Sustainability program brands: Platforms for collaboration and co-creation

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ABSTRACT

While CSR and sustainability have been widely debated topics over the past decades, there is still evidence of unethical practices by businesses, as witnessed through corporate scandals across a number of industry sectors. This highlights the need for firms to collaborate to actively prevent malpractices and instead find ways to improve standards along the whole value chain. With the increased pressure from various stakeholders, calling for firms to address these issues in a collaborative and holistic manner, the development of models facilitating collaboration is vital. Taking a communication perspective, this paper seeks to improve the knowledge on how organisations can manage diverse stakeholders to improve value chain collaboration towards more sustainable practices. Based on a multiple case study methodology, involving in-depth interviews with senior directors in the food and drink value chain, a framework is developed, depicting the value of a branded sustainability program as a useful platform for stimulating collaboration and co-creation from diverse and/or competing stakeholders. The framework builds on, and contributes to several literature strands including CSR/sustainability communication, coopetition and branding.

1. Introduction

In order to ensure that unsustainable practices are being addressed in a holistic manner, firms adhering to a corporate sustainability or CSR strategy must take a wider responsibility and collaborate with stakeholders along the entire value chain (Cruz & Boehe, 2008; Spence & Bourlakis, 2009; Porter & Kramer, 2011; Lindgreen, Xu, Maon, & Wilcock, 2012; Crane, Palazzo, Spence, & Matten, 2014; Czinkota, Kaufmann, & Basile, 2014; Kumar & Christodoulopoulou, 2014). Collaboration should ideally take the form of co-creation to strengthen the relationships and ensure that a societal impact is made with shared value for all stakeholders involved (Prahalad & Ramaswamy, 2004; Ind, Iglesias, & Schultz, 2013; Biggemann, Williams, & Kro, 2014; Dentoni, Bitzer, & Pascucc, 2015).

Collaboration and co-creation is, however, sometimes challenged as the value chain members might have varying degrees of interest and capability to collaborate and co-create, and might also have conflicting objectives as they might simultaneously be in competition and in collaboration with each other, a phenomenon termed coopetition (Afuah, 2004; Bengtsson & Kock, 2014; Ritala, Golnam, & Wegmann, 2014; Yami & Nemeh, 2014). Firms will need to carefully manage relationships with their stakeholders to ensure that collaborative efforts are not jeopardised by tension following the competitive elements of the

relations and the academic literature offers some limited insights into coopetition management strategies to address this peril (for example Dowling, Roering, Carlin, & Wisnieski, 1996; Chin, Chan, & Lam, 2008; Tidström, 2014; Fernandez, Le Roy, & Gnyawali, 2014; LaPlaca, 2014).

While the majority of the above-mentioned papers on coopetition management deals with the management of the tension on its own, Chin et al. (2008) take a more integrated approach, searching management techniques that not only address the tension but also encourage collaboration. Based on a quantitative empirical study, they suggest that the critical success factors for managing a coopetition strategy include, in order of importance: management commitment, relationship development, and communication management. We argue, however, that communication perhaps plays the most important role, as it should be seen as the foundation for the former two factors, as communication is a key tool for senior management to achieve their vision (Polonsky, 1996; Gregory, 2007), and a fundamental aspect of forming business relationships (Olkkonen, Tikkanen, & Alajoutsijärvi, 2000; Grönroos, 2004). Also the business ethics literature promotes well-managed communication as a prerequisite for successful stakeholder management and the accomplishment of CSR objectives (Maignan, Ferrell, & Ferrell, 2005; Andriof & Waddock, 2002; Du, Bhattacharya, & Sen, 2010).

There is however very limited knowledge on what communication management entails. How should communication be designed in order to not only appeal to a diverse audience but also to encourage stakeholders with competing interests to collaborate and co-create on sustainability issues? What communication strategies can assist in developing healthy collaboration in a competitive context with the aim of driving the sustainability agenda across the value chain? The

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calls for increased understanding of the role of communication to facilitate collaboration and co-creation are not limited to the coopetition literature. Also the CSR/sustainability communication literature is seeking contributions to this area (Morsing & Schultz, 2006; Morsing, Schultz, & Nielsen, 2008; Du et al., 2010; Scandelius & Cohen, 2011; Blomback & Scandelius, 2013).

Consultation of the PR and corporate communication literature helps to shed some light onto this area. Balanced two-way communication strategies, where the firm and its stakeholders are seen as equal partners, have been suggested to promote collaboration and co-creation (Grunig and Grunig & Hunt, 1984; Gregory, 2007). It is, however, reported that there is still a relatively low uptake on fully symmetric communication between firms and their stakeholders (Grunig and Grunig & Hunt, 1984; Morsing & Schultz, 2006), which could be an effect of the relatively limited knowledge on what constitutes such a communication strategy.

With this in mind, this paper aims at increasing the understanding of how firms can design balanced two-way communication strategies on CSR/sustainability[1] (taking a focal[2] organisation's perspective) that facilitate collaboration and co-creation with diverse stakeholders. In order to fulfil this aim two research objectives are developed:

- RO1: To explore with which stakeholders businesses are practicing two-way symmetric sustainability communication, and the drivers behind this.
- RO2: To explore how this two-way communication can be designed to facilitate collaboration and co-creation with stakeholders.

This research thus contributes to the CSR/sustainability communication literature, where there have been calls for increasing knowledge on how to effectively communicate with stakeholders to stimulate collaboration and co-creation (Morsing & Schultz, 2006; Morsing et al., 2008; Du et al., 2010; Scandelius & Cohen, 2011; Blomback & Scandelius, 2013). While some of the findings might also be applicable to the broader communication literature, we cannot claim any generalisation beyond the CSR/sustainability communication literature.

In addition this research expands knowledge in coopetition, which hitherto has been limited to seller and buyer relationships and lacks clear direction on what a communication strategy comprises. It also adds to the branding literature, as the findings reveal that a branded sustainability program can act as a useful communication platform to the wider stakeholder community, and can stimulate collaboration and co-creation among various stakeholders on sustainability initiatives. Finally, this research offers practical value, as it can inspire practitioners to build effective communication strategies on CSR/sustainability initiatives, which can benefit also the wider society.

Section 2 will highlight the theoretical foundation for this research. This is followed by a description of the qualitative methodology applied to fulfil the research objectives. Based on the findings, a framework is developed, followed by a discussion on how the emerging evidence compares and contrasts to previous academic knowledge in the area. Finally concluding remarks will be made, with suggestions for future research and recommendations to practitioners on how to best apply

CSR/sustainability communication practices to the stakeholders with whom they need to collaborate.

2. Literature review

2.1. Coopetition management to stimulate collaboration and co-creation

As mentioned in the introduction, the implementation and management of a sustainability strategy can be hampered by malfunctioning coopetition between the firm and its stakeholders. Coopetition, which is defined as a context where a firm and its suppliers, customers and other key stakeholders simultaneously compete and cooperate (Afuah, 2004; Bengtsson & Kock, 2014), can take the format of horizontal coopetition, where competing firms seek collaboration (Bengtsson & Kock, 1999, 2000), but also through the less explored vertical coopetition with, for example, suppliers and customers (Lacoste, 2012). On this note it should be highlighted that some stakeholders might possess several identities across different contexts and might thus be in both horizontal and vertical coopetition (Balmer & Greyser, 2002). It has also been suggested that even within a stakeholder group negative and positive emotions about the coopetition might coexist (Raza-Ullah, Bengtsson, & Kock, 2014), posing further challenges. The risk for tension or even conflict with such a diverse stakeholder picture is significant, and it is vital for firms to find ways to manage these relationships productively to put a focus on the collaborative aspects. On this note it is suggested that collaboration should ideally take the form of co-creation with the active participation of relevant stakeholders to strengthen the relationships and ensure that a societal impact is made with shared value for all stakeholders involved (Prahalad & Ramaswamy, 2004; Ind et al., 2013; Biggemann et al., 2014; Dentoni et al., 2015). Co-creation is here viewed as collaboration with higher involvement and creativity leading to shared value, as seen in the following definition:

> "An active, creative, and social process based on collaboration between organisations and participants that generates benefits for all and creates value for stakeholders."
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> (Ind et al., 2013: 9)

Coopetition management thus faces the balancing act of harnessing the competitive aspect whilst simultaneously encouraging the active participation of the relevant stakeholders. The academic literature on coopetition management, however, frequently takes a narrower approach, focusing primarily on the management of the tension (Lacoste, 2012; Fernandez et al., 2014; Tidström, 2014). While Tidström (2014) recommends 'avoidance management' to deal with tensions, Lacoste (2012) offers a slightly more integrated approach, advising management of the continuum between conflicting interests to mutual benefits through either strengthening the existing relationship basis, or correcting it by changing the relationship to either more cooperative or competitive, or finally to commute the relationship into the other extreme of the continuum. Lacoste's study is limited to the relationships between buyers and sellers, and does not take into account the multitude of relationships that may co-exist between a firm and its other stakeholders. In addition, while the notions on 'strengthening', 'correcting' or 'commuting' the relationships contribute to an improved understanding of vertical coopetition; their model does not explain how these relational strategies can be practically applied.

Chin et al. (2008) take a more integrated approach in their exploration of the critical success factors for managing coopetition. They identify three success factor categories: management commitment, relationship development, and communication management. Management commitment includes, for example, the firm's vision and mission, long-term strategy, resource allocation, and importantly involvement and motivation of employees. With regards to relationship development, trust is highlighted as essential and can be created, for example, through finding common goals and in respecting the different corporate cultures between

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[1] Inline with a number of prominent scholars (Porter & Kramer, 2006; Jose and Lee, 2007; Moon, 2007; Sotorrio, Sanchez, & Fernandez, 2008; Perez-Batres, Miller, & Pisani, 2010; Lourenco, Branco, Curto, & Eugenio, 2012) we make the assumption that the concepts of CSR and sustainability, while not identical, can be used interchangeably as "… these concepts are considered to address the same basic issues, in the sense that they all are about companies' impacts on, relationships with, and responsibilities to, society" (Lourenco et al., 2012:417). Sustainability/CSR will in this paper comprise Elkington's (1998) three pillars of social, environmental and economic responsibilities.

[2] While communication between organisations and their stakeholders can and possibly should be viewed from a network perspective with the firm and stakeholders simultaneously participating in several networks (Roloff, 2007; Rowley, 1997; Neville & Menguc, 2006), this research will, for practical purposes, consider communication from a focal organisation's perspective.