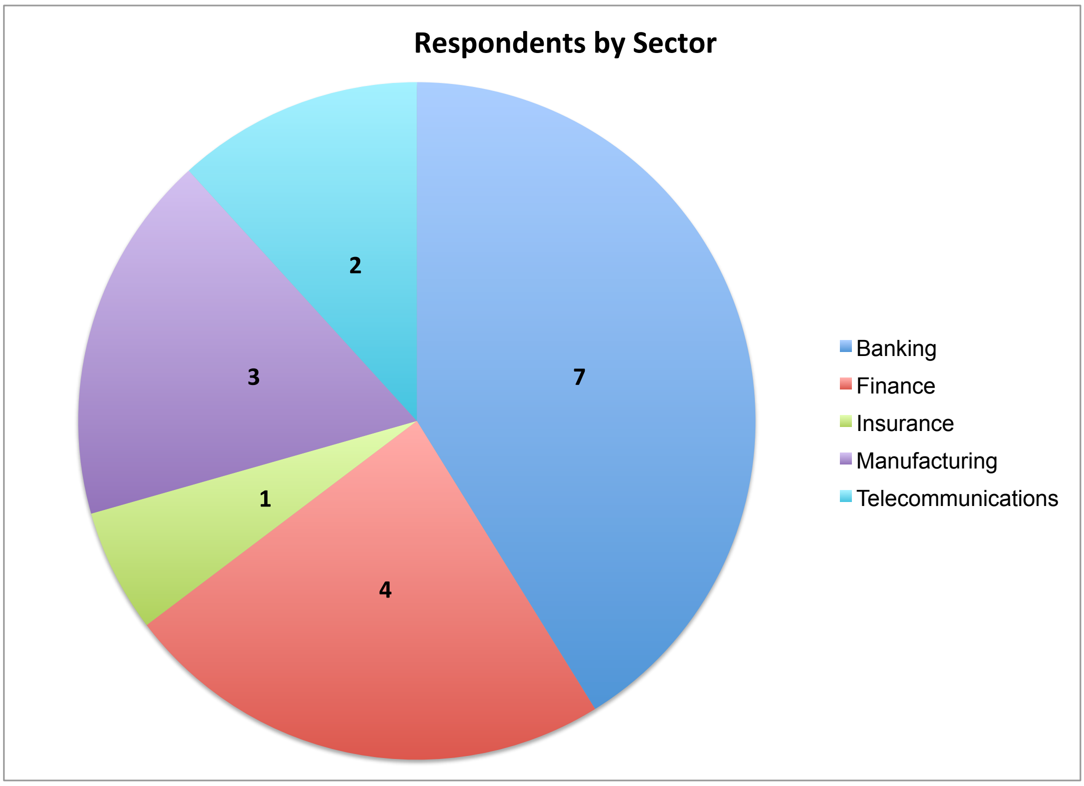
This chapter outlines the interviews undertaken and details of the respondents including their some descriptive details about each interview. This was documented to ensure the validity of both the qualitative data gathering exercise and the transcription of each interview. The interviews were conducted in line with the research questions in Chapter 3. These research questions emerged from the literature review and developed deductively.

5.2. Sample Observations

5.2.1. Participant industry

The sample was representative of 5 industries. The participants held similar managerial positions even-though their titles are not similar. The Banking and Finance industry is the largest sector represented while the other industries ranged from Electronics to Telecommunications. This factor could have impacted the results as each industry had its own specific style of management. Figure 7 represents the participants by sector.

Figure 8: Respondents by Sector



5.3. Presentation of the findings

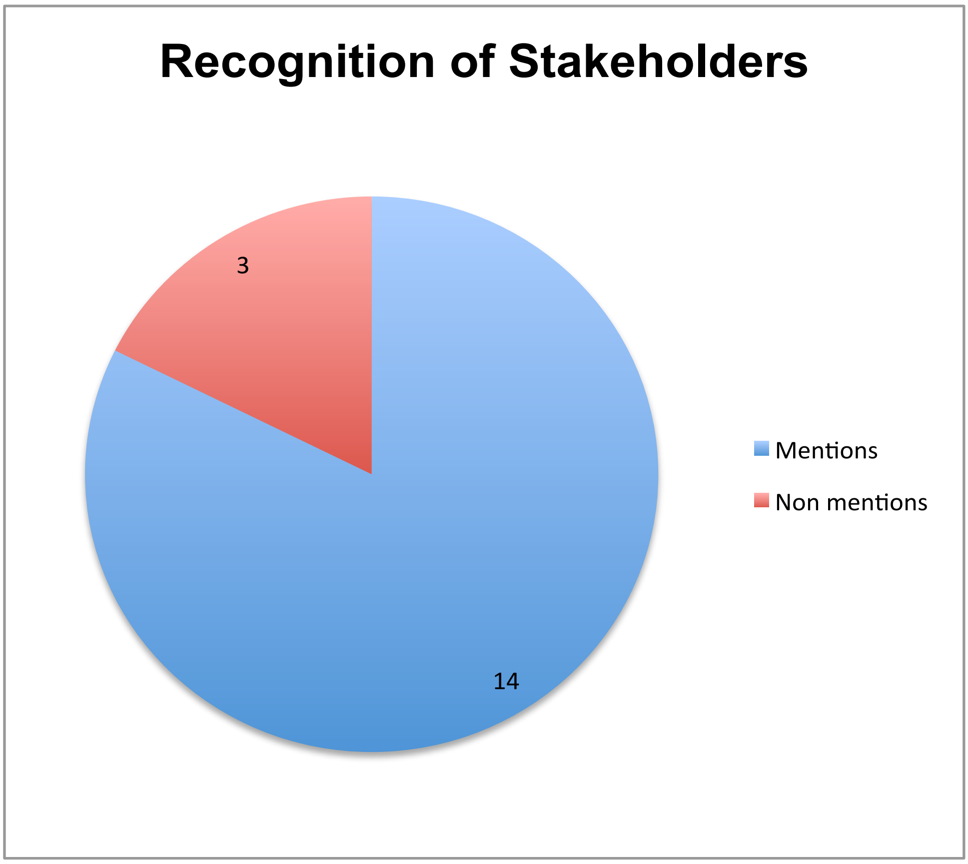
In an attempt to understand the co-creation process and the challenges, which encumber the process, the context of the things that necessitate collaboration was first explored. This aspect of the study highlights the environment that organisations operate in today and this more expansive view of value, competition and strategy are the realities of today

5.3.1. Research Question 1: Why is value co-created with multiple stakeholders?

The purpose of this question was to address the context of the business environment that necessitates collaboration.

To explain to participants that multiple stakeholders are integrated in interconnected networks of relationships and have an impact on the business environment, participants were asked whether their organisations recognised the presence of stakeholders contributing to value creation in their business.

Figure 9: Recognition of Stakeholders



After analysing the interview transcripts it was found that 14 of the 17 participants interviewed acknowledged the presence of stakeholder networks co-creating value in their organisation. This is supported by the foundational premise of S-D logic (Vargo & Lusch, 2008) that stakeholders are involved in exchange relationships.

Participant 4 suggested that their organisation has embraced the importance of stakeholders in value creation.

> "So let me just expand on…there are external stakeholders as well. So the external stakeholders are the operators, in my current environment I am talking about, so the external are the operators, so when we talk about B2B, the operators are the "B" but we also have B2B2C, which is the end user which is technically the operator's customer, but I can talk to you about value creation from an internal perspective and an external perspective."

Participant 1 was in agreement with participant 4

> "And then obviously my other stakeholders are, I mean there are lots of stakeholders like primary"

Participant 14 also elaborated on the involvement of stakeholders.

> "We've got lots of stakeholders, I mean if you go into property and you look at areas, communities, and the stuff that goes on. I mean from the development teams to the job creations, to I mean there's, there's a vast amount of stakeholders that are…that are involved."

And Participant 9 mentioned the presence of internal and external stakeholders, which is considered as primary and secondary stakeholders in the Marketing stakeholder exchange relationship framework (Hult et al. 2011). The framework views all stakeholders as equal and all as part of the marketing activities of the organisation.

Participant 8 stated, "stakeholders are everything" He understands that the organisation is a network of relationships that interrelate to achieve objectives through co-creation.

> "I had sort of a very wide pool of stakeholders because of the phases, so the rewards faces a lot more sort of a more generic product. And then you've got sort of your analytics, which would be sort of a support function to that. I mean stakeholders are everything. I mean on the analytics side, you've obviously got business intelligence, finance, legal, marketing and the Basil guys. I mean I don't know what to call them other than the Basil team fraud, you know. External stakeholders – credit, teams in other divisions, so group credit, risk and that overlaps to an extent with the CBP side. But at the rewards side it's obviously there's I mean everything that you can think of – finance, marketing, the consultant, the external suppliers. Yes, almost all of your support functions broken down. IT…a big one".

Six participants recognised management as part of the stakeholder network Greer et al. (2016) relates that management should position themselves as part of the stakeholder network. The organisation is the structure where stakeholders exchange service, the various stakeholders are partners in service exchange, therefore management are partners in service exchange.

Participant 1 explained that management has the role of a stakeholder. They are collaborators and co-producers of mutual value creation.

> "Correct. And are we just being ethical, so they come onto it which is really assisting management so its ultimately the clients there but management is the, I advise management and management then will act on that advice or ignore the advice and then so I suppose they indirect stakeholders, shareholders as well."

Other participants, like Participant 5 acknowledged management as part of the multiple stakeholder group of the organisation.

> "So my stakeholders, from where I sit, would be obviously the in-country heads of those businesses. So okay we call them our GM heads. So in each of our country, let me just go back a bit, in each of our countries we've got a global markets business."

5.3.1.1 What sources of newness with regard to value necessitate collaborative innovation?

The results show that an organisation needs to distinguish itself from others through sources of newness, to create value. This necessitates partaking in collaborative innovations. Through the application of an inductive method for analysis, 13 key themes emerged with 107 mentions under this category. These themes are outlined in the Table 5.

Table 5: Categories of sources of newness in the marketplace

Number of categories	Categories of Sources of Newness	Number of Mentions
1	Establishing new processes	19
2	Competitiveness	12
3	Compliance	12
4	Process improvements	12
5	Dynamic conditions	10
6	Customer need	9
7	New challenges	8
8	Social engagement	7
9	Seeking out new challenges	5
10	Audit & Monitoring	4
11	Sustainability	4
12	Evolving regulation	3
13	Growing value	2
	Total Number of Mentions	**107**

Establishing new processes

The majority of participants mentioned establishing new process as the top category for source of newness with regard to value. This highlights that innovation and engaging in processes delivers customer value. Committing to continuous improvement and embracing process change was seen as key to an organisation instead of languishing in stable processes.

Participant 6 elaborated:

> "What makes our product more complicated than the other retail banks is that we have no split between youth and student, so you will see all the other retail banks have from 0 to 16, or 0 to 18 for the one product and when you turn 16 or 18 you go onto another product."

Participant 1 spoke about the organisation keeping up with new legislation and rethinking the business from the ground up:

> "So a lot of the last sort of, the first five years probably were going from nothing to establishing all sorts of processes and what not, advising, you know, new legislation coming in and advising, getting things done"

Like Participant 1, Participant 3 reiterated the importance of continuously reviewing processes when your business is growing:

> "Just based on the business growing and needing to address contracts, and needing to review and get legal documentation in place and standardised."

Participant 2 stated that diversity and uniqueness in the marketplace was paramount:

> "So that's really what we're trying to initiate, and the best part about it is, we're going to do it completely different to the way we do everything else at our organisation."

Participant 2 elaborates:

> "We've realised that, you know, the next big play for us on the revenue, to diversify revenue is around products of market or of data. And so that's a big focus of ours."

Process improvement

This was another important category mentioned by participants. They admit that redesigning existing processes to meet customer needs will improve value delivery.

Participant 1 mentioned that re-assessment of processes is vital:

> "So the big thing that I'm trying to change now is to look back at every single process and re-assess everything that you've done, everything that we do, almost every process that we do in this bank is for, is to address, proceeds and administration, there's admin, involved but very often there's a compliance component built into it. So we need to re-look at every single process."

Participant 5 believed process improvement was inevitable:

> "It's just basically, as your business evolves, you know I guess the needs of that business clearly change."

Participant 10 agreed with participant 5 and added that the improvement of processes is necessary:

> "But, but, but there's constant level improvements being made."

Participant 12 stated that innovation was about how business was changing and being current in the marketplace:

> "Then another way is to look at change in times. So our savings business used to be very much a written, postal bank, secondary bank type thing, then when we moved to transactional banking we had to go back and say look at all these processes and revamp them to no longer be a secondary bank but a primary bank. So obviously a client who's got a card today, sitting at an organisation in the UK, doesn't want to wait two days for a process to run, it's got to be like that. So for us, innovation is about making sure we stay current with what we've got."

Participants responding to why collaborative innovation was necessary in the ever-changing business environment mentioned competitiveness and compliance, which ranked equal to each other when data was analysed.

Competitiveness

The participants agreed that the organisation's strategy must be unique and deliver a competitive advantage.

Participant 2 stated that listening to customers was a priority to competitiveness:

> "And that's the number one thing for us, start listening to customers, we are going to lose them. And the competition that is on our doorstep is, they're there for the taking."

Participant 6 agreed:

> "It was more of a case of our clients have this need; we need to fulfill it because they are feeling the pain because we cannot offer it."

And she elaborated:

> "So it was very much around the account itself is literally just the ticket onto the playing field, once we can get in there then we actually do something different."

Nonetheless, Participant 1 acknowledged that remaining competitive was a balancing act:

> "Making sure we you know that we actually keep a handle on things, but at the same time allow the business to be competitive."

Participant 4 elaborates on the challenge of remaining competitive:

> "So we have understood that we have a certain value proposition that satisfies perhaps 75% of the customers' needs, and that we can ideally, even successfully give him his end point, but with a gap in between. So the thinking is "do we go into research and development and spend money" or alternatively, do we acquire a business to deliver on the 25%, or do we go to the best of breed in the industry?"

Like participant 4, Participant 14 agreed that remaining competitive was adapting to the markets demands.

> "Correct, there is a big challenge on that and what we finding now, and it might actually help you is there is a lot of property brokers that have moved more into like a retainer type basis. Where they will actually look after the entire property share list for companies."

Participant 7 conceded that complacency jeopardised competiveness:

> "We have to work with one another, while at the same time retain our autonomy because we still got business to run. And you don't want to take your eye off the ball and get too. Complacent, Yeah I suppose is a good word or dumbed down"

Compliance

In terms of compliance, all participants agreed that constraints imposed by regulators had an impact on organisations' strategy and influenced management's commitment to be more responsive toward the market.

Participant 18 conceded that compliance was of paramount importance:

> "But this sort of guide is needed for HR. Because then they need to check that we are doing things right. And it, you know if we not then we not being consistent. Because if we don't do it you know no one else will. And we can't wait for big Labour Court challenge."

Participant 9 agreed that firms must comply with regulator demands.

> "And yeah so it's really quite difficult to foresee any issues because you, hopefully you've ironed them out and but I think the key things will be around foreseeing any regularity, FSB, collective investment schemes and that kind of issues and those sort of things are completely ironed out, beforehand."

Participant 1 explained that:

> "What used to be a manageable risk and a low consequence has suddenly become a very critical risk and very high consequence as well."

On the other hand he emphasised that: "It is finding the most pragmatic approach to compliance"

And he elaborated on the challenge of compliance:

> "So we constantly risk getting more and more and more legislation, so the biggest challenge is that if you had to comply 100% of all the law you probably wouldn't be able to operate."

5.3.2. Research Question 2: How is value co-created with multiple stakeholders?

This question was to address the current approach to fostering collaboration with an organisation's stakeholders.

Table 6 illustrates the different themes that developed from the interviews. There were 18 themes identified, the theme mentioned most was new mind-sets. Co-creation engagement and incentivising engagement were also relevant themes that emerged. These themes are discussed in more detail below.

Table 6: Approach to fostering collaboration

Number of Categories	Categories of fostering Collaboration	Number of Mentions
1	Non invasive alignment	18
2	Breaking internal silos	17
3	Incentivising engagement	13
4	Composite client solutions	12
5	Engaging specialist services	11
6	Shared vision	11
7	Strategic clarity	11
8	Other	10
9	Establishing project structures	9
10	Up-skilling	7
11	Cross functional client interaction	7
12	Co-creation engagements	7
13	Recognising performance	7
14	Cross functional client interfaces	5
15	Networking	4
16	New mind-sets	4
17	Celebrating success	3
18	Resourcing Stability	2

New mind-sets

With regard to changing mind-sets participants emphasised that the traditional approach to innovation should be replaced by open innovation with a focus on collaboration.

For example Participant 2 explained:

> “You see, I think, in our world the IT people are getting it and are very keen for this. We had a debate the other day around our dress code policy. So obviously it’s acceptable corporate attire depending on who your clients and stakeholders are. With, inverted commas, line manager’s discretion. But the world is changing at organisation X and that’s the nice part and people slowly starting to see it.

And he elaborated that to change managements mindset was a challenge:

“And to get them to actually say, well it’s a real piece of, like a piece of code but it adds no value to anybody so toss and move onto the next thing. It's a different mind-set.

Like Participant 2, Participant 7 agreed that the drive must come from the executive.

> "I would say because of the way the business was structured we were very silo based, we were very competitive and there wasn't any sharing, finished, there was quite a lot of acrimony and animosity between business units I would say the drive from our executive and from our leadership has been absolutely. We have to work as a collective."

Participant 8 reinforced the notion of a "shift in mindset"

> "It is exactly it, it's a shift in mind-set. It's been a very slow process in terms of almost saying, well let's test it and prove it and then roll it out from there.

Co-creation engagements

When discussing the approach to collaboration, a few participants expressed the importance of co-creation engagements. Below are examples of engagement provided by participants.

Participant 2:

> "And go to the client and say, does this work for you? And if it doesn't, toss it. We want the next idea, you know. So engage with them, build this thing with them so they feel they're part of it. They feel like they own it with us."

Participant 7:

> "There is a cost effective commerciality behind doing it as a project but what it does it makes everybody sit at the same table and hear, everybody else's issues, challenges, frustrations and our job is to solve how we communicate to our client."

Participant 12:

> "So for instance, digital are looking to put a live text chat in, but I want that because a lot of our clients would want to talk to us via that rather than the phone. Especially youngsters like yourself, the millennials, you guys love that."

Participant 16:

> "Yes, so we have multiple forums internally where we aim to have as much inclusion as possible, so we have something called "The Joint Development Team Structure", which means it is not only people from a particular division, but it could involve all stakeholders taking that product to market. So whether it is product development, segment marketing, brand and communication, PR, legal, health and safety, they all get involved to deliver something to the market, and that is, if you involve them from the onset, it is a lot easier to get buy-in at an early level so that you can be more efficient than your processes."

Incentivising engagement

When Participant 7 was asked about fostering collaboration, she introduced the theme of incentivising engagement:

> "The center of the question that actually what you're doing is for them and not for financial gain, there's a real client in the space but actually around that you've got to put structures in place that incentivise people to operate."

And she elaborated the importance of the incentives to warrant commitment of staff to the organisations brand:

> "I can tell you is the success of revitalising the staff around the brand is way more successful than any other advertising campaign could be, way more successful"

Participant 14 highlighted that employees were driven by share incentives not salary:

> "So yes as an employee as a stakeholder we've actually got a share incentive scheme. Where the guys will give us it's normally about 20 times our annual salary to buy shares. So that provides for the loan at the company's costed funding. So it's a way of encouraging you never going to get that finance in the markets and obviously the greater the share price you know we get the value from any growth outside in the share movement and that's been fantastic I mean everybody here we not driven by salary we driven by share incentives."

Participant 15 related how his organisation incentivise for the best idea in the year which increases the willingness to improve engagement:

> "The willingness to do more, to do differently. To improve our product stand, to improve our customer experience."

Participant 17 also expressed the significance of the incentive structure at his organisation;

> "And those would be direct objectives set for you to achieve that could be of a more strategic nature, in other words, you might only get the benefits in one or two years' time so, or it could be very short term objectives."

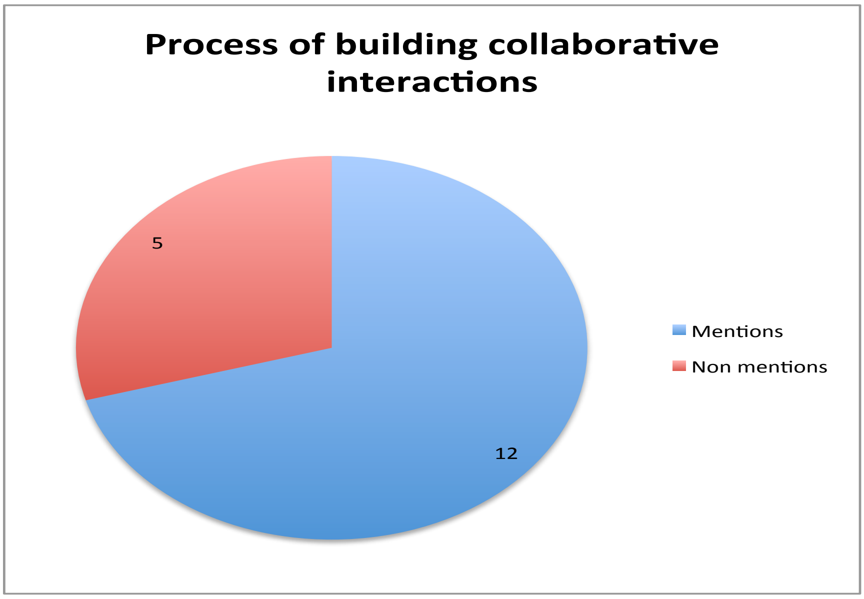
And he elaborated how the incentives apply to all employees:

> "On the factory floor, people have productivity bonuses. So it's first linked to safety, linked to attendance at work. So if you fail the safety one, it's like a decision tree, if you fail the safety one, you've lost your bonus for the month. Then if you go past the safety one, then there is a portion allocated for attendance, there is a portion allocated for various production targets, so incentives and things like that are very important."

5.3.2.1 What are the processes to building collaborative interactions?

The findings illustrate the processes an organisation undertakes to build collaborative interactions with stakeholders. The ensuing findings presented are focused on stakeholder management.

Figure 10: Process of building collaborative interaction



There were 68 mentions, from 12 participants regarding the processes followed in collaborating with stakeholders to co-create value, shown in Figure 10. Half of the participants mentioned constant communication as an important process.

As an example Participant 5 believed that all types of communication were significant in collaborating with stakeholders:

> "And yeah so sometimes I guess it comes back to this whole how does one communicate, yeah so does one communication via voice, over telephone, emails, face-to-face and I guess it's a combination of all of those."

Participant 14 believed that technology has made the process of communication more effective:

> "Communication is the most important thing. I think in today's day and age communication is a lot easier than it used to be, everybody is on cell phones everybody is on email. Its continuous, it's the email it's actually unbelievable what the internet does by in terms of trying to…"

Participant 13 proposed that the process of communicating uniquely is essential:

> "Clear communication and understand your stakeholder."

And she reiterated:

> "You always have to learn how to communicate uniquely to each stakeholder so that they understand you because not all people understand the same language."

She also believed that mutual understanding was crucial.

> "So I had to understand their business, their points of reference. I had to understand what could potentially be a challenge. And making them understand that it is important to you, it's important to the group and it is important to them".

Participant 7 concurred with participant 13 about communicating uniquely. She made mention of the processes of customisation and personalisation in her organisation:

> "Personalisation and customisation they everything, you can customise it to my needs, give me some though, put me at the front of your world."

Like participant 13, Participant 4 agreed that creating value was a “two way flow”:

> “Absolutely, and at any given point, that iterative process can flow either way, so it’s a two way flow.”

Participant 4 explained that her organisation took an iterative approach to value building.

> “And then there is another dynamic from an internal point of view and that is the business unit, so that is the people who are responsible for creating the value proposition, so in the continuum, you will have the person who creates the value proposition, in the business unit, you will have the customer facing unit, who understands what the customers’ pain points are, and who has the dialogue with the customer, then you have the marketing people who then take that proposition to the customer, but then you have the marketing people who feed back into product to say “This is what the customer is looking for, this is what the customer is giving feedback on, this is where we are finding greater uptake or lower stock take, and this is what we need to do in terms of redefining what that portfolio looks like” take that to the customer unit and try and sell it to the customer, the marketing people then get feedback, so it’s an iterative process.”

When Participant 6 was asked about the process of collaboration in her organisation, she explained that when initiating a new project, they initially interacted with focus groups.

> “So there was that and then so indirectly the clients through the bankers, directly with the bankers and then directly with clients in a way and that’s what we did we held focus groups with staff who were parents, as parents and their kids as well.”

She explains that her organisation run pilot testing with employees to try to control challenges that will arise.

> “And then we’ve been piloting or testing with the staff who have agreed to be part of the part of the pilot, so as much as what was tested when we went live we knew the code work but we couldn’t test for every single scenario. So there’s been like the little things, like you know, the card is live with VISA but

there's like you had to get each of the banks to get put the Vin onto theirs, if they don't put it on right the code won't work, so we had a couple of those it's got nothing, we've got no control."

And she clarified:

"And also what's part of the pilot is making sure our internal processes is correct."

Only Participant 7 mentioned "incentives" as a factor in the process of collaboration

"If clients are referred from, let's say they come in the private banking door and Private Banker actually has this incredible international capability and we can offer you that and they take it up that whole process has been managed and needs to be seamless for the client and what the team are working through, which is a structural change, which is a little about how you incentivise them, because remember you are two different business units they both working with a very, very different structure."

She said what was imperative in her organisation was keeping clients at the center of focus and surrounding them with a team of experts:

"So if you have clients at the center or your key sector, keep your eye on the goal, which is for that individual whether they are a corporate client, whether they are a private client, whether they are a media person, you keep them your eye on the ball, you can put the best possible team of experts around it and you have a level of success."

And she highlighted that diverse skills of stakeholders contribute to collaborative interactions, which accelerated the momentum of the organisation.

"Because you trying to now collaborate, the reality is the beauty of what we have is everyone's got diverse skills and they've got to bring those to the table that's the beauty of collaboration; is trying to get that process moving,"

Participant 8 agreed with participant 7 that through the process of collaboration, key stakeholders were identified and a team was build around them:

"From the very beginning of project inception to engage all stakeholders to get initial input, and then along the way, pull them in as needs be, rather than potentially running with the whole thing in isolation and then needing to do a lot of rework upfront. So, absolutely, I think the process is just…almost around having your central sort of, your key stakeholders and a little build of task team around that"

A few participants stated that regular meetings were fundamental for collaborative interaction to take place. An example was Participant 11 who believed that organised meetings was an important process to undertake:

"We went off site, and we actually just shared, our different businesses, what we trying to do, what our strategies are, were and what our clients, which clients we are looking after and we found that there was an opportunity that actually, there's an overlap in certain parts of it, of what we do in terms of the client."

Participant 14 agreed that meeting to keep in contact was imperative.

"They report to me on a monthly basis. We got manager meetings, yeah and".

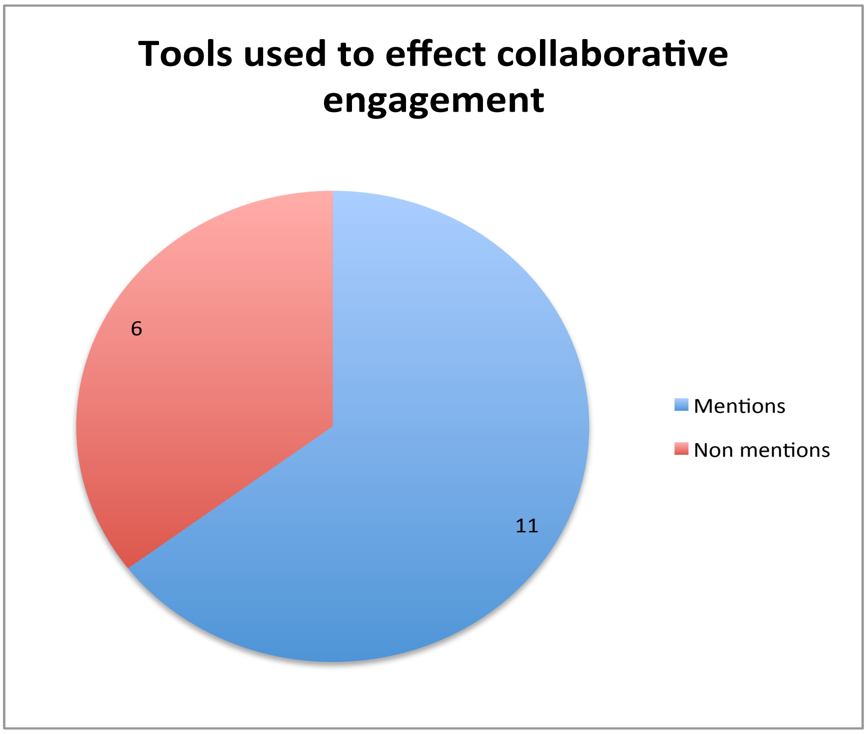
Participant 8 was the only respondent who mentioned that accepting doing things differently was an important process of building collaborative interactions. He stated:

"So changes the actual implementation and acceptance of change I suppose is one. And then rolling it out seamlessly and that sort of thing…"

5.3.2.2 What are the tools used to effect collaboration engagement?

This question addressed the current approach followed by organisations follow to effect collaborative engagement. When the interview data was analysed, there were 30 mentions from 11 of the 17 participants relating to the tools used to effect collaborative engagement. The use of technology to communicate was mentioned by most of the participants.

Figure 11: Tools used to effect collaborative engagement



Participant 1's view regarding the most effective tool supporting the interaction with stakeholders was transaction monitoring. He further highlighted that technology was useful for people profiling. He stated:

> "Right technology, I mean transaction monitoring you know used to be like Excel spreadsheets or something that stands out now we have very, very clever tools that actually, I mean the amount of technology that is in there and you can see it profiles people by their behaviour, puts them into groups together, waits for something to exit that person outside of that group and then it says now you no longer acting like some of your peers and it will"

Two participants also spoke about technology in the form of a "portal" that supported engaging with clients:

Participant 2 responded, "And there are probably going to be five or six different components that will become part of a portal, where we can start engaging and collaborating with our clients where they have the opportunity to actually give us feedback."

Participant 7 shared the same view about technology. She likened their website platform as "our shop window to the world":

> "and our platform, our website platform, is our shop window, this is our shop window to the world, and we not as fortunate as our other players, we don't have retail."

Two participants mentioned call centres. Participant 10 explained how their organisation's online service centres generated feedback in the form of the customers experience and ideas:

> "And then online again, you can contact us online. A call service centre…Call our service centre, please stick around and give us feedback on your experience, and whether we can see what we can do, the amount of ideas that come out of that is profound"

Participant 2, like participant 10 shared the view that feedback on "client experience" is a useful tool for engagement.

He continued by highlighting the fact that his organisation depended on a division devoted to market surveillance:

> "And then we've also got a division called, market surveillance where we look for, you know, certain patterns and trends around market activity to try and keep the entire market as a – you know, what do you call it. Make sure that there are no ill things happening in the market."

A number of participants spoke about focus groups and creative forums being a useful tool for collaboration and dealing with challenges.

Participant 7 elaborated:

> "There is a cost effective commerciality behind doing it as a project but what it does it makes everybody sit at the same table and hear, everybody else's issues, challenges, frustrations and our job is to solve for how do we communicate to our client."

Participant 17 stated that with regard to promoting engagement with stakeholders an effective tool was building a relationship by hosting events.

> "so I am busy at the moment setting up appointments to meet them all at this big plastics show. Obviously to build relationships with them but to understand the technologies, new products coming out.

Participant 11 also shared the view of the hosting business and showcasing the organisation

> "so we're doing lots of roadshows, telling the story, showing successes, celebrating successes"

5.3.3. **Research Question 3: What inhibits the process of evolving co-creation through collaboration with stakeholders?**

When analysing data the researcher found that there were 26 mentions of the importance of building relationships and trust-building competencies with stakeholders.

For example, Participant 1 stated that building relationships of trust with people was important.

"Build relationships quite fast because you have to build trust in very short space of time and so it sounds like a silly thing to do but it was an amazing, an amazing experience."

Participant 5 also mentioned the importance of developing an approach of building relationships internally and externally with stakeholders:

"So not only are we asking our front-line staff to build those intimate relationships with their clients, we also have to do the exactly the same thing with our own people.

Participant 13 emphasised the importance of overcoming the challenge of building a relationship of trust with stakeholders:

> "To break through. So now I'm his right hand man and…He just trusts everything to me, like whatever Yeah. And he said to me, he said, do you know that you got a brand. Do you know? No one can take away. So…And because of that brand, I work well with the other CEOs of all the countries."

Likewise Participant 14 mentioned how trust increased the fortuitous of repeat business:

> "External stakeholders but what's nice about that is we've grown a relationship with them and we trust them enough to actually do more projects with them"

Participant 17 described his strategy about relationships with stakeholders:

"So my strategy is going to be well guys, who's got the best relationships with which suppliers and which markets, you know, let's not toss that away. If you have got a very good relationship with somebody in Johannesburg, you know, maintain that relationship because people at the
end of the day deal with people.

Participant 7 maintained that mutual respect for each other's expertise is important in building relationships:

> "The mutual respect for what somebody else does is massive and I think what people recognise in marketing spaces, the more partners we have, we have a mutual respect for the expertise that they bring to the table and they bring different expertise, we will never have that expertise in-house, I think that's the difficulty with marketing and it's a bit like internally as well."

She further stated that collaboration was critical:

> "Your collaboration is so critically kind of dependent on the partnerships and relationships that you build and you grow."

Nonetheless, Participant 5 argued that the monetary value was the key factor to approaching a relationship with stakeholders.

> "I understand your business, I understand your balance sheet, I understand your risks, and so we built that relationship but also you can't get away from the fact that prices are key, is a key factor."

The following two questions are concerned, respectively, with barriers and challenges affecting collaboration processes. The researcher has attempted to distinguish between the two by noting that a barrier is pre-emptively anticipated and can be managed. Conversely, challenges are constraints encountered in the present day business environment.

5.3.3.1 What are the barriers to effective collaboration process?

The participants were asked what barriers they encountered during the collaboration process. After an inductive analytical method was applied to the data, key themes emerged. These themes were coded and the results of the participants' responses are reported in table 7 below.

Table 7: Categories of barriers

Number of Categories	Categories of Barriers	Number of Mentions
1	Resistance	19
2	Outdated practices	18
3	Organisational culture	15
4	Non inclusiveness	10
5	Organisational structures	9
6	Unprofessional conduct	5
7	Quality of systems and data	4
8	Regulatory	4
9	Information gaps	4
10	National geography and culture	1
11	Resource constraints	1
12	Conflicting agendas	1
13	Personality conflicts – Ego	1
14	Diversity of cultures	1
15	Enormity of processes	1
	Total Number of Mentions	**94**

All seventeen participants responded to the question of identifying barriers to collaboration in their respective organisations. There were a total of 103 mentions calculated and fifteen different categories of barriers identified. Resistance was the category most mentioned followed by out-dated practices, organisational culture, non-inclusiveness and organisational structures. A detailed description of the top four categories is discussed below.

Resistance

With regard to resistance, most participants indicated that, generally, people were resistance to change. Participant 2 pointed out: “Because people don't like change. They really don't.”

For example, Participant 10 explained that she could not understand how some people believe that if a system is working then there is no need to change:

> "Because people don't really want to change. Yeah, I mean I've had answers like, but we've always just done it for the past ten years like that and I keep saying, but do you know why you were doing it like that for the past ten years. Explain that to me and no one can."

Participant 9 explained that this resistance to change was a culture, which she found interesting:

> "Its quite interesting. It's quite tricky actually because you're going into this space where this is all new to them as well. And they don't generally like change as a culture, so very interesting"

Participant 8 like Participant 9 states resistance to change is a barrier:

> "I think again, obviously in some respects the change is always an interesting thing to manage. I mean you get some people who are quite resistant to it in some respects, particular if it might be a big change to their area…"

Other participants identified resistance to "new thinking", compromise and engagement as barriers affecting collaboration processes. Below are some quotes from participants that illustrate these barriers:

Participant 4 stated that there was resistance to bringing in new ideas.

> "Why change it? Yeah, so that's the one thing, we have always done it this way so there is no room for bringing in new thinking."

Participant 2 mentioned that single-mindedness creates a barrier to the collaboration process.

> "A developer is somebody who is very passionate about the work that they do, you know. And they never, they don't often think about whether or not it's adding value to somebody else, but it's more a case of them being very protective over it."

Participant 17 also identified a barrier as the process of compromising when there is an element of resistance.

> "You know rather than decree it you have got to agree it. So it actually becomes quite tricky, so you've got to say well "Why are you competing down in Cape Town, when your plant is based in Durban?" Why don't you…so you have got to look for areas of compromise, and you have got to in many ways, it is quite tricky, because in many ways you have got to, you will never get it perfect."

Participant 4: highlighted resistance to engagement:

> "There is a lot of engagement, but it does not always happen, and again for the reasons I have demonstrated above, around the external stakeholder."

Out-dated practices

Many participants mentioned out-dated practices as preventing collaboration. Below are some quotes from respondents that illustrate how out-dated practices become a barrier to successful collaboration.

Participant 2:

> "But there's a portal that you can do it through as opposed to the, you know, there is this perception that once they phone the call centre it goes into the deep, dark abyss and, you know we forget about it."

And he continued:

> "The other biggest issue we have, is whenever we have a system outage or whatever, you know, we are the last people to inform our clients. And also – or what are we doing about it and how, you know how serious is it and is there going to be market halt forever."

Participant 13 spoke about updating standard processes:

> "Ideally it should be an ongoing standard process, but what we find happening is that because there are so many responsibilities and deliverables, that we tend to do it when it is necessary, and I think that is probably the biggest challenge that we have, is that we are reactive as opposed to proactive, because if it happened on a regular basis, then you could become proactive, but we don't have that."

And Participant 7 explained how outdated practices negatively influence the organisations processes:

> "Marketing, often what we see with challenges we see in marketing often mirror business challenges, because you will see businesses that say we need to tell people x,y and z so you can immediately see in a market space perhaps where we are lean on certain things, where we need to grow products in certain offerings or if we actually don't have this often"

Like participant 7, Participant 10 recognised the importance of current practices:

> "Because we are very slow in finalising these policies people have no guidelines, people have no reference. Because there used to be this book. This was the old book. So this... so what they did was... this was a good thing. But this was all Mondi things. So now what they want to do is say okay, let's review all of them and check is this still applicable? Do we still want this one? Like this, you see why"

Organisational culture

Participants identified organisational culture as a possible barrier to effective collaboration. The values and behaviours that should make up the organisational environment of the respondents is discussed below.

Participant 2.

> "And then, I think, the most important thing is, how do we get people to think differently and the cultural aspects of, okay now, you know, everything that you've been accustomed to and the way you've developed and lived it and breathed the JSE for the last X number of years..."

He further explained the regulations of the JSE that influenced the culture of the organisation:

> "The JSE is, being the organisation it is, is extremely price sensitive and cost sensitive on what we do and how we do it".

Participant 13

> "Now I think in my whole career that was the biggest challenge and actually

when I left they hadn't finish, and they didn't finish because – so this is where it was a promotion and you got into a certain group to be EXCO. This is where I had to deal with the challenges of, first of all, being the only woman."

And she elaborated:

"And because of that type of arrogance there would be the type of guys that in a meeting they'll throw big words at you to intimidate you'.

Participant 4 explains:

"No, I think the intention is there, and organisationally we try to establish proactive opportunities for us to create that dialogue, some of it is also reliant on certain types of personalities, and also certain type of leadership."

Non-inclusiveness

A number of participants described non-inclusiveness as a barrier which needed to be rectified to effect successful collaboration with the organisation. Listed below are some examples of the participants responses.

Participant 13 stated that:

"And being a woman, we're naturally like soft people, emotional people and…"

And she elaborated that:

"We do give up. But you want to be understood in that meeting that…You know when it's 15h00, I need to get out of here because I've got kids to pick up."

And finally:

"So that's still – yeah that's still the points that I struggle that I still need to fight but I'm sure"

Participant 8 talked about being included in the whole process:

"And it was literally…get a request, put together some numbers, send off those numbers…you never knew how those numbers got used, what decisions were made off of them and that's almost all of the commercial side that I said was missing, yeah I was just a bit of a calculator."

Participant 10 believed that understanding and practicing inclusiveness right at the beginning is important:

> "If you miss that in the beginning you'll forever be confused. I think so. I've realised. So if you miss that whole understanding that this is group and this how, all, everything else ties together. Then you'll be very frustrated."

Participant 9 shared the same views as participant 10 on inclusiveness but also believed that arrogance could impede a process, sometimes it was more beneficial to keep it simple.

> "Ego and arrogance, we think we know everything and we know what you need and sometimes it's the basic, basic stuff that people need and you go out and you pitch a clever, structured, derivative this add-on it's got this and it's got that, that and that and it might work for you know a certain client base but…? You're not really speaking to.."

5.3.3.2 What are the challenges when adopting collaborative behaviours?

When participants were questioned about challenges that are encountered in the present day business environment 15 participants responded with a total of 80 mentions. The participants cited these challenges as value-detractors as they impede collaborative behaviours.

Table 8: Categories of challenges

Number of Categories	Categories of Challenges	Number of Mentions
1	Aligning disparate views	27
2	Developing seamless interfaces	14
3	Regulatory Compliance	10
4	Differences in business models	6
5	Collaboration	6
6	Executing process	4
7	Power balanced tensions	4
	Total Number of Mentions	**71**

Table 8 presents a summary of the categories of challenges as mentioned by participants. The categories with most mentions were "Aligning disparate views" and "Developing seamless interfaces". A detailed description of the respondents' views of these categories is discussed below

Aligning disparate views

When participants were questioned about challenges as value-detractors, many mentioned the challenge of balancing the people, the skills and organisational culture. Below are examples of this challenge.

Participant 13:

> "The challenges with that, and I guess they all can align to your question of if you're implementing a process, how do you put people together. We are one group but we are four brands. Each brand is a different culture. Each brand's done different things and each brand understands things differently."

Participant 2:

> "You know, they are a very special type of employees but at the same time we have quite a formal event area downstairs where there are public listings, end of year financial results. High profile people and now you got a guy in, you know, shorts and sneakers, whatever walking through the foyer area there. So it is a bit of a balance. There's a lot of challenges in that space, where do you, how do you manage that balance."

And he continued by elaborating that aligning views of what was acceptable was a challenge:

> "Because my view of what is, you know, acceptable versus the person down the corridor is totally different"

Participants also highlighted the challenge of aligning management and the team, which increases the challenge of "getting people together."

Participant 10 admitted:

> "So everyone is doing what they think is right. Which is dangerous for the group."

She continued:

> "Because you all pull in different directions."

Participant 5 conceded that:

> "So you know to get all those people together, I don't think you will ever get it 100% together."

And he continues, theoretically it makes sense but practically it becomes a challenge:

> "I mean when you write it down like that it sounds simple and easy. But you've got so many conflicting agendas.

Participant 3 identified a challenge for her organisation as the degree of autonomy the operating divisions have to making decisions:

> "But the challenge that you have, is that if you do not have the buy in from all the parties within that, it is not going to be successful, so there is that constant need to ensure that the value is demonstrated and tangible and be able to be seen."

Participant 4 like participant 3 acknowledged that "buy in" of all parties was significant:

> "That challenge is that we absolutely have to work hard at showing a single face to the customer and not two separate organisations, and that is always a challenge because you do have two separate organisations. You have to have complete leadership synch and buy in and very, very hard. And then obviously, to have a really, really good partnership one needs to actually have the same type of organisation, and there company values and culture play a big role."

Participant 5 and Participant 16 agree that the quality of communication needs to be improved in the business environment:

Participant 5:

> "We're all terrible communicators. It's got to be my greatest bug- bear. It's the quality of communication because you know we just don't seem to, it's hard to get it right, let's just put it that way. Oh it's a massive challenge, I would suggest communication."

Participant 16:

> "Unfortunately communication is a very subjective thing, so I mean you would

often find other members within your team or within senior leadership are not necessarily aligned or to the communication that you are putting into the market or that they are simply not the target market so, the messaging at that point does not resonate with them."

Nonetheless participants agreed that successful communication was productive:

Participant 17:

"We're going to sit in the boardroom and discuss how we can stop fighting against each other in the market and try pull 1% or 2% more out of the market."

Participant 8:

"Contrary to the way we've done things up to now but at the same time, if we don't move that way, we are not going to realise the commercial benefit"

Developing seamless interfaces

Several participants admitted that the challenge of meeting and interacting with stakeholders and recognised that inability to develop seamless interfaces could result in inhibiting progress for the organisation. Participant 7 explained that the marketing challenge was a "consistent message and thinking":

"One project at organisation X is a beautiful example where we found the marketing challenge in trying to get the teams at the table to agree on a consistent message and thinking then highlighted we didn't have a consistent message and thinking, and that's a business unit issue, that's a challenge that the business actually faces in saying you yourselves are not aligned in terms of what your strategy is and what your direction is so there is a lot of pushback there from marketing to the business, say all very well for you to tell us to make this thing look and feel the same, and tell clients we doing this but unless that entire back end in business sits behind it what you tell people is essentially not true because in the back end what you're not going to see is that seamless process isn't going to unfold, so that's the one example where we learning lots of things about the seamless process."

And she elaborates on the challenge of interfacing:

> "But it's a huge business thing we need to tell people about it and we say actually as a business we got to at some point try and foster how do we channel this information, how do we share it and what's the best way to share it and once we've agreed that then we share it from; so we got be faster and quicker cause the world's moving so quickly."

5.3.3.3 What is the recommended approach to strategic innovation through co-creation?

The purpose of this question was to understand how co-creation with stakeholders led to strategic innovation. Most participants contributed by describing their organisations' unique approach to strategic innovation. The graph below details the total number of mentions in this category and the percentage of respondents.

Figure 12: Approaches to innovating solutions

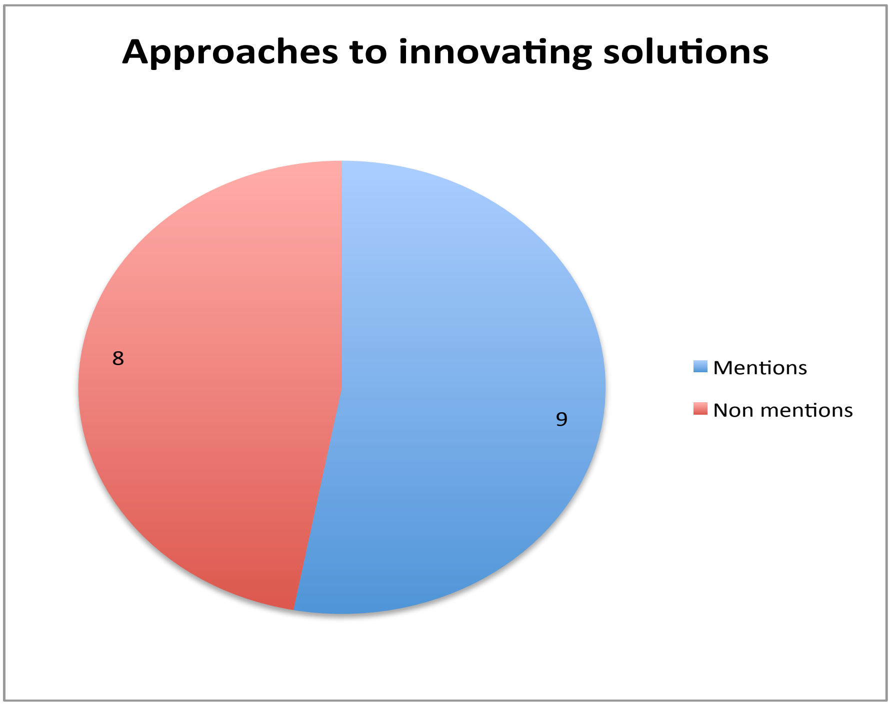


Figure 12 represents the 58 mentions from nine participants on approaches to innovating solutions. Participant 2 spoke of "crowd source people" as well as the use of technology "the buttons on Facebook" as an innovating solution:

> "They've actually got people, they crowd source people to go out and sit with a bunch of customers and learn experience with them and ask them, what does

and what doesn't work. Added to that, the analytics of if they're putting a new – the buttons on Facebook when you want to like somebody's post, the politics that went behind not just the like, but now you can choose a happy face, a smiley face, whatever. That was the single biggest impact change to Facebook according to the Value Proposition of Facebook's head of design."

Participant 12 added:

"We did it quicker than any one's done it before, and we literally the first, probably the first institution in Africa. The only people that beat us to it were in the UK. So that's an idea of innovation through technology."

Staff participation, fit for purpose solutions and cross-functional ideation teams were mentioned as significant approaches to innovating solutions. Below is a description of respondent comments of these three approaches.

Staff participation

Participant 12:

"To answer your question in parts, many times we will launch a product to staff first, even voice biometrics went to staff first. And my reason for that is, we can contain it to a group of people; secondly we get, what we call, friendly feedback; and thirdly not working well, we would hope, we would pray, it's not likely that they going to go onto all sorts of media and slate us."

And he elaborated:

"A lot of the collaboration comes through that process. The staff is all talking, but we also sit down with our risk communities, our poor communities, our operations communities, and make sure that we walk through this thing step by step so that we've got everything covered."

But he cautioned:

"The point is always to make sure that every clients gets an out of ordinary service and that something new doesn't detract from the service other clients get."

Participant 15 like participant 12 explained staff participation towards innovating new ideas in his organisation:

> "As an organisation we believe that all the 4500 people each one of us has an idea of that can take our business to the next level. So that itself is saying we have properly functional people, it means that we sitting with 4500 innovative ideas.
>
> And he continues: "How do we leverage from that range?"
>
> "The truth is that if you treat each and every person as having the next best idea to improve your business processes, you allow them the platform to do so by creating an innovation platform called 'my ideas'.

Participant 10 explained that his organisation promote and encourage employee participation through an incentive scheme:

> "There is an innovation prize".

Like participant 10, Participant 2 agrees that incentives were a great business concept.

> "If you came up with a great business concept that really made a difference in that organisations. So we tried that, but we put a R5 000.00 tag to it."

Cross-functional ideation teams

Participant 11 stated that his organisation believed in being client centric to achieve the best value proposition:

> "So what helped us to stay on course was actually just putting the client in the centre and we did a massive piece of work around what is the value proposition we want to take from the clients, what makes one place different to anybody else? And there's a great slide that we created that actually puts the client in the centre, you can literally see all the different parts that would form it."

Participant 10 explains how a cross-functional team is responsible for filtering all ideas:

> "It's managed by an innovation hub. It's a team responsible for that. All our innovation, and that team are responsible for filtering all our ideas. Sifting through what they believe is great, and what they believe is less great but still great."

Participant 7 explains further:

> "We gave everyone 6 minutes they all had to create a video. And they all had to come back, present their video we did it like an X Factor and then senior managers sat on the panel and gave ideas, the one was story telling over the platform and we have invested in saying we need to tell more stories about organisation X externally and internally so that we roll out time as much as we possibly can, and second piece to that was organisation X spaces it was a view from our staff that we were not keeping up, we were living still in the 1970's in our building and we weren't keeping up with thinking, and everything of who we are."

Participants commented on working with multiple joint teams to find innovative solutions. Below are examples of the participants' comments.

Participant 16:

> "I am working with multiple joint delivery teams, to deliver campaigns within various capacities, whether it be in marketing advisory, media, target market segmentation and so forth, so it is quite multi-faceted from that perspective."

And she elaborated:

> "They are predominantly internal, so that would be, so how we are structured is that we work very closely with product, as well as segment marketing, and then obviously that would be internal stakeholders, so that would be development of go-to-market plans as well as brand communication strategies and then executing them with a number of external suppliers and agencies, and then ultimately the various approval processes that have been workshop with our senior leadership team, you know, during that process."

Participant 8:

> "That was when…there was a sort of business as usual team, but then there was a project team to form a retail bank. And I joined as part of that project team as such to build that retail bank. And my role in that space was to head up pricing, insurance, commission, rewards, client value proposition."

Participant 7:

> "You can't and often I'm obsessed with the financial teams I promise you put one of our team members in to your meeting, the way they see the world is different, there is no doubt about it, no doubt about we see it all the time, they think and dream differently and when you "gooi" something on all your minds they go immediately to the commerce…"

Fit for purpose solutions

Participants acknowledge that adapting to the clients' needs was an important approach to innovating solutions. Below are some examples, provided by the participants, illustrating this strategy.

Participant 12:

> "We didn't really do particularly well with that, so we swopped that around very quickly to make it an after sales team."

Participant 7:

> "So managements strategy was plumb on because what he was saying was as a marketer can I spend your bar, of course I'm a marketer I'd love to but you know what you better off; put your money in to hiring three people, set them up on a phone line, give them an infrastructure, and you know we can turn this."

And she continued:

> "Mine the database, visit the people, show them what our products are so you do whatever it takes and actually as a percentage of commission you will get X,Y,Z and you can actually start to build your own base as youngsters. Now that was a marketing solution to…the business kept coming saying…"

Participant 6 agreed to adaption to clients needs:

> "So if you want that, you can have that" and "It's kind of like the, there's compromises, there's trade-offs, you don't have both of that as, that's life."

And she explained:

> "So we knew what we wanted to do, in a way it was quite easy because it was a

very basic product and I mean all the four banks have had this for years and we weren't kind of like reinventing the wheel."

Participant 16:

"On major campaigns we also then do pre-testing of messaging to understand, to gauge, you know, consumer understanding, research to the product or the proposition that we're putting into the market and obviously, alignment in terms of culture or language in the form of focus groups or other qualitative research methods."

CHAPTER 6: DISCUSSION OF RESULTS

6.1. Introduction

Chapter 5 proposed detailed results from the data collected from in-depth interviews with participants for this research. By combining the findings, the researcher aimed to contribute to academic literature, to enhance the understanding of why and how value is collaboratively created, to address the questions proposed in this study. This chapter links the insights obtained in Chapter 5, by embarking on a comprehensive discussion of the findings and comparing these to the understandings of academics and scholars literature in Chapter 2. The coding and analysis of interviews transcripts has enabled the researcher to determine confirmation or contradiction to the research questions outlined in chapter 3 and presented in Chapter 5.

The objective was to address the research study's purpose to determine the value co-creation process by multiple stakeholders, as well as to identify main barriers and challenges that can obstruct this value. The focus of the study is on companies listed on the Johannesburg Stock Exchange.

For uniformity, the same arrangement used to present the results in Chapter 5 is used in Chapter 6 for the discussion of the findings. This allows provides clear sequence of the argument, moving the broader discussion on why and how value is co-created by multiple stakeholders into a detailed discussion concerning what inhibits the process of co-creation evolving from collaboration with stakeholders.

6.2. Addressing the Research Questions

6.2.1. Research Question 1: Why is value co-created with multiple stakeholders?

Before attempting to understand why value is co-created with multiple stakeholders it was important to clarify that the interviewees recognised that multiple stakeholder interfaces impact business. Prahalad and Ramaswamy (2004) state that stakeholders want to interact to create value therefore organisations cannot operate autonomously.

The findings supported Frow and Payne's (2011) view that organisations should categorise stakeholders and develop strategies for collaboration with each stakeholder. Participants explained how they had a wide pool of stakeholders, all their support functions of the organisation was classified as stakeholders and co-created the value proposition. The findings also supported the framework developed by Hult et al. (2011), which indicate exchange relationships between stakeholders. This framework acknowledges two groups of stakeholders, mainly primary and secondary, who directly and indirectly influence the organisations survival. This concept was justified by the findings when participants recognised that internal and external stakeholders influence their current environment and the organisation could separate value creation from an internal or external perspective.

The findings derived from the data presented an interesting argument that some organisations perceived management as part of the stakeholder network. This element of the stakeholder network was supported by Greer et al. (2016) in their study by acknowledging that managers are also employees in the organisation and share their expertise of knowledge and experience and therefore can be seen as contributors to co-creation.

6.2.1.1 Research Question 1(a): What sources of newness with regard to value necessitate collaborative innovation?

O'Cass and Ngo (2011) examined the organisation's strategic value proposition. The results of their study suggested that superior value proposition enable the organisation to attain superiority in the marketplace. Ultimately it is the organisations perception and their interpretation of the market that they are operating in that determines their value proposition. Prahalad and Ramaswamy (2004) described the new-age customer as connected, informed and active, as well as customers are continuously challenging information. For this reason organisations recognise that the business environment is constantly changing and evaluating possibilities and adapting value creating processes is essential to remaining competitive (Bettencourt et al., 2014). Aarikka-Stenroos and Jaakkola (2012) concedes that finding new collaborative problem solving techniques is critical to improving value creation.

In a study conducted by Gummerus (2013) it was highlighted that even after an intensive study, the value concept was still a current issue for value researchers. The question "why value is co-created" addresses the new sources of value in the marketplace that necessitate collaboration. The research findings highlighted that the organisation is continuously aiming at improving the value outcome.

The following concepts are discussed:

Establishing new processes and process improvement

These two categories were the most relevant from the organisations view of value delivery. In terms of establishing new processes, the research findings supported Gouillart (2014) theory that co-creating value can justify organisational or process transformation. Stakeholders influence the design of the company's processes through collaboration. In this study it was shown that organisations were determined to be diverse and unique to compete in the market and changing processes to meet this strategy. This study revealed that adopting new legislation and the expansion of the organisation results in the business environment changing therefore it is important for the organisations to adopt collaborative innovative process improvements to maximise value. This finding supports Gouillart (2014)opinion that stakeholders assist in sustaining the process improvement because of the bottom-up and outside-in approach by management.

Competitiveness

The research findings suggest that the firm's value proposition relates to service as the basis of exchange to remain competitive. Vargo and Lusch (2008) emphasised this in their S-D logic stating competition is driven by the ability to effect desired change by continuously updating its knowledge. Operant resources are key for competitive advantage (Vargo & Lusch, 2008) and knowledge is seen as an operant resource. Therefore, this study supported this foundational premise when organisations revealed that knowledge of their clients needs is imperative to co-creating value but remaining competitive is a balancing act between the client's needs and the organisation retaining their autonomy. Therefore, the opinion of Rintamäki et al. (2007) that a competitive value offering is a strategic process that attempts to bind the customer and organisations together and guide them towards a common goal has become a challenge for organisations to practice.

The study also revealed that complacency jeopardises competitiveness. However, as Mostafa, (2015) pointed out, an organisation should maintain competitiveness by continuously striving on differentiating itself in the marketplace.

Compliance

Hult et al. (2011) examined the impact regulators have on the firms' activities and the proactive strategies that organisations develop to remain competitive. The study revealed that most organisations believe that compliance to regulations means consistency for all stakeholders and the development of an ethical corporate culture. However, the study also revealed that compliance was a challenge as more legislation was imposed and the organisation had to anticipate and plan for the difficulties that could arise making it difficult to operate competitively.

6.2.2. Conclusion Research Question 1

In conclusion the data showed strong evidence that organisations acknowledge the presence of stakeholders. This impacted decision-making and indicating that organisations cannot operate autonomously. This finding was in alignment with recent theories being explored, where value is created between multiple stakeholders and also acknowledging that, because management share their knowledge and skills, they can be categorised as stakeholders and co-contributors to co-creation.

With regard to value, data was also analysed regarding what sources of newness necessitated collaborative innovation. It was found that sources of newness was seen as what is perceived by stakeholders as a new set of needs due to the continuously changing business environment.

The findings contributed to understanding of what necessitates collaborative innovation. Organisations may want to be proactive in remaining committed to continuous improvement and establishing new processes instead of languishing in stable ones.

6.2.3. Research Question 2: How is value co-created with multiple stakeholders?

Ballantyne, Frow, Varey & Payne (2011) indicated that collaborating with stakeholders has become a key strategy to uncovering new value creating solutions in a complex business environment. Therefore collaborating with stakeholders achieves customer solutions.

New mind-sets

This research attempted to uncover the approach adopted by organisations to foster collaboration with stakeholders. The findings suggested that organisations adopt various approaches but the most significant were the organisations mind-sets to mutual value creation. A study by Greer et al. (2016) explains that a S-D logic or service perspective is applying the organisations resources for the benefit of another. When an organisation manages with a service mind-set, it adopts a philosophy of working together for the benefit of each other. Participants of this research highlighted that it was a challenge for management to make this mind-set shift, from “silo based” to “sharing”. Even-though it was a slow process, management was prepared to self-adjust and embrace the idea of being part of the service ecosystem. This supported Martinez (2014) findings that management should focus on a more co-operative mind-set which will ultimately support a win-win situation.

This change in mind-set leads to an approach of collaborating in co-creating engagements. This statement was endorsed by participants in the research who explained that inclusion was vital for the organisation and knowledge and engagement of stakeholders’ challenges and frustrations led to productivity and efficiency in processes. Greer et al. (2016) proposes that an organisation’s approach to collaboration should be a joining of employees and customers and the recognition of this partnership in service exchanges. Additionally relationships with all stakeholders are critical which supports the S-D logic that value creation is cluster of networks (Vargo & Lusch, 2008).

Communication

Another approach to fostering collaboration with stakeholders brought to the researchers attention in the findings was the role that incentivising engagement played in value co-creation. The study revealed that the commitment of employees to fostering collaboration was revitalised by extrinsic incentivisation. A participant commented, “there is a willingness to do more, to do differently which improves our customer experience.”

Research by Roser et al. (2013) research on managing co-creation and identified managerial practices associated with stakeholder co-creation. They indicated that incentivising co-creators is one of the choices management have when designing co-creation ventures. Intrinsic incentivisation renders stakeholders commitment to co-creation as more meaningful and the form of incentivisation is related to where in the innovation process co-creation is undertaken.

6.2.3.1 <u>Research Question 2(a):</u> What are the processes to building collaborative interactions?

The findings in the research revealed that the process of communication was necessary to building collaborative interactions. It also revealed that the participants acknowledged that the market they were operating in was changing the role of the firm and stakeholders. This supports the Dart Model proposed by Prahalad and Ramaswamy (2004) which identified interactions facilitating co-creation between the organisation and stakeholders. Dialogue has become the basic concept to successful co-creation. Participants implied that creating value was a “two way flow” of information. Prahalad and Ramaswamy (2004) stated that building blocks of transparency and access are critical to successful communication. The findings of the research indicated that participants acknowledge that transparency and access facilitates successful communication with stakeholders. They undertook to make the customer their focus and surround the customer with support teams to achieve the best possible solution for their needs. In their view, transparency was achieved through an iterative approach, which gives the customer the ability to make informed choices. Hillebrand et al. (2015) argue that only information required by stakeholders to co-create value needs to be shared.

6.2.3.2 <u>Research Question 2(b):</u> What are the tools used to effect collaborative engagements?

Frow et al. (2015) mentioned in their study that there is a need to develop tools and processes that relate to co-creation. To allow customers to interact with the firms to co-create value it is important that organisations have a platform for the customers to exercise their influence. Payne et al. (2008) suggest that marketing messages should enlighten the customer on the use of tools to interact with the product or service.

The findings of the research revealed technology was considered a useful tool for effective communication with stakeholders. A “portal” where an organisation can monitor feedback from stakeholders and engage in problem solving is a tool that keeps the stakeholders informed, connected and empowered. Technology allows the organisation to have a website platform to connect with consumers. As a participant stated this is the organisation “shop window to the world”. Prahalad and Ramaswamy (2004) stated that the advancement in technology is making it more difficult for organisations to differentiate themselves therefore organisations need to focus on effective collaborative engagements with stakeholders.

6.2.4. Conclusion to Research Question 2

In conclusion, research question 2 aimed to explore the current approach and processes followed in co-creating value with stakeholders. The findings suggested that adopting a service mind-set creates a philosophy of working together for the benefit of each other. This finding was in alignment with service theory that the context of value creation is access to networks. Another finding was that employees’ commitment to value creation was increased by extrinsic incentivisation.

This finding did not support a previous study which claim that intrinsic incentivisation is more relevant to influence stakeholders commitment to value creation.

The findings conclude that the process of communication was necessary to building collaborative interaction. This finding contributes to the theory that dialogue is the basic concept to successful co-creation and transparency and access facilitates successful communication. Nonetheless, how transparent should an organisation be to co-create value, the argument is that only information which is required by stakeholders needs to be shared.

Data also indicated that tools and processes are needed to effect collaborative engagement. The findings revealed that the most significant tool for effective communication is the use of technology. However the advancement of technology is hindering organisations’ ability to differentiate them.

6.2.5. Research Question 3: What inhibits the process of evolving co-creation through collaboration with stakeholders?

Absence of Trust building

Trust building brings stability to collaboration and an enabler of co-creation (Romero & Molina, 2011; Pera et al., 2016) This implies that the element of trust between parties signifies a mutual commitment to collaborate and co-create. This builds credibility between stakeholders and binds them together in a stakeholder network. The improved co-operation, the sharing of resources and capabilities greatly advances the value creation process (Schneider & Sachs, 2015).

It is therefore assumed that if trust is a facilitator of co-creation, the absence of trust between stakeholders will inhibit the process of evolving co-creation through collaboration with stakeholders. Conversely, Pera et al. (2016) proposed that co-operation and interaction alone is not an indication of successful collaboration; trust, openness and inclusiveness are essential ingredients for knowledge sharing and integration to take place.

Despite literature reviewed supporting trust building as an enabler of value the study revealed that only six of the 17 participants acknowledged that trust was an important enabler of creating value with stakeholders. These participants stated that building intimate relationships with stakeholders was important throughout the organisation. They also suggested that mutual respect and good relationships built on trust, as the foundation will secure the commitment of the stakeholder to the organisation. Conversely, one participant mentioned that trust was not the most significant factor to building collaborative behaviour; he argued that monetary value was as important.

6.2.5.1 Research Question (3a): What are the barriers to effective collaboration processes?

Despite advantages to collaboration, this study indicated that organisations view the process of co-creation of value as challenging. This was emphasised by the fact that all participants mentioned the presence of barriers when the process of co-creation was undertaken in the organisation. For the purpose of this study barriers to effective collaboration are viewed as impediments that are pre-emptively anticipated and should be managed for collaboration to be successful. The findings identified the following barriers to effective collaboration; Information gaps, national geography and culture, organisational structures, organisational culture, out-dated practices, Quality of systems and data, regulatory, resistance, resource constraints, unprofessional conduct, non inclusiveness, conflicting agendas, personality conflicts (ego), diversity of cultures and enormity of processes. To further highlight these barriers we discuss those that were viewed by participants as the most applicable.

Resistance

The barrier that was identified as the most significant and identified by more than half of the participants was resistance to change. Hillebrand et al. (2015) highlights the acquisition of capabilities that an organisation needs to overcome the challenges of co-creation. The capability of paradoxical thinking, which embraces the element of change and views it as a learning curve and stimulator of creativity, rather than following the path of least resistance. Therefore encouraging stakeholders to embrace paradoxical thinking will overcome the tensions that result from change.

The findings of the study identified various elements of the barrier, resistance to change. Firstly, change in systems, as a result of new innovative strategies and secondly, the resistance to new ideas which can result in compromises. Hillebrand et al. (2015) argued that dispersion of control refers to the organisation sharing the control with stakeholders or adopting compromise with stakeholders. Dispersion of control supports the organisation's commitment to co-creating with stakeholders therefore compromises can be viewed as a capability and not viewed as an inhibitor of co-creation.

Out-dated practices

Stakeholder networks is making organisations reorganise their marketing strategies to become innovative and implement interactive marketing strategies consequently, organisations rely on customer-generated content for sustainable customer relationships (Romero & Molina, 2011). The findings revealed that out-dated practices were a barrier experienced by many participants. This barrier could be explained as an organisations' system not generating the equivalent up-to-date information as its competitors; customers not technologically literate and not making use of virtual communities, or system failure due to technological issues. Participants explained how an organisation becomes reactive to technology instead of being proactive by remaining current with processes.

Organisational culture

The culture of an organisation is influenced by many factors with customers' interactions as one of these. As value co-creation is an interactive process, the new role of the customer has an effect on the organisational culture (Agrawal & Rahman, 2015). The findings of the research argue that a barrier for the organisation is to adapt the culture to the customers' new interactive role as well as bringing together diverse personalities and behaviours of stakeholders for the purpose of dialogue.

Non-inclusiveness

Pera et al. (2016) indicated that inclusiveness is a primary enabler of stakeholder value co-creation. Participants confirmed this and advocated that non-inclusiveness negatively impacted the dynamics of their organisation. They supported this statement by emphasising that inclusiveness is the building block of successful collaboration. The understanding of the concept of inclusiveness in the initial stages of a project will overcome the negative intergroup consequences when co-creating with multiple stakeholders (Schneider & Sachs, 2015). It was revealed in this study that ego and arrogance could impede the concept of inclusiveness. An appeal by Gummesson, (2008) invited organisations to adopt the Vargo and Lusch (2008) S-D and to move from supplier egocentric to stakeholder-centricity when co-creating value. Participants in this study revealed that an arrogant attitude was a barrier to problem solving and did not facilitate collaborative interactions. Aarikka-Stenroos and Jaakkola, (2012) stated that customers criticised the arrogant and egotistical attitude of professionals who do not appreciate the potential of anyone else's input but their own. Participants revealed that this attitude was a barrier for all stakeholders including employees and did not support collaborative behaviour.

6.2.5.2 Research Question (3b): What are the challenges when adopting collaborative behaviours?

As explained in Chapter 5 challenges are seen as constraints that are encountered in the present day business environment. This study revealed various constraints that challenge an organisation when adopting collaborative behaviours. The identified challenges were: aligning disparate views, developing seamless interfaces, differences in business models, executing processes, power balance tensions and regulatory compliance.

Aligning disparate views

The results determine that alignment of the organisation around a common understanding is a challenge encountered by many of the participants. This is in line with the S-D logic (Vargo & Lusch, 2008) concept. It implies interaction and focuses on all stakeholders working together for mutual benefit. It embraces alignment of operant resources for mutual co-creation of value. The findings derived from data also highlighted that the bringing together of stakeholders with diverse skills, different understandings and varied working cultures was a challenge to manage. The study also identified the challenge of changing the behaviour of the organisation for successful collaboration to take place. Their role should move from autonomy to partnering and sharing with stakeholders.

Another issue derived from the findings was the practicality of the theory on co-creation. The challenge for management is how to organise and align their co-creation activities to benefit all stakeholders. Roser et al. (2013) identified this problem and developed a support framework for management to assess, implement and manage co-creation ventures.

Participants emphasised the importance of aligning communication between management and employees before communicating with the marketplace. The challenge was to acquire the ability to manage the dialog and learning of both parties during the co-creation process. One participant stated that it was critical to acquire communicative skills and move to a more collaborative interactive organisation to realise the commercial benefit. Payne et al. (2008) highlighted that S-D logic has changed how communication is viewed. Its purpose should be to influence stakeholders to improve resources.

Developing seamless interfaces

The study revealed that participants admitted that a challenge they experienced was developing seamless interfaces that would support consistent thinking and messaging to stakeholders within the organisation. There is always a time constraint in sharing and communicating. Therefore, developing a seamless process within the organisation would alleviate the challenge of channelling information quickly into the marketplace.

6.2.5.3 Research Question (3c): What is the recommended approach to strategic innovation through co-creation

The purpose of this question was to discover the organisations approach to strategic innovation through the process of co-creating value with multiple stakeholders.

The business environment is an unpredictable environment to operate in therefore it is significant for organisations to adopt an innovative approach to develop competitiveness and succeed in the market. Innovation is achieved by the changing of the process or approaches, applying it in a new inventive way to create value for the stakeholders. Therefore innovation is linked to co-creation (Lee, Olson & Trimi, 2012). Although diversity is necessary for innovation to take place the diversity of stakeholders can inhibit the process of co-creation (Reypens et al., 2016).

The advert of the internet has changed the organisations' focus to embrace the idea of the market as a web of stakeholders who communicate interactively resulting in economic consequences (Ballantyne et al., 2011). Technological breakthroughs have provided opportunities to organisations to innovate new experiences and services with customers (Payne et al., 2008). The study revealed that technology has provided organisations with tools that offer customers additional resources and provide a platform to engage in joint co-creation activities.

When an organisation wants to engage in innovation with customers, it needs to improve the customers' access to its resources and increase the use of these resources more effectively. The customer's experience needs to be dynamic and interactive. This will determine whether the relationship will evolve into continuous co-creation with the organisation (Payne et al., 2008). The organisations role is therefore to improve the customers' encounters with employees whose role should be to fulfil value propositions to customers. The study highlighted the importance of giving every client an extraordinary service through collaboration and innovation with stakeholders.

The findings derived from data also revealed that there is an awareness of the employee's innovative contribution. To leverage that ideation, an innovative platform was created which improved business processes. It was also revealed that when launching a new project, a pilot project with employees was created which generated innovative ideas and solutions to problems. This was emphasised by Viljakainen and Toivonen (2014) who submitted that to attain new knowledge an organisation should be open and transparent in their communication and encourage innovativeness among employees by being open-minded to new ideas.

The conceptual framework for value co-creation developed by Payne et al. (2008) has implications for cross-functional alignment. This framework applies key processes in managing value co-creation. The findings of the innovative approach to co-creation are aligned to this framework by the supplier value-creating process of being client centric and aligning and developing processes and co-creating an experience with stakeholders to create a superior value proposition for the customer.

6.2.6. Conclusion to Research Question 3

The empirical findings of this thesis illustrates that participants did not share a consistent view of barriers and challenges that impede the process of collaboration with stakeholders. The findings illustrate that the participants accepted that the process of co-creation did not ensure predictability for the organisation. For the purpose of clarification, the study categorised the impediments as barriers or challenges, barriers are pre-emptively anticipated and challenges are constraints encountered in the context in which the organisation is operating.

Research question 3 aimed to explore the impediments that inhibit the process of creating value with multiple stakeholders. Despite the theoretical evidence supporting the argument that trust is a facilitator of co-creation, the findings revealed that only six of the 17 participants interview identified the lack of trust as an inhibitor to building meaningful relationships with stakeholders. The findings also revealed that monetary value was as significant and would bring about the same commitment to collaboration.

Table 9 lists the Barriers and Challenges identified in the findings. Therefore, the findings of this study have contributed to bridging the gap presented by literature with regard to identifying impediments that inhibit the process of value co-creation with stakeholders. The insights generated can contribute to supporting organisations to be proactive rather than reactive to impediments and engage in a more balanced, shared process of co-creation ensuring more predictable and satisfactory outcomes.

Table 9: Categories of barriers and challenges

Categories of challenges	Categories of barriers
Aligning disparate views	Information gaps
Developing seamless interfaces	National geography and culture
Difference in business models	Organisational structures
Executing process	Organisational cultures
Power balanced tensions	Outdated process
Regulatory Compliance	Regulatory
Other	Resistance
	Resource constraints
	Unprofessional conduct
	Non inclusiveness
	Conflicting agendas
	Personality conflicts - Ego
	Diversity of cultures
	Enormity of process

CHAPTER 7: CONCLUSION

7.1. Introduction

In Chapter 6 of this document, the results of this research, which were presented in Chapter 5, were discussed. Chapter 7 concludes the study by revisiting the research objectives, briefly summarising the principal findings and emphasising the key implications for academics and businesses. Due to the limitations of this study, a summary of recommendation for future research has also been presented.

7.2. Review of Research Problem and Objectives

The purpose of this study was to generate insights into the value co-creation process by multiple stakeholders and to identify the main barriers and challenges that can obstruct this process. The study addressed the following research questions:

1) Why is value co-created with multiple stakeholders?
    a. What sources of newness with regards to value necessitate collaborative innovations?
2) How is value co-created with multiple stakeholders?
    a. What are the processes to building collaborative interactions?
    b. What are the tools used to effect collaborative engagements?
3) What inhibits the process of evolving co-creation through collaboration with stakeholders?
    a. What are the barriers to effective collaboration process?
    b. What are the challenges when adopting collaborative behaviours?
    c. What is the recommended approach to strategic innovation through co-creation?

The study explored these objectives within the context of companies listed on the Johannesburg Stock Exchange. Qualitative research was conducted using semi-structured interviews. The sample included 17 participants who were comprised mostly of senior managers and marketing managers currently working for JSE listed companies.

7.3. Principal Findings

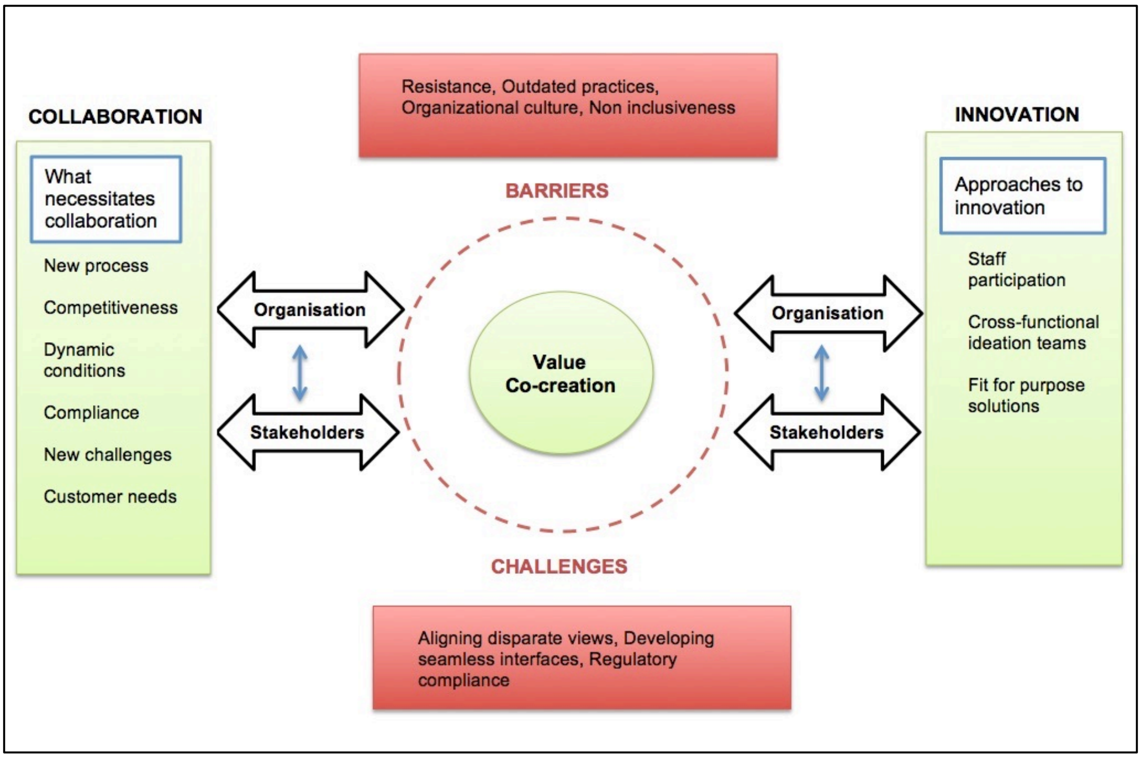
The results discussed in Chapter 5 and the analysis in Chapter 6 have suggested the following findings:

- The findings of this study affirmed that value is co-created with stakeholders. The majority of the participants interviewed acknowledged the presence of stakeholders impacting their value creation. Therefore this research found that knowledge and information exchange, co-creation has the ability to develop and improve their innovative strategies.
- The research findings contributed to the understanding of what necessitates collaborative innovation. This was perceived as a new set of needs or sources of newness in the stakeholder network context. The research concluded that establishing new processes was significant to remaining committed to continuous improvement.
- This research also contributed to the understanding of approaches to fostering collaboration with stakeholders. The findings showed that commitment to contributing to co-creation in an organisation was influenced by extrinsic incentivisation. However it is suggested in literature that intrinsic incentives render co-creation more meaningful and the type of incentivisation depends on where co-creation takes place in the innovation process.
- The findings of this research also contribute to an understanding of the tools necessary to effect collaborative engagement. The findings show that technology is a significant tool but literature suggests that the pace of advancement in technology is making it difficult for organisations to differentiate themselves from competitors.
- The findings concluded that even-though literature indicates that trust building facilitates the co-creation process; this was not unanimously supported in the findings that also suggested that monetary value was as significant as trust in the commitment to collaboration.
- The research findings identified diverse barriers and challenges that impede the collaborative process of co-creation. They also concluded that co-creation does not come without challenges, and that diversity is a requirement of innovative value creation while co-creation involves collaboration with diverse stakeholders. Therefore this research has uncovered impediments to the degree of co-creation that arises when diverse stakeholders interact.

- And finally in terms of recommended approaches to innovation the findings identified approaches to deal with the diverse ideation from stakeholders and strategies to align the collaborative practices of co-creation.

A framework was developed from the research findings and identified barriers and challenges that inhibit the degree of co-creation that arises when multiple stakeholders interact with the organisation. The impediments inhibit the process of evolving co-creation through collaboration as well as inhibiting the approaches to innovation therefore an awareness of the barriers and challenges allows for a proactive strategy and a more predictable innovative outcome. This concept is represented in the framework represented as Figure 13.

Figure 13: A framework of the barriers and challenges to value co-creation



Source: Authors own

7.4. Implications for Academics

This research contributes to academic knowledge in the field of value creation and the impediments to the degree of co-creation. The study highlights practical managerial implications for the successful process of value co-creation with stakeholders and impediments obstructing the process.

The findings have contributed to narrowing the gap in literature highlighted by Agrawal et al. (2015) with regard to identifying impediments that inhibit the process of value co-creation with stakeholders. The research generated challenges that need to be overcome when adopting collaborative behaviours and barriers to effective collaboration processes.

Additionally, the insights generated from this research contribute to the literature highlighted by Frow et al. (2015) suggesting that co-creation provide organisations and stakeholders was opportunities to engage in innovative strategies.

7.5. Implications for Business

The findings showed that there are many obstacles that might confront co-creation practitioners. Therefore, the insights generated through this research can contribute to supporting organisations to be proactive rather than reactive to the impediments exposed by this research and engage in a more balanced shared process of co-creation ensuring more predictable and satisfactory outcomes.

The findings of this research can apply to management and marketing practitioners when adopting a co-creation value with stakeholders. Some of these areas are as follows:

- Approaches to foster collaboration with stakeholders such as moving from autonomous to a sharing mindset.
- Processes to adopt in order to assist in building collaborative interactions such as transparency and access. These support the ability of stakeholders to make informed choices.
- Tools to effect collaborative engagement such as website platform.
- Approaches to collaborative innovation such as alignment of processes through co-creation.

7.6. Research Limitations

The limitations to this research need to be taken into consideration and these are presented below.

Given that all participants in this research represent JSE listed organisations, the limitation is the similar context business operations.

A research limitation relates to the participants holding management positions in their respective organisations. These participants were categorised as senior managers or marketing managers. Therefore, a further limitation is in line with research studying co-creation and identifying impediments from senior managers perspective.

Additionally, the organisations studied were all within the Gauteng region, specifically in Johannesburg. This limited the generalisability of the study.

In conclusion, while there are research limitations attached to this study, this research has, nevertheless challenged academic literature and introduced several findings. Further research is required to explore these findings further given the research limitations.

7.7. Suggestions for Future Research

Suggestions for future research occurred during the development of this study. The generalisability of the study, and the context in which it was researched, presents opportunities for further research to expand on this study.

Suggestions for future research are as follows:

- There is an opportunity for further exploratory research due to the limitation of this study on JSE listed companies. It is suggested that future research be undertaken with marketing practitioners of other organisations that are not members of the JSE.
- Due to the need for the generalisation of the findings, the study could be extended to other geographies.
- This study was limited to managers and marketing managers, a further research suggestion could be from the stakeholders' perspective. The results

could be compared to the managers' perspective, which could validate or contradict the findings of this study.

- During the analysis of the interviews, it emerged that the element of trust in the process of collaboration was not prevalent for successful collaboration with stakeholders. A comparative study between the presence and absence of trust in the co-creation process would be beneficial to academics and organisations.
- Further research is recommended to compare the identified barriers and challenges in this study with other specific industries, which could validate or contradict the findings.
- Further research is recommended to compare the identified barriers and challenges in this study with other specific industries, which could validate or contradict the findings.
- An investigation of the impediments that inhibit the process of co-creation with an emphasis on identifying and categorising impediments as barriers and challenges.

7.8. Concluding Remarks

This research was conducted with the intention of understanding value co-creation with stakeholders and emphasising the barriers and challenges that inhibit value co-creation. The objectives of why and how value is co-created with multiple stakeholders highlighted the importance for the organisation to distinguish themselves from others through identifying sources of newness with regard to value that necessitate collaborative innovation. Tools for building collaborative engagements and the processes to building collaborative interactions, which would assist in improving their value propositions with stakeholders were revealed. The barriers and challenges to the process of evolving co-creation with stakeholders through collaboration were acknowledged and the findings should assist marketing practitioners improve their approach to innovating solutions. A model of the findings of this study has been created. The barriers and challenges that were identified and categorised will improve the organisation's ability to embrace a proactive rather than a reactive approach to impediments that inhibits collaboration. This transition will advance the value creating abilities of the organisation with multiple stakeholders.

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APPENDIX 1 – DISCUSSION GUIDE

General background questions:

1. What is your position in the company?
2. How long have you been working for the company?
3. How do you involve different stakeholders in your co-creation process? (or co-creation on a specific project)

Exploring how value is co-created with multiple stakeholders from a managerial perspective:

4. How can you describe co-creation in your company? (or co-creation on a specific projects)
5. How do you involve different stakeholders in your co-creation process?
6. In which way do stakeholders contribute?
7. How can organisations maximise the value created by stakeholders?
8. What role do employees, customers and managers play in co-creating value?

Exploring value co-creation with multiple stakeholders, from a managerial perspective:

9. Why do companies adopt co-creation?
10. What value do they generate?
11. Why are some stakeholder more willing and able to engage in co-creation?

Exploring the main barriers and challenges companies encounter when co-creating value:

12. What are the key challenges companies faces when co-creating with consumers?
13. Would you describe the process as always being successful?
14. In your opinion, what challenges or barriers you think companies encounter during the process?
15. How do companies' manage key challenges of co-creation?

Exploring the role of management in co-creating value:

16. Does management prioritise between stakeholder groups?
17. How can management optimize the process of co-creation to reap the benefits?
18. Does your firm provide incentives to encourage customer input in co-creation?
19. Does management take an active role in dialogue with stakeholders?
20. What is the path for management to develop a co-creation ecosystem?
21. How should the company manage the ownership of intellectual property when co-creating with consumers?

General question: Is there something I neglected to ask and you think I should know about, regarding what we have been discussing?

Clarifying questions: can you explain what you mean? Why/why not? What is the reason fro that?

APPENDIX 2 – INFORMED CONSENT LETTER

Dear Participant,

I am a student of the Gordon Institute of Business Science, conducting research on value co-creation. The aim is to investigate the value co-creation process with the inclusion of multiple stakeholders and understand main barriers that may develop.

Our interview is expected to last an hour, and will help us to understand the manager's perspective of the value co-creation process with multiple stakeholders.

Your participation is voluntary and you may withdraw at any time without penalty. All data will be kept confidential; no comment will be linked to an individual. If you have any concerns, please contact either my supervisor or me. Our details are provided below.

Researcher name:	Nicole du Toit
Researcher email:	Nicole@32south.co.za
Researcher Phone:	0828308885
Supervisor name:	Louise Whittaker
Supervisor email:	Whittakerl@gibs.co.za
Supervisor phone:	0824570892

Signature of Participant:____

Date:____

Signature of Researcher:____

Date:____

APPENDIX 3 – CODE BOOK

Code-Filter: All

HU: Nicole Analysis
File: [C:\Users\user\Documents\Scientific Software\ATLASti\TextBank\Nicole Analysis.hpr7]
Edited by: Super
Date/Time: 2016-10-08 19:25:55

Approach to fostering collaboration
Approach to fostering collaboration: Breaking internal silos
Approach to fostering collaboration: Celebrating success
Approach to fostering collaboration: Co-creation engagements
Approach to fostering collaboration: Composite client solutions
Approach to fostering collaboration: Cross functional client interaction
Approach to fostering collaboration: Cross functional client interfaces
Approach to fostering collaboration: Engaging specialist services
Approach to fostering collaboration: Establishing project structures
Approach to fostering collaboration: Incentivising engagement
Approach to fostering collaboration: Leadership support
Approach to fostering collaboration: Networking
Approach to fostering collaboration: New mindsets
Approach to fostering collaboration: Non invasive alignment
Approach to fostering collaboration: Recognising performance
Approach to fostering collaboration: Resourcing Stability
Approach to fostering collaboration: Shared vision
Approach to fostering collaboration: Strategic clarity
Approach to fostering collaboration: Upskilling
Approaches to innovating solutions
Approaches to innovating solutions: Cross functional ideation teams
Approaches to innovating solutions: Fit for purpose solutions
Approaches to innovating solutions: Staff participation
Approaches to innovating solutions: Transplanting solutions across geographies
Barriers to effective collaboration processes
Barriers to effective collaboration processes: Information gaps
Barriers to effective collaboration processes: National geography and culture
Barriers to effective collaboration processes: Organisational structures
Barriers to effective collaboration processes: Organistional culture
Barriers to effective collaboration processes: Outdated practises
Barriers to effective collaboration processes: Quality of systems & data
Barriers to effective collaboration processes: Regulatory
Barriers to effective collaboration processes: Resistance
Barriers to effective collaboration processes: Resource constraints
Barriers to effective collaboration processes: Unprofessional conduct
Barriers to effective collaboration processes:Non inclusiveness
Behaviours that don't support collaboration
Behaviours that foster innovation
Behaviours that support collaboration
Challenges being faced adopting collaborative behaviours
Challenges being faced adopting collaborative behaviours: Aligning disparate views
Challenges being faced adopting collaborative behaviours: Developing seamles interfaces
Challenges being faced adopting collaborative behaviours: Differences in business models
Challenges being faced adopting collaborative behaviours: Executing processes
Challenges being faced adopting collaborative behaviours: Power balance tensions
Challenges being faced adopting collaborative behaviours: RegulatoryCompliance
Challenges being faced driving innovation
Challenges being faced driving innovation: Attaining desired performance

Challenges being faced driving innovation: Making strategic choices
Challenges being faced driving innovation: Priotitisation of future versus current value sources
Challenges being faced driving innovation: Unlocking dormant value
Competencies required to foster collaboration
Competencies required to foster collaboration: Customer engagement
Competencies required to foster collaboration: Industry knowledge
Competencies required to foster collaboration: Leadership
Competencies required to foster collaboration: Perceptiveness
Emerging stakeholder expectation of collaborative engagement
Examples of collaborative interactions
Examples of collaborative interactions: Accountability seeking
Examples of collaborative interactions: Cross geography synergies
Examples of collaborative interactions: External engagements
Examples of collaborative interactions: Integrated implementation
Examples of collaborative interactions: Internal engagements
Examples of collaborative interactions: Launching new initiatives
Examples of the effect of lack of collaboration
Identified stakeholders
Identifing value improvement opportunities through collaborative engagements
Marketing's functional role in driving collaboration
Modes of stakeholder communication and engagement
Obsolete approaches to managing value processes
Positive outcomes of collaborative initaitives
Process of building collaborative interaction
Recognising management as stakeholders
Recognition of multiple stakeholder interfaces impacting business
Respondent profiles
Role of intuition in recognising value creating resources
Role of relationship & Trust building competency in stakeholder management
Sources of newness that necessitate collaborative innovation
Sources of newness that necessitate collaborative innovation: Auditing & Monitoring
Sources of newness that necessitate collaborative innovation: Competitiveness
Sources of newness that necessitate collaborative innovation: Compliance
Sources of newness that necessitate collaborative innovation: Customer need
Sources of newness that necessitate collaborative innovation: Dynamic conditions
Sources of newness that necessitate collaborative innovation: Establishing new processes
Sources of newness that necessitate collaborative innovation: Evolving regulation
Sources of newness that necessitate collaborative innovation: Growing value
Sources of newness that necessitate collaborative innovation: New challenges
Sources of newness that necessitate collaborative innovation: Process improvements
Sources of newness that necessitate collaborative innovation: Seeking out new challenges
Sources of newness that necessitate collaborative innovation: Social engagment
Sources of newness that necessitate collaborative innovation: Sustainability
Tools used to effect collaborative engagement
Triangulating stakeholder interfaces
Value building behaviours of leading organisations
When collaboration encumbers progress

APPENDIX 4 – ETHICS CLEARANCE APPROVAL

Dear Ms. Nicole du Toit

Protocol Number: Temp2016-01653

Title: Barriers to value co-creation with multiple stakeholders in JSE-listed companies

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

Adele Bekker