

A Collaborative Economy Centred Corporate Social Responsibility Framework

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Abstract: The collaborative economy is reported to be highly salient to Corporate Social Responsibility, especially in promoting sustainability practices such as more efficient use of resources and economic inclusiveness in the community. However there is very little evidence in the literature on how to incorporate the principles of the collaborative economy in corporate social responsibility initiatives. Following the analysis of a descriptive case study of Starbucks Malaysia's flagship corporate social responsibility programmes, this article proposes an integrated framework for the incorporation of the underlying principles of the collaborative economy such as actor engagement and social networking, in the development and deployment of corporate social responsibility programmes.

Keywords: collaborative economy, actor engagement, service dominant logic, network theory, corporate social responsibility

Paper type: Research paper

1. Introduction

Now, in what is commonly called the 'collaborative economy' (CE) (Benoit et al. 2017), the organisational boundaries of a firm have expanded to include multiple actors (Oskam, Bossink & de Man, 2018). These actors collaborate and participate in co-creating value by exchanging or redistributing resources with other actors (Ertz and Sarigöllü, 2019). Consequently, the role of the firm too has evolved. If previously, a firm is said to provide value, now it largely facilitates or orchestrates value within a network or service system (Breidbach & Brodie, 2017). Contrary to popular perception, CE is not limited to web-based products and services. Rather, it is a broad trend that impacts every sector of business and society (Owyang et al. 2013). Toni et al. (2018) suggest that CE is driven by a confluence of diverse events and circumstances, not least of which is the unprecedented levels of connectedness. Considering that, firms are advised to increase their level of engagement with customers and other stakeholders, in what is referred to in the literature as 'actor engagement' (Brodie *et al.*, 2019; Storbacka, 2019). As it is in its early stages of development, actor engagement calls for further exploration (Kleinaltenkamp et al., 2019; Li et al., 2017). In doing so, due consideration should be given to the underlying structure of CE – networks (Neumeyer & Santos, 2018). Network-based theories therefore, are suggested as being potentially insightful (Brodie *et al.*, 2019).

It is reported that there is a strong connection between CE and Corporate Social Responsibility (CSR) (Rudnicka, 2018). Specifically that CE promotes the sustainable development by efficient use of resources and promoting socio-economic inclusiveness (Aluchna and Rok, 2018; Chivite Cebolla, Jorge Vázquez and Chivite Cebolla, 2021). However, there is very little guidance in the literature as to how the principles of CE can be applied to CSR. This study attempts to address the said gap. To that end, based on a descriptive case study of Starbucks Malaysia's flagship CSR initiatives, this study sets out to propose an integrated framework for CE centred CSR. The framework draws from Service-Dominant Logic (Vargo & Lusch, 2004, 2008) as its general theoretical lens, and the Network Theory of Social Capital (Lin, 1999, 2005) as its supporting theory. The remainder of this article is organised as follows. It begins with a discussion on actor engagement and the fundamentals of Service Dominant Logic (SDL). Next, the Network Theory of Social Capital (NTSC) is presented. In this section, mechanisms facilitating the exchange of resources between actors in a service system are discussed. The research method is then outlined. Following that, a descriptive case study of Starbucks Malaysia's CSR initiatives are presented and discussed to illustrate the four propositions that embody the proposed framework. The article concludes with theoretical contributions.

2. Literature Review

A. Actor Engagement

The concept of engagement is relatively new to marketing (Hollebeek, 2011). Notwithstanding, the Marketing Science Institute singles it out as a Tier 1 research priority (Brodie *et al.*, 2019). Early on, the discourse on engagement was mostly limited to a firm and its customers, hence labelled 'customer engagement' (Brodie *et al.*, 2011; Vivek, Beatty & Morgan, 2012). In the wake of CE however, the dynamics of engagement have evolved. Now, individuals and organisations exchange and/or mutualise value generating resources to other individuals and organisations, making value co-creation the norm (Grieco & Cerruti, 2018). Hence the dyadic one-to-one firm/brand-customer value chain has multiplied to myriad new value chains of interdependent actors (Ertz & Sarigöllü, 2019). 'Actors' here, refer to individuals, as well as organisations and institutions, who are involved in economic and social human exchange systems (Brodie *et al.*, 2019). The proliferation of value chains is also attributed to the diversification of the types of resources exchanged (Vargo & Lusch, 2017), as it need not entail the exchange of property rights. Now resource exchanges can be direct and/or indirect (Alexander, Jaakkola & Hollebeek, 2018). In view of these developments, scholars suggest that the discourse on engagement should be expanded to a broader network perspective, beyond the traditional firm-customer dyad (Brodie *et al.*, 2019; Hollebeek, Srivastava and Chen, 2019). Called 'actor engagement', Brodie *et al.* (2019, p. 11) define it as "a dynamic and iterative process, reflecting actors' dispositions to invest resources in their interactions with other connected actors in a service system". Where a 'service system' is "a configuration of people, technologies, and other resources that interact with other service systems to create mutual value" (Maglio & Spohrer, 2008).

The conceptual roots of engagement can be drawn from 'Service-dominant logic' (SDL). Fundamentally, SDL acknowledges resource exchanges and value co-creation in marketing

relationships (Vivek *et al.*, 2014). Developed by Vargo and Lusch (2004, 2008; 2006a), SDL contrasts with the conventional, more transactional view of marketing relationships, referred to as the ‘goods-dominant’ perspective. Moreover, SDL assumes actors to be proactive – rather than passive – agents of firm related activities and information. As such it underscores the role of various actors as dynamic co-creators of value through joint and/or interactive activities (Lusch & Vargo, 2006b). Notwithstanding the ‘zooming out’ from the dyad to interactions in a network, SDL remains applicable to engagement (Alexander *et al.*, 2018; Hollebeek *et al.*, 2018). As Vargo and Lusch (2017) maintain, dyadic interactions do not happen in isolation but rather within a network of actors, of which the dyad is just a part. SDL posits that “all economic and social actors are resource integrators” (Vargo & Lusch, 2008). Resources are applied for the benefit of other actors, in what is referred to in SDL as ‘service’ (singular). Service is then exchanged for other service within a service system of actors, creating value in the process for all actors involved (Vargo & Lusch, 2011). The core precepts of SDL are represented by 11 foundational premises, 5 of which are identified as axioms. Table 1 outlines the axioms and foundational premises of SDL (Vargo & Lusch, 2016a).

Table 1. Axioms and Foundational Premises (FP) of Service-Dominant Logic

Axiom 1	FP1	Service is the fundamental basis of exchange.
	FP2	Indirect exchange masks the fundamental basis of exchange.
	FP3	Goods are a distribution mechanism for service provision.
	FP4	Operant resources are the fundamental source of strategic benefit.
	FP5	All economies are service economies.
Axiom 2	FP6	Value is cocreated by multiple actors, always including the beneficiary.
	FP7	Actors cannot deliver value but can participate in the creation and offering of value propositions.
	FP8	A service-centred view is inherently beneficiary oriented and relational.
Axiom 3	FP9	All social and economic actors are resource integrators.
Axiom 4	FP10	Value is always uniquely and phenomenologically determined by the beneficiary.
Axiom 5	FP11	Value cocreation is coordinated through actor-generated institutions and institutional arrangements.

Source: Vargo and Lusch (2016)

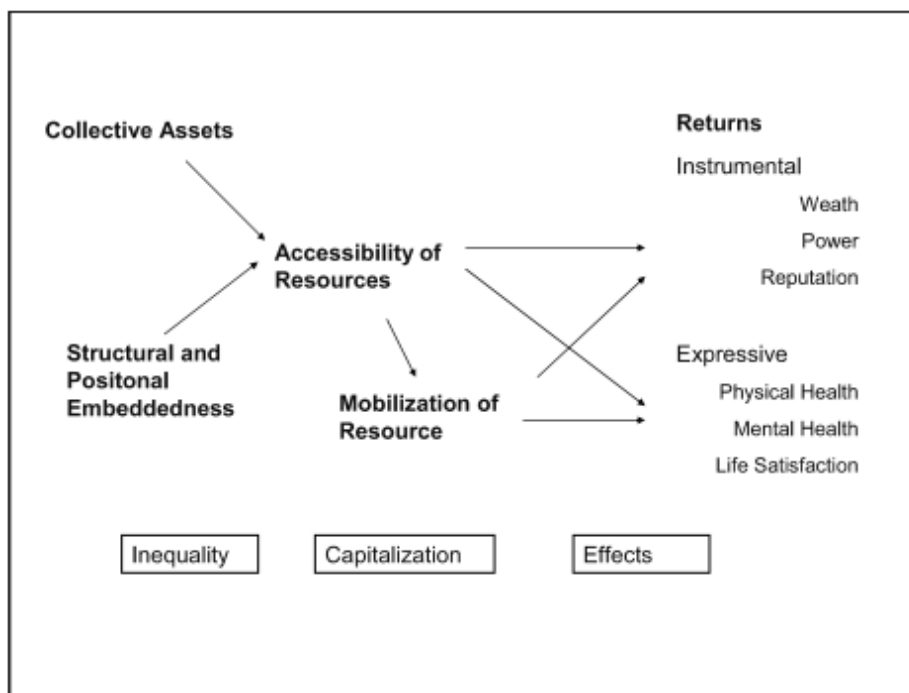
Considering actor engagement is a relatively new in the literature, there are calls for further inquiry. For that purpose, Brodie *et al.* (2019) suggest that the systematic application of different theoretical perspectives to augment the foundations of SDL may prove useful. Similarly, Vargo and Lusch (2017, p. 50) call for the concept of engagement to be investigated from the perspective of other theories complementary to SDL. One such theory which has been

suggested previously is the Network Theory of Social Capital (Akaka, Vargo & Lusch, 2012; Laud & Karpen, 2017), to which the article now turns.

B. Network theory of social capital

The notion that relationships may be relied upon and utilised as a resource, is the underlying basis of social capital (Lin 2005; Dodd et al. 2015). Investment in social relations – similar to investments in financial and physical capital – creates better opportunities and outcomes. Notably, social capital is not limited to individuals, but to communities, groups and firms as well (Burt, Kilduff and Tasselli, 2013). Social capital represents the ability of actors to secure benefits from their relationships (Portes, 1998: p. 6). More specifically, resources such as goodwill, reciprocity and trust, engendered from an actor’s relationships have the potential to generate positive outcomes. In developing a network theory of social capital (NTSC), Lin (1999, pg.41) conceptualises it as 3 blocks of variables in a causal sequence. Lin’s model is presented below as Figure 1.

Figure 1: Model of Network Theory of Social Capital



Source: Lin (1999)

The first block represents the antecedents or pre-conditions to social capital; namely, embedded resources. These resources include trust, reciprocity, goodwill and norms. The second block comprises the capitalisation of social capital: access to and mobilisation of social capital. Finally, the third block represents the returns from investment in social capital. The returns can be either instrumental or expressive in nature, or both. Lin suggests that instrumental returns include economic gain and reputation. Meanwhile, expressive returns generally revolve around

enhanced sense of well-being both at the individual and societal levels (1999, p.40). NTSC posits that accessing and mobilising social capital mediates the desired returns (Häuberer, 2011). This calls for further elaboration. The returns from investing in social capital are much more than the sum of dyadic (one-on-one) linkages between the actors (Siltaloppi & Vargo, 2017). Rather, they are generated from within the network by the multiplicity of linkages (Borgatti & Halgin, 2011). However, the differential distribution of resources in a network implies that there will be gaps in the links between the actors. To illustrate, *X* may not have a link with *Z*, although both *X* and *Z* have links to *Y*. In such situations, *Y* can function as an intermediary between *X* and *Z*, and reap returns from the intermediation. A common form of such social network intermediation is brokerage (Quintane and Carnabuci, 2016). Brokerage is defined as “behaviour by which an actor influences, manages, or facilitates interactions between other actors” (Obstfeld et al., 2014:p.141). Today especially, in CE, businesses such as Uber, Airbnb and Zipcar, operate almost exclusively using the brokerage model (PWC 2015). From an organisational perspective, brokerage enables a firm to extend beyond its intrinsic capabilities (Fang *et al.*, 2016; Gelderblom, 2018). It promotes collaboration (Aribi & Dupouët, 2015), provides access to new information and resources (Kwon & Adler, 2014) and facilitates innovation (Alguezaui and Filieri, 2010; Lingo and O’Mahony, 2010). Nonetheless, brokerage can also take the form of *bonding* and *bridging* action (Obstfeld, 2005). ‘Bonding’ refers to connecting to other actors with pre-existing links; while ‘bridging’ refers to connecting to other actors with no pre-existing links (Patulny and Lind Haase Svendsen, 2007).

3. Research Design

The case study method was adopted for this research. Stuart et al. (2002) define a case study as “a scientific approach that attempts to ground theoretical concepts with reality”. Case studies are commonly used to describe a phenomenon within its context (Yin, 2013). That in turn provides context-dependent knowledge that serve as guides for others to learn from or compare (Flyvbjerg, 2006). Accordingly, the case study method was chosen here to provide description of the adoption of the foundations of CE in CSR initiatives. Zainal (2007) further informs that descriptive case studies must be predicated by a theory. In this research, the case description is supported by SDL as its primary theoretical lens and augmented by NTSC. Case studies can involve either single or multiple cases (Yin, 2009). Here, this was undertaken by way of an intensive study of a single case consisting of the individuals, groups, and service system of Starbucks Malaysia. The decision to select Starbucks Malaysia for the case study was based on recommendations in the literature concerning sample criteria. Specifically that in descriptive case studies, a single case can be selected in view of its representativeness of the features highlighted in the theory or theories adopted for the research (Yin, 2009; Beverland and Lindgreen, 2010; Gerring, 2017).

Case studies typically involve multiple data sources (Yin, 2009). Similarly, here, data from multiple sources were collected. These were by way of long-interviews, observations, and archival data such as the organisation’s annual report, social media sites and corporate website, supplemented by news reports from the media. Two key executives from Starbucks Malaysia

were interviewed – the Chief Executive Officer and its Senior Manager for CSR. The other participants interviewed were a representative of one of beneficiaries of the programmes as well as the country head of HOPE Worldwide, an NGO. The data were then triangulated in order to form a unified and coherent whole (Miles & Huberman 1994). ‘Triangulation’ refers to the combination of data sources, while iterating between analysis and interpretation (Yin, 2013). A systematic combining approach was adopted as the method of analysis. Systematic combining is an abductive approach which comprises a continuous movement in terms of matching and direction, and redirection among the theory, the research objectives and the case (Dubois & Gadde, 2002). Here, Lin’s (2005, 1999) NTSC was applied to the SDL lens (Vargo & Lusch, 2004, 2016; Lusch and Vargo, 2006a) and matched to Starbucks Malaysia’s three flagship CSR programmes. Finally, the findings are abstracted into the form of a proposed framework. Eisenhardt (1989, p. 545) maintains that the case study method is useful in developing frameworks.

4. The case: Starbucks Malaysia

In its 20-year presence in Malaysia, Starbucks (hereinafter referred to as “ST”) has run a diverse range of CSR initiatives, and continues to do so. The CEO recalled that in their earlier *ad hoc* initiatives, ST was overwhelmed by the support received:

“...we did a signup sheet for customers you know. So we thought maybe a few people would participate. You know what? Out of a total pool, 65% were our customers! So we realised one thing, there are lot of customers and a lot of people who [are interested].”

So about eight years ago, ST decided to consolidate its CSR programmes. Here the CEO explains:

“We [decided to] consolidate everything and really build a platform that is stronger. [Greater] human connection and engagement...that is what we want to achieve”.

Following that, today, ST’s CSR initiatives comprise three flagship programmes, namely;

- i. *Connecting Communities.*
- ii. *Community Edible Garden.*
- iii. *Starbucks Signing Store.*

The following is a brief description of each programme:

i. *Connecting Communities*

In 2013, through the assistance of the Department of Agriculture (DoA), ST connected with a remote village northwest of the nation’s capital. In due course, ST agreed to purchase raw bananas from the village. Since then, ST – in collaboration with its food suppliers – has introduced 12 new banana-based products at all its stores. More importantly though, to achieve “*human connection and engagement*”, ST decided to get its employees, customers and other stakeholders to participate in the project. Subsequently, ST built a community IT Centre at the village, entirely from sales proceeds from banana-based products. At this

point, ST linked up with yet another partner: HOPE Worldwide (HW) an NGO, to operate and manage the IT Centre. Over the years, various actors have participated and collaborated at different stages and various levels. These include ST's customers, employees and other stakeholders, as well as other actors connected to HW (other firms and their stakeholders).

ii. *Community Edible Garden*

This project was launched in 2014. Today, ST has three such sites around the country – located at or adjacent to its respective stores. The concept is simple: ST sets aside a plot of land to be used for the planting of edible plants, vegetable and herbs, and provides free access to community members. Once again, ST linked up with DoA as its resource partner, for the supply of seeds and saplings, and thereafter for instructional and informational resources to keep the gardens going. The actual planting itself is undertaken by ST's employees and community members. Basically, anyone can simply walk into the garden to either plant or pluck any of the plants and vegetables available for his/her personal use. Of no less significance, these gardens serve as meeting points. ST, in collaboration with several other NGOs regularly organises workshops and get-togethers. During these sessions, various actors – members of the community, consumers, ST's employees and representatives from various organisations – collaborate in learning and adopting environment friendly techniques of gardening and planting.

iii. *Starbucks Signing Store*

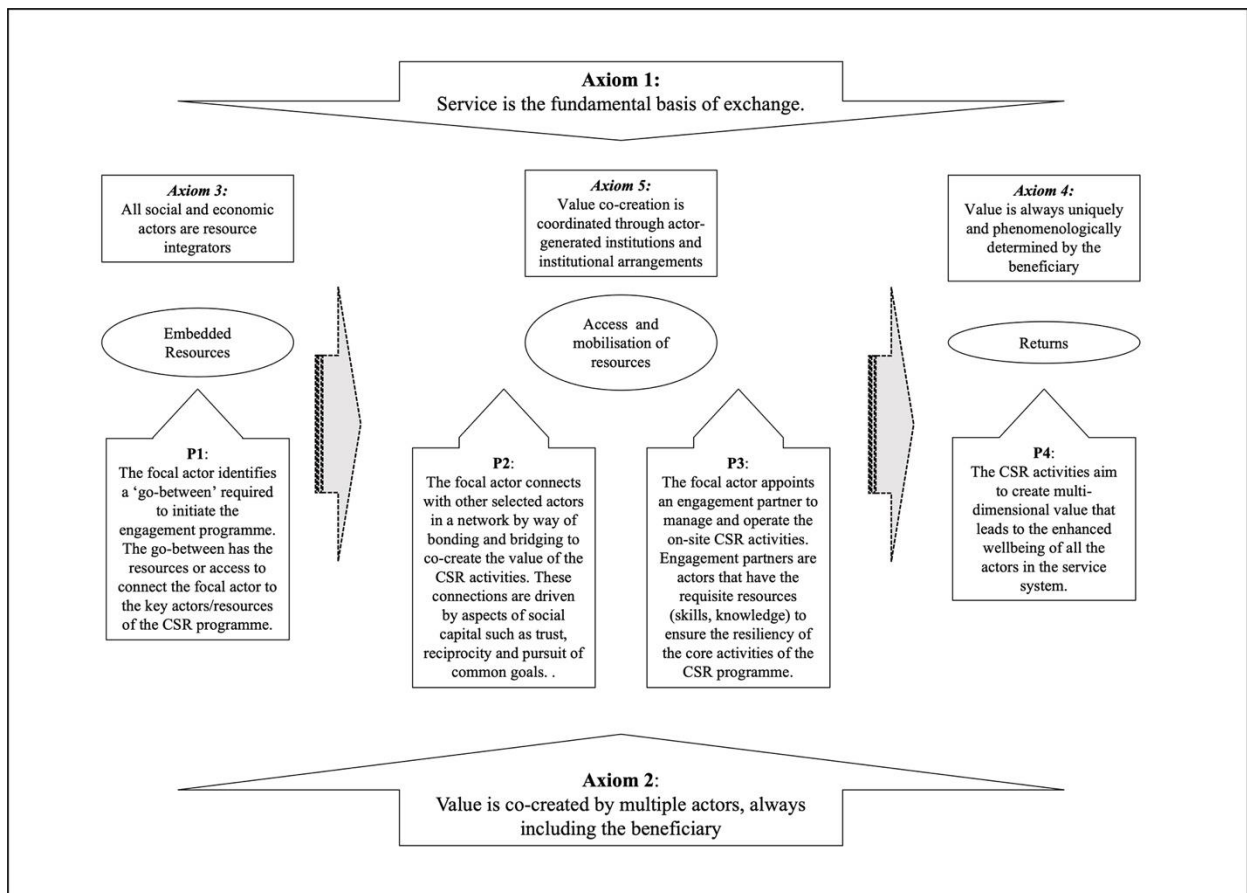
Launched in 2016, ST's signing store is the first Starbucks outlet *in the world* to be operated by deaf¹ people (Starbucks Malaysia, 2019). The original crew of the signing store comprised of 10 deaf individuals, including baristas. Here, ST's key resource partner is the Society of Sign Interpreters for the Deaf (SID), an NGO. Accordingly, the entire process, from hiring to training of the deaf employees, was carried out with the assistance of SID. ST's CSR Senior Manager relates that this store is now an international case study within the deaf community. It regularly hosts delegations from other Starbucks' franchises around the world as well as representatives of the deaf community, looking to replicate the concept in their home countries. And indeed, Starbucks USA has since launched several similar signing stores modelled after ST's Signing Store. SID in collaboration with community members, hosts workshops and weekly sessions, during which time able bodied members of the local community, ST's customers and employees, interact with the deaf employees and members of the deaf community.

5. The Framework

Adopting SDL as the general lens and market orientation, and applying the building blocks of NTSC unto the data gathered from the case, this study now proposes an integrative framework for collaborative economy centred CSR. The framework is presented here as Figure 2.

¹ The term 'deaf' refers persons with very little or no functional hearing abilities.

Figure 2: Framework for Collaborative Economy Centred CSR



The foundation

Since SDL serves as the general foundation, 2 of its axioms provide the basis for the proposed framework: namely Axiom 1 and Axiom 2.

Axiom 1 states that “*service is the fundamental basis of exchange*” (Vargo and Lusch, 2016). ‘Service’ is the application of *operant resources* (e.g. knowledge, skills, and cultural and social resources) (Vargo and Lusch, 2004; Lusch and Vargo, 2006a). These resources are capable of acting on *operand resources* (e.g. goods and materials) as well as other *operant resources* to co-create value. Exchange of service transpires indirectly as well because service is often provided through a complex combinations of goods, money, and institutions (Vargo and Lusch, 2008). This is encapsulated in SDL’s FP2: “*Indirect exchange masks the fundamental basis of exchange*”. ST’s case provides examples of both direct and indirect exchange of service. In the Community Garden project, the DoA and other actors exchange knowledge and skills directly (face-to-face sessions) for the upkeep of the plants and herbs. While in the banana project, customers provide service to the village folk indirectly by paying for banana-based products at Starbucks.

SDL's Axiom 2 states that "*value is co-created by multiple actors, always including the beneficiary*" (Vargo & Lusch, 2016). SDL posits that the value creation process is the action of multiple actors, often unaware of each other. SDL adopts the view that value is understood as that which increases the wellbeing of actors (Vargo, Maglio & Akaka, 2008). The process of value co-creation ideally results in the actors being better off in some respect, irrespective whether it is economic or social in nature, or a combination of both. It could be experienced at a micro or macro level of society. Similarly, NTSC also holds that all actors seek to promote their wellbeing, in one way or another (Häuberer, 2011). The interconnected roles of Axiom 1 and Axiom 2 in serving as the underlying basis of the proposed framework is best described in the following excerpt from Vargo and Lusch (2011, p. 184):

“(Service) identifies the reason that we have interaction in society — service-for-service exchange — and its corollary, value (i.e., benefit) co-creation, is the glue (common goals of survivability and wellbeing) that holds social units (including economic units) and society in general together.”

The propositions

SDL's Axiom 3 states that "*all social and economic actors are resource integrators*" (Vargo and Lusch, 2016). 'Resource integration' here refers to actors' interaction with or use of resources (Laud *et al.*, 2015). This axiom adopts a 'zooming out' of the value creation process beyond the strictly 'producer' – 'consumer' roles assigned to actors in the traditional view of the market (Vargo and Lusch, 2017). In so doing, it recognises that each actor has resources, especially in the form of knowledge and skills which can be exchanged with other actors. This axiom can be matched to the concept of 'embeddedness' in NTSC (Akaka, Vargo, & Lusch, 2012; Laud *et al.*, 2015; Lin, 2005). Likewise, it refers to the pool of resources among the actors in a given network, which could be used for certain purposes. Lin (1999, 2005) identifies 'embeddedness' as the antecedent to social capital (see Figure 1). However, as Lin (1999, p. 41) explains, these resources are not evenly or equally distributed among the actors. An actor's resources may vary due to differences in access, levels of education, industrial prowess and technological know-how and so on. Alternatively, an actor may occupy a different hierarchical position in a network by reason of political, cultural or economic status. Either way, it leads to each actor being endowed with varied access to, or extent of resources. Notwithstanding, a focal actor – by reason of its position in a network – is expected to have knowledge of the information and opportunities within different or mutually unconnected actors (Burt, 2001). Including the identity of the actor most appropriate to facilitate the initiation of the engagement programme whom are referred to as 'go-betweens'. A go-between is an actor that can provide access to resources (information, knowledge, advice) or facilitate links between unconnected actors (Lingo & O'Mahony, 2010; Luo, 2005). In this case for instance, ST initially did not have the information or the access to its Connecting Communities programme site. However, ST identified the DoA as the 'go-between', since (as a public agency) it is expected to have the resources (knowledge, information, advice) to facilitate the connection to a suitable site. Therefore, this study proposes as follows:

P1: The focal actor identifies a ‘go-between’ required to initiate the CSR programme. The go-between has the resources or access to connect the focal actor to the key actors/resources of the CSR programme.

SDL Axiom 5 states: “*Value co-creation is coordinated through actor-generated institutions and institutional arrangements*” (Vargo and Lusch, 2016). SDL posits that ‘institutions’ serve as the mechanisms for the facilitation of resource integration and service-for-service exchange activities in a network (Vargo & Lusch, 2017). ‘Institutions’ here refers to humanly devised rules (both written and unwritten), norms, and beliefs, conventions, and shared cultural and symbolic meanings – that which makes life manageable and meaningful (Vargo and Lusch, 2016). Meanwhile, ‘institutional arrangements’ refer to higher-order assemblages of interrelated institutions (also called “institutional logics”) (Vargo and Lusch, 2017). Since each actor is of limited resources, interaction with other actors and exchange of resources is necessary towards enhancing each actor’s wellbeing. Institutions and institutional arrangements serve as ‘the rules of the game’, as it were, to such interactions and exchanges, to create understanding and expectations between the actors (Akaka, Vargo and Lusch, 2012). Essentially, institutions enable actors to access and mobilise resources in an orderly manner (Laud *et al.*, 2015). NTSC shares SDL’s position in connection to institutions. In NTSC’s view, institutional aspects within a society such as trust and reciprocity (Prell and Skvoretz, 2008; Perry-Smith and Mannucci, 2016), and the pursuit of common goals (Sitaloppi and Vargo, 2017) serve as the guiding principles in the interaction and exchange between actors (Laud *et al.*, 2015). The instrumentality of institutions is evident in the *bonding* and *bridging* action of actors in a network. For example, in the Connecting Communities project, ST first *bonds* with the DoA, with the trust and expectation that the latter has resources (e.g. information, knowledge) that ST requires. Via DoA, ST *bridges* a new link with the chosen site, driven by aspirations for economic wellbeing of both ST and the village. Thereafter, ST *bonds* with its food suppliers, to process bananas into finished food products which it can sell at its stores. Subsequently, ST *bonds* with HOPE Worldwide to manage the IT Centre at the site. Similarly, bonding and bridging activities between ST and the actors are present in the other two engagement programmes. In all, bonding and bridging reflects the value co-creation process between actors in a network, coordinated through institutions that represent elements of social capital. Thus, the second proposition is as follows:

P2: The focal actor connects with other selected actors in a network by way of bonding and bridging to co-create the value of the CSR activities. These connections are driven by aspects of social capital such as trust, reciprocity and pursuit of common goals.

In relation to mobilisation of resources, Vargo and Lusch (2017, p. 50) posed the following question for further enquiry:

- What determines the resiliency of service systems?

It is proposed that the solution lies in the focal actor appointing an ‘engagement partner’ to manage and operate the designated engagement programmes. To illustrate, in each one of ST’s flagship engagement programmes, one key actor is selected to manage and operate the project. They are: HOPE Worldwide for Connecting Communities, SID for the deaf store project and the DoA for the community garden. These appointments are not arbitrary but rather based on the respective actors’ capabilities and expertise. To illustrate, ST’s CEO justifies the appointment of HOPE Worldwide:

“...and we’re not [going to] go there and say Ma’am we got this, we got [that]. No! Because I know at the end of the day [it] is not sustainable for us. If I’m going to send my guys every day to the site, then who’s going to be looking after my stores? [That’s] not going to work yeah? So, we needed somebody who has got the capability and the expertise to run it for us. That’s where Hope [Worldwide] comes in.”

As the focal actor, ST sets the agenda and thereafter oversees the CSR activities. Meanwhile the engagement partner is responsible for the execution of the on-the-ground activities. Such collaborations of distinct competences and resources between organisations from different sectors is instrumental in economic and social missions (Dentoni, Bitzer and Pascucci, 2016; van Tulder *et al.*, 2016). Drawing from ST’s case, it is suggested that engagement partners have the potential to contribute to the resiliency of service systems. Primarily, owing to the combination of the distinct skills and know-how of that actor. However, engagement partners do not weaken ST’s position as the focal actor. As although the engagement partner may operate the actual activities, the engagement context is still within that set by the focal actor. This helps the focal actor establish and strengthen its position. For example, the engagement activities (e.g. community garden and signing store) are all managed under the Starbucks banner. Therefore, the third proposition is as follows:

P3: The focal actor appoints an engagement partner to manage and operate the on-site CSR activities. Engagement partners are actors that have the requisite resources (skills, knowledge) to ensure the resiliency of the core activities of the engagement programme.

SDL’s Axiom 4 states: “*Value is always uniquely and phenomenologically determined by the beneficiary*” (Vargo & Lusch, 2016). This axiom emphasises the multi-dimensionality and experiential nature of value (Vargo, Maglio and Akaka, 2008; Akaka, Vargo and Lusch, 2012). Value is uniquely experienced by an actor in the service system (Vargo and Lusch, 2017). Overall, the perceived value improves the wellbeing of the actors (Vargo and Lusch, 2016). This is aligned to NTSC’s third block – returns. Despite the different nomenclature between SDL (value) and NTSC (returns), both fundamentally refer to the same concept. As both refer

to the increased wellbeing of the actor – that the actor is better off. And much like SDL, Lin (1999, 2005) emphasises on the multidimensionality of returns: classified generally as instrumental returns, and expressive returns. ST’s case demonstrates the range of possible returns (or value) derived by the actors. These are presented in Table 2 below.

Table 2: Types of returns to actors

<i>Stakeholders</i>	<i>Instrumental</i>		<i>Expressive</i>	
	<i>Economic</i>	<i>Reputational</i>	<i>Personal wellbeing</i>	<i>Collective wellbeing</i>
Starbucks Malaysia	√	√		
Beneficiaries	√		√	√
Customers			√	√
SM employees		√	√	√
Suppliers	√			
NGO partners		√		√
Authorities		√		√
Community				√

For ST, as the focal actor, the returns are mostly instrumental in nature, in the form of economic and reputational gains. In 2018, ST is reported to have increased its pre-tax profit and recorded a higher gross-margin from the year before (Berjaya Food, 2018). Admittedly, it cannot be said with absolute certainty, how much of that is directly attributable to its engagement programmes; although there were some hints during the interview sessions. For example, ST’s CEO pointed out that sales at the Signing Store are up over 30%, compared to when it was a conventional store. He further elaborated that due to a sustained consumer demand for banana-based food products, ST has expanded its sourcing contract to two other neighbouring villages. These can serve as inferences of ST’s economic gains. Strict empirical validation on the other hand, is perhaps not practical due to the multiple factors that interact differently over time (Foss and Saebi, 2016, p. 212) Nonetheless, there is much evidence in the literature that suggest a high probability of economic gains from the capitalisation of social resources (Lins, Servaes and Tamayo, 2017; Servaes and Tamayo, 2017). Apart from economic gains, there are reputational gains to ST as well. Lin (1999, p.40) defines ‘reputation’ as favourable/unfavourable opinions about an actor in a network. Community related projects and initiatives have great potential in engendering favourable market opinion (Maden *et al.*, 2012; see Lii, Wu and Ding, 2013). Similarly, social capital too is found to positively influence reputation (see Lee, 2009; Saunders *et al.*, 2019). There is further evidence of reputational

gains for ST from a recent study conducted in Malaysia where Malaysian consumers expressed very positive opinions about ST's CSR (Abdulrazak and Quoquab, 2018). Eventually, a good reputation leads to economic gains too, as it draws more customers and in the case of a public company (ST's holding company in Malaysia is listed on the main bourse), attracts investors (Skarmeas and Leonidou, 2013).

All three of ST's programmes generate returns for other actors as well. For instance, the economic benefits to the villagers are apparent. Meanwhile deaf persons have found gainful employment in jobs that offer equal opportunity and pay. And a whole new line of banana-based food products has opened up a revenue stream to ST's food suppliers. There are reputational returns too. ST's employees' active participation in all three projects is expected to engender favourable opinion with customers and the community. As for ST's NGO partners, being non-profits, they thrive less on economic returns, and very much on reputation. For in the absence of a good reputation, an NGO's agenda will unlikely receive support at large (Mitchell, 2015). Collaborating with ST provides positive exposure to the community and an avenue to promote their respective agendas. The same goes for ST's public sector partner – the DoA, which as a government agency needs to be seen carrying out its designated duties diligently. In addition, these actors gain from expressive returns. Participation in voluntary community work and/or contributing to the society and the environment results in enhancement of personal and societal well-being (Martela and Ryan, 2016). Accordingly, here, several actors in ST's service system, including ST's employees, the projects' beneficiaries and not least, the community at large, are expected to benefit in terms of an enhanced sense of well-being from all or any of the flagship projects. Furthermore, through HW's connections, other firms (previously beyond ST's service system) and their respective stakeholders benefit from expressive returns by way of their participation in the IT Centre. Therefore, this study proposes the following proposition:

P4: The engagement activities aim to create multi-dimensional value that leads to the enhanced wellbeing of all the actors in the service system.

6. Discussion and theoretical contributions

The emergence and thereafter refinement of SDL over the years has contributed significantly to marketing literature (Brodie, Löbner & Fehrer, 2019). Notwithstanding, Vargo and Lusch call for further exploration of SDL (Vargo and Lusch, 2017). Specifically, towards developing prescriptive propositions in aid of midrange concepts such as 'actor engagement' which can potentially benefit practitioners and policy makers (2017, pp. 50–51). In this regard, Vargo and Lusch suggest the application of other (complementary) theories alongside SDL's lens. Accordingly, here, Lin's (1999, 2005) NTSC was adopted and applied to SDL's fundamentals. Having done so, this study contributes to SDL literature primarily in two ways. Firstly, in connection to SDL's emphasis on the role of 'institutions' in coordinating value co-creation among actors (Axiom 5). Social capital – the basis of NTSC – is a form of actor-generated institutions and 'institutional arrangements' (Patulny and Lind Haase Svendsen, 2007; Rodríguez-Pose and von Berlepsch, 2014; Saunders *et al.*, 2019). In this case, aspects of social

capital such as trust and reciprocity especially, appear to enable – if not drive – the various engagement activities between the focal actor and the other actors. ‘Trust’ comes from the confidence an actor has of another pertaining to certain outcomes (Patulny and Lind Haase Svendsen, 2007). ST reaching out to the DoA to subsequently connect to another was based on trust that DoA, being a public agency, has the requisite resource. Reciprocity on the hand, refers to ‘a sense of obligation’ of one actor to another in return for something (Coleman, 1988). It can be illustrated here, with the Signing Store. Where in return for gainful employment of its members (deaf persons), SID manages and operates various activities relating to customers and members of the surrounding community and deaf persons. Both these examples, and other instances in the case, demonstrate the role of institutions and institutional arrangements from the perspective of social capital, in coordinating value co-creation between the actors. This article’s second contribution is concerning interaction between the actors in a service system. Interaction between actors is integral, for without it, there is no resource exchange and consequently, no value being co-created (Vargo and Lusch, 2011, 2016, 2017). However, SDL does not explicitly address how an actor can overcome the differential distribution of resources between the actors (Laud *et al.*, 2015; Siltaloppi and Vargo, 2017). It is very likely that the focal actor may not have access to some of the targeted actors. Applying the principles of NTSC, the current case demonstrates how a focal actor can overcome this predicament. That is by ‘bonding’ and ‘bridging’ connections with the appropriate actors to exchange resources and thereafter co-create value for their mutual or collective wellbeing. For example, in the Community Edible Garden project, ST bonded with DoA (whom it had an established connection from previous projects) to operate the gardens. While in the case of the Signing Store, ST bridged a connection to deaf persons (via SID) in the process of offering them employment. Typically, a combination of bonding and bridging enables a focal actor to orchestrate the exchange of resource among actors, subsequently leading to value co-creation.

This study also contributes to the emerging discourse on actor engagement. Firstly, it offers a network-based approach. Where, the dynamics of the engagement is viewed and explained from the perspective of social capital. In so doing it takes heed of the call to apply network based theories, to complement the current literature (Alexander, Jaakkola and Hollebeek, 2018). Following which a framework for the development and deployment of collaborative economy centred CSR is proposed. The framework as well as the 4 propositions that embody it may be used as a guide for other firms. Lastly, this study demonstrates that actor engagement activities need not be limited to advanced or developed economies alone. Currently, there is very little (if any) discussion on engagement from the perspective of developing economies in the literature. Most of it is drawn from cases and examples in the west (Woolcock, 2001). By comparison, this study demonstrates that actor engagement activities are independent of developmental or economic conditions. This is further supported by the use of social capital aspects as the enablers of interaction and engagement in CSR programmes as demonstrated in the case.

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