Value in acquisition shaped by Customer Experience: A study of syndicate groups' influence on the student experience and overall perceived MBA value.

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ABSTRACT

This study explored value co-creation during the acquisition process of a credence good by undertaking the study of MBA student experiences when interacting in syndicate groups.

The study utilised exploratory research with in-depth qualitative interviews by applying the critical incident technique to analyse positive and negative experiences that occurred during the acquisition of the MBA qualification. Insights were generated concerning how syndicate groups contribute to the value creation process and outcomes perceived by MBA students, further offering propositions for future research that will contribute to theory on the value creation process.

Findings of this study indicated that MBA students in South Africa believe that syndicate interactions added more value for personal development than academic development. The extent of such development can be improved or influenced by group diversity as well as by the format provided by the institution to support the interactions. The findings of this study concerning the role of consumers in value creation during the acquisition process of credence goods, contributed to the literature on value co-creation and on credence goods. It was found that consumers have a much more active role to play in value creation during the acquisition process of a credence good, than was purported in the literature supporting this study.

KEY WORDS

Customer experience; credence goods; value co-creation.

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DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master 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.

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CHAPTER 1: INTRODUCTION TO THE STUDY

1.1. Research Area and Problem

Kotler and Armstrong (2014) argued that "today's marketing is all about creating customer value and building profitable customer relationships" (p. XVI). With globalisation and increased competition, value creation is no longer merely a "marketing instrument"; it is also a vital source of competitive advantage. As such, understanding value and value creation is critical for both academic scholars and marketing practitioners (Gallarza, Gil-saura & Holbrook, 2011).

The dearth of information concerned with value creation was emphasised by Grönroos and Voima (2013), who stated that "value creation and value co-creation have not been analysed sufficiently rigorously" (p.133), despite the fact that these two concepts are considered to be significant to marketing. Confirming Groonroos and Voima's (2013) argument on the need for further research on value creation, Gummerus (2013) emphasised a need for further research on the topic of value, suggesting three gaps in the existing literature concerning value research:

- The lack of clarity on the concept of value;
- Differing views on those who are engaged in the process of value creation and how value is generated;
- The understudied relationship between value creation and value perception as it relates to activities that generate competitive advantage.

Traditional theories have contended that value is created by providing a good or service, and therefore, the producer is the primary contributor (Gummerus, 2013). More recently, however, theories have prepositioned that the producer is not the only actor in the value creation process, and that consumers also have a role to play and are, therefore, value co-creators (Bettencourt, Lusch & Vargo, 2014; Kowalkowski, Ridell, Röndell & Sörhammar, 2012; Kuppelwieser, Simpson & Chiummo, 2013; Yngfaulk, 2013). Given the importance of the customer's role in the value creation process, value propositions that focus on engaging the customer in the value co-creation process by encouraging and supporting their participation, are important (Bettencourt, Lusch & Vargo, 2014).

However, value propositions have, up to now, been focussed on the delivery of value by a specific firm or producer, rather than on value co-creation (Ballantyne, Frow, Varey & Payne, 2011), and there is still a need for future research regarding the co-creation of value through relational processes to support the creation of value propositions (Frow & Payne, 2011).

Finally, many of the traditional theories have focussed on the study of value derived from the exchange of goods, and more recently the use of services has also received attention. However, studies on value creation for credence goods are non-existent (Howden & Pressey, 2008). Credence goods are particularly relevant to the proposed study on value because unlike normal consumption goods, with search or experience characteristics, the value of a credence good cannot be easily measured by the consumer and the assessment of value is usually based on belief or by using surrogates (Armstrong, 2001).

In conclusion, the problem is a lack of understanding regarding value co-creation, especially in the acquisition of credence goods. This is a latent gap that may affect the enablement of value creation as well as the creation of adequate value propositions that addresses customers' expectations, consequently influencing a firm's ability to generate competitive advantage. This study attempted to address this gap in understanding, extending the existing literature on drivers of value co-creation in the acquisition process of credence goods.

1.2.   Purpose and Significance of Research

The aim of this research was to explore value co-creation during the acquisition process of a credence good by undertaking the study of MBA student experiences when interacting in syndicate groups, with the objective of generating insight on how consumers can be enablers of the value creation process.

Grönroos and Ravald (2011) have emphasised the importance of such research, particularly regarding "the mechanisms of value facilitation and co-creation of value, and the ways providers and customers conduct their roles and influence each other in these processes" (p.17). This study, therefore, also sought to contribute to an aspect of required future research emphasised in current literature.

Regarding the relevance of the proposed study, customer experience and customer value research topics were appointed as the top two priorities for research by the Marketing Science Institute (MSI) for the period between 2014 and 2016 (MSI, 2015). In addition, the

concept of value has become so important to the field of marketing that the American Marketing Association even considers value as the goal or output of Marketing in its definition: "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have **value** for customers, clients, partners, and society at large (American Marketing Association, 2013). Reinforcing the importance of customer value to the field of Marketing, Holbrook (1996) delineated that based on Kotler's definition of Marketing, customer value is the foundation of Marketing activity and is therefore vital to consumer research.

Given the importance of value to the Marketing field, companies and institutions must focus on determining how best to create and deliver value to their customers. Howden and Pressey (2008) explained that increasingly, buyers and suppliers are developing collaborative relationships that will address competitive pressure by generating better rewards, or in this case, value. Customer value creation as a source of competitive advantage was also stressed by Ulaga (2001), reinforcing the relevance of this research for business and scholars.

Last, but not least, through the study of syndicate group interactions, this research sought to contribute to the understanding of what creates value during the acquisition process of a credence good, here viewed as an MBA qualification. Given that "MBA programs remain the dominant program type that prospective students consider when they think about pursuing graduate management education" (GMAC, 2014), the insights derived from this study will help institutions to enhance the MBA experience to better achieve their value propositions through interactions that meet students' expectations.

1.3.   Research Scope

This research was conducted in the field of marketing, more specifically in the areas of customer experience and value creation. The focus was on the process of value creation for credence goods, where the Masters in Business Administration (MBA) degree was the credence good in question.

The service-dominant logic theory presented by Vargo and Lusch (2008) and the customer-dominant logic theory presented by Heinonen, Strandvik and Voima (2013) set the foundation to explore value co-creation in this study. Both the service-dominant and the customer-dominant logics recognise the customer as key to the value creation process, and

encourage the study of the customer roles and interactions that create value in order to improve the value creation processes.

Despite the importance of goods and services with "search" and "experience" qualities, the focus of this study was on a good with "credence" qualities, due to dearth of information regarding the value creation process for these types of goods (Howden & Pressey, 2008). Therefore, the study did not cover the value creation process for "search" or "experience" goods. The scope of the study was also limited to exploring value creation in MBA courses only, and other higher education studies (i.e. Doctorate degrees) were not included in this study.

1.4.   Conclusion

The research consisted of two parts: The first part explored current literature review regarding the value creation process and aimed to establish a vital concept and viewpoint to be explored in the subsequent parts of the research. The second part offered insights into "who" creates value and "how" value is created or co-created during the acquisition process of credence goods through the study of student interactions and experiences in syndicate groups, that contributed to the value creation process and outcomes perceived by MBA students, further offering propositions for future research that would contribute to theory on the value creation process.

The findings of this research will be very relevant to:

- Marketing practitioners, as it will provide insights regarding the value co-creation process for credence goods, which is an area that requires further research.
- Scholars interested in marketing and consumer research, where the insights generated by this research can be used as a basis to develop value creation theory.
- Superior education institutions in South Africa that will benefit from the insights of this research, thereby potentially improving their value propositions and value delivery mechanisms, consequently gaining competitive advantage.

CHAPTER 2: LITERATURE SUMMARY

Research is necessary to determine how value is co-created during the acquisition process of credence goods. The enablers of value creation are also important to ascertain and construct better value propositions that relate to the customers' needs and expectations.

This is based on two arguments: Firstly, value is crucial to sustainable competitive advantage, therefore, determining what the customer perceives as value, and enabling the value creation though the customer experience is important. Secondly, it is challenging for the customer to measure value in credence goods, especially during the acquisition process, and value in this case is traditionally related to the provider. Identifying those value drivers is imperative for improving value propositions and exposing them can be a powerful asset to improve customer perceived value.

2.1. Value

Despite the efforts of academics to define the concept of value, Grönroos and Voima have suggested that value is the "most ill-defined and elusive concept in service marketing and marketing management" (Grönroos & Voima, 2013 as cited in Kuppelwieser, Simpson & Chiummo, 2013, p. 312). Gallarza, Gil-Saura and Holbrook (2011) also suggested that few studies have adequately dealt with the topic of value creation, and therefore, there is room for improving on the understanding of value creation, "both from the viewpoint of building a sound conceptualisation and from the perspective of empirical validation" (p. 186). Therefore, to contextualise and lay and overarching foundation for the assessment of value and value co-creation, the research initially explored the following question: ***What do consumers, in this case students, regard as value in the MBA degree as a credence good?***

Firstly, it is important to conceptualise the meaning of "value". Babin and James (2010) leveraged Zeithaml's (1988) definitions of value and stated that value can be interpreted in four ways:

- Value as it relates to price, where low price equals high value.
- Value as it relates to the customers' expectations and how these were met, where customers conclude the perceived value based on the usefulness of a product or service.

- Value as the result of the measure of quality obtained, minus the price paid for the product or service.
- And value as a result of an equation that considers "what I get versus what I give".

In the case of credence goods or services, the four definitions above do not directly apply and value is very difficult to measure during acquisition and even after purchase, usage or consumption. For credence goods or services, the buyer or consumer has to rely on third-party judgements, seller's credentials or surrogates in an attempt to assess the quality and value delivered (Andersen & Philipsen, 1998; Howden & Pressey, 2008; Armstrong, 2014).

Diaz-Mendez and Gummesson (2012) explored this concept even further by looking at the value as a product of the services provided in higher education (credence good/service discussed in this study) despite the monetary value paid for it. They stated that value goes beyond what you pay for the education, as value is linked to service regardless of its monetary value. It is about what the customers expect for their studies. For example, a student in a bursary may expect the same value as a full paying student.

Looking specifically at value as it relates to student's expectations, Woodall, Hiller and Resnick (2014) leveraged Gronroos (1997), Heskett, Sasser and Schlesinger's (1997) equation of value as a framework to create and "ideal" representation of value from a student's perspective.

Figure 1: Ideal representation of value for students (higher education)

Results for the Customer	**Service Attributes**	
Practical outcomes • Knowledge/learning • Transferable skills • Business understanding • Time/money management **Social outcomes** • Life experience • Friendships • Social status • Familiarity with different cultures **Strategic outcomes** • Degree • Employment opportunities • Networking opportunities • Further education opportunities • Corporate pipeline **Personal outcomes** • Self-actualisation/fulfilment • Confidence • Independence • Personal development/maturity • Please parents/significant others	**Lifestyle facilitators** • Local sustenance (Cafés, shops) • Local services (Banking, print shop, insurance) • Transport links • Accommodation Office **Support services** • Personal counselling • Financial advice • Health centre • Students union • International office **Lifestyle enhancers** • City centre campus • City life • Cultural variety • Gym/sports facilities • Personal freedom • Student's Union	**Academic support** • Library • Language programmes • Internet/pc access • Teaching staff • Administration **Career Enhancers** • Placement/internship • University business initiatives • Careers office
Price • Course/tuition fees	**Acquisition and Relationship Costs**	
	Lost opportunity: • Work experience/wages • Travel/other social and entertainment • Starting family/establishing stable relationships **Subsistence:** • Rent • Daily transport • Occasional travel • Utilities • Food and entertainment • Telephone costs **Effort** • University work (revision/examinations, coursework) • Loss of home comforts/fending for yourself • Part-time work • Travel between classes/buildings **Direct learning costs** • Books • Stationary • Print costs • IT (laptop, etc.)	**Psychological costs** • Academic stress (workload, deadlines, fear of failure) • Financial worries/debt • Homesickness • Pressure on personal relationships • Weight of expectation from family/friends • Personal expectations • Pressure to socialise **Other Acquisition costs** • Pre-course study • Loss of privacy (communal living) • Leaving 'safe'/familiar environment • Crime • Cultural/social prejudice • UK weather

Source: Figure extracted from Woodall, Hiller and Resnick, 2014, p. 55

Further expanding on the concept of value, Gummerus (2013) stated that value research consists of two main topics: the process of value creation and value outcomes, where the process of value creation includes the "parties, activities and resources involved in value creation" (p.1) while value outcomes analyse the outcomes value that customers perceive. The figure below illustrates the two main streams identified by Gummerus (2013) and how the existing theory is categorised into these streams:

Figure 2: Value theory categorisation
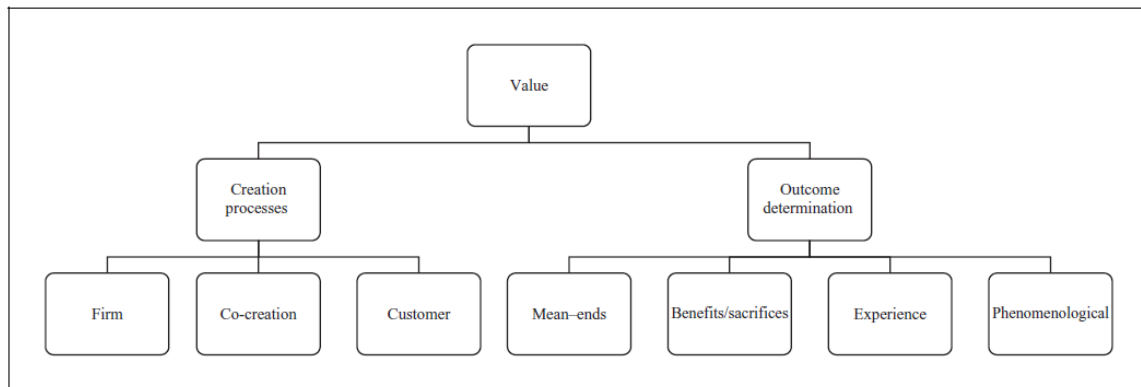
Source: Figure extracted from Gummerus, 2013, p.4

The criteria used by Gummerus (2013) for distinguishing between value creation process and value outcomes is summarised on the following table:

Table 1: Criteria for distinguishing between value creation processes and outcomes

Value	Creation Process	Outcome determination
Aim to understand	How value comes to be (actions)	What value is and how it is perceived/evaluated (cognitions/feelings)
Value basis	Activities/resources/interactions	Customer reactions/experiences
Time focus	Continuous	Transient
Result	Identification of how resources/activities/interactions create value	How much value is gained/what type of components value consists of/how to maximise customer evaluations

Source: Table extracted from Gummerus, 2013, p.4

The presented table reflects the value creation process as based on the interactions, activities or resources in the process, where the outcomes are determined by the experiences generated through those interactions. This concept was initially explored in Gentille, Spiller and Noci's (2007) framework for exploring the "role" of customer experience, depicted further along in this chapter as it is a vital element of the research study.

Referring to the diagram above (figure 2), due to the nature of credence goods, where the seller determines the consumers' needs, the value creation process would be driven from

the seller or firm's perspective (Howden & Pressey, 2008). In this case, the consumer is placed in a very passive role, where active co-creation is not emphasised. Leveraging Gummerus' (2013) framework, this study focussed on evaluating the customer role in the value creation process of a credence good, and explored the interactions and experiences that enabled value creation between students acting in syndicate groups.

2.2.   Understanding the value creation process

In line with Kotler and Armstrong's (2014) view on value creation, traditionally the value creation process has been viewed as being driven by the firm providing a good or service to a customer (Yngfaulk, 2013), suggesting a more passive customer role. This approach has been derived from the concept of a goods dominant logic, where value is seen as being created during the manufacturing process (Vargo & Lusch, 2008), and is delivered at the moment of purchase, when the customer exchanges something of value for a good or service. This value generated is referred to as *value-in-exchange.*

Recently, the concept of value creation has evolved to encompass the active participation of the customer in the value creation process. This approach of value co-creation was initially proposed by Vargo and Lusch (2008) as part of the service dominant logic concept. In a service dominant logic, the customer is regarded as the major contributor of value creation, as opposed to the goods dominant logic, which considers the firm as the main contributor. This suggests a shift from the traditional view of the customer as a passive beneficiary of value to an active collaborator in value co-creation (Bettencourt, Lusch & Vargo, 2014).

Bettencourt et al. (2014) argued that companies should move away from the traditional thinking of value as an output derived from a good or service, and move towards focussing on customers' actual desires regarding their achievements or accomplishments. The figure below illustrates the pertinent differences between the traditional view of the value creation process and the "service lens" view on value creation, derived from the service-dominant logic:

Figure 3: Traditional and service lenses on value creation
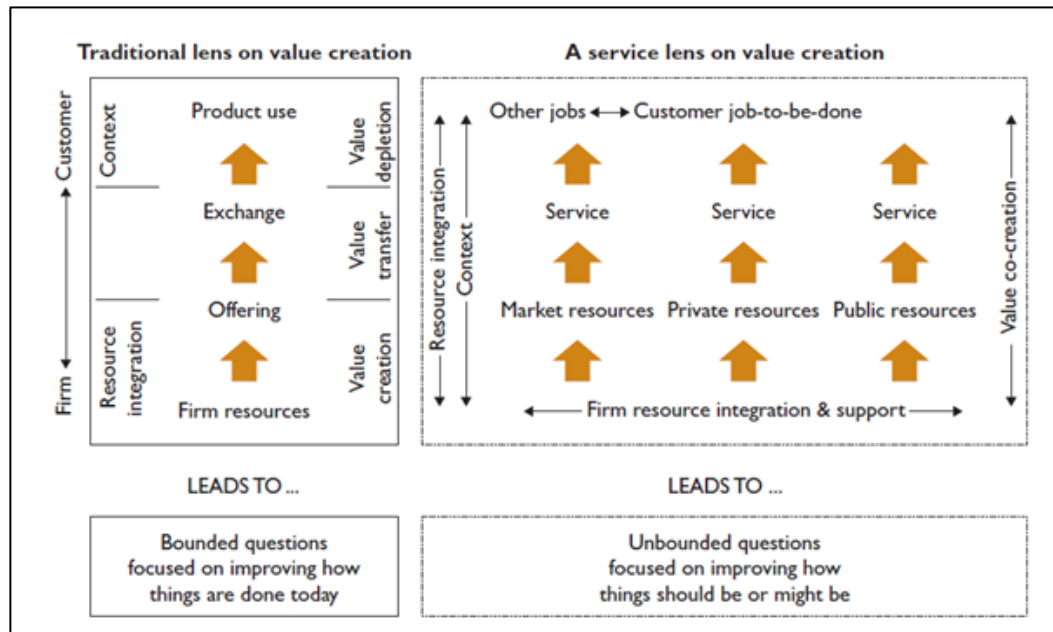
Source: Bettencourt, Lusch & Vargo, 2014, p. 48.

More recently however, researchers have developed the concept of value creation and co-creation, and a new logic, namely denominated customer dominant logic has been introduced. In the proposed customer dominant logic, "the focus is shifted from the company´s service processes involving the customer, to the customer´s multi-contextual value formation, involving the company" (Heinonen, Strandvik & Voima, 2013). In this new customer dominant logic, the study of "who" and the "how" in the value creation process as it relates to the experience and the interactions between multiple customers, becomes even more important.

In line with this new proposed logic, Kuppelwieser, Simpson and Chiummo (2013) asserted that in some cases, like in the case of e-services, value is also created between and among customers as opposed to a unilateral or even bilateral approach to value creation (firm-to-customer, firm-and-customer). Similarly to the e-services space, the MBA acquisition process also encompasses a form of value co-creation where other students participating in the classes and interacting in syndicate groups are drivers of value creation.

Both the service-dominant and the customer-dominant logics are important to this study because, unlike the goods-dominant logic, these logics recognise that the customer has an active role to play in the value creation process, igniting the discussion on co-creation and

emphasising the need for value propositions that will encourage the customer to participate in the creation process. This is particularly significant in the study of the value creation process of credence goods because traditionally, given the nature of credence goods, the provider would be the source of value creation due to a high level of information asymmetry (Howden & Pressey, 2008). However, with the advent of technology (i.e. internet and social media), customers are becoming more informed as they have access to information and "experts" at the touch of a button. Customers are also more collaborative, sharing and rely on other customers' experiences (Gensler, Volckner, Lui-Thompkins & Wiertz, 2013). Therefore, the interactions with other customers during the value creation process become more important as the role of the company and the customer might change slightly. Hence, one of the objectives of this research was to explore the "who" in the value creation process for credence goods, exploring the following question: *Is there value co-creation in the acquisition process for credence goods; in this case, the MBA degree?*

Due to the focus of existing literature on either how value-creation is driven by the provider or on how consumers co-create value by integrating resources within their consumption practices, less attention has been given to "how" firms, consumers, and other stakeholders interact and co-create value (Yngfaulk, 2013). Supporting Yngfaulk's view, Mustak, Jaakkola and Halinen (2013) also concluded that even though many studies have touched on the topic of customer co-creating value, research on how co-creation is enabled is scarce and "both academics and practitioners would greatly benefit from a more comprehensive understanding of customer participation in creating offerings, and the associated value outcomes for the parties involved" (p. 342). Therefore, one of the aims of the research was to explore "how" value is co-created through the acquisition process, with the objective of providing insight into answering the following question: *What types of experiences or interactions co-create value in the acquisition process for a credence good; in the case, the MBA degree?*

In addition, a forward-looking perspective of value creation, as stated by Bettencourt, Vargo and Lusch (2014), "recognizes that a product is not embedded with value. Value is not something that things, or even people, possess. Rather, they possess capabilities that give them value potential. They are enablers of value" (p.53). Thus, building on the service-dominant and customer-dominant logics, considering that customers have an active role to play as co-creators in the value creation process and recognising that they possess capabilities that enable value creation, this study addressed the topic of value co-creation from a customer-dominant logic and explored the following question: *How are consumers,*

in this case students acting in syndicate groups, enablers of the value creation process?

The importance of understanding how students co-create value when working in syndicate groups was highlighted by Popov, Brinkman, Biemans, Mulder, Kuznetsov and Noroozi (2012) as essential for educators and instructional designers, especially when designing group work for multicultural groups, which is the case in South Africa. They stated that going into the future, a great number of students completing higher education courses will work in multicultural groups and therefore, the ability to work in multicultural groups should form part of their core competencies. To enable this, higher education providers, MBA providers included, will have to leverage insights as to how students co-create value when working in multicultural groups and redesign courses accordingly to enhance the learning environment.

2.3.   Value creation as a source of competitive advantage

With globalisation and recent advances in technology, firms are currently operating in highly competitive environments, where customers are offered an array of products and services from which to choose. According to Kotler and Armstrong (2014, p.12) "a customer buys from the firm that offers the highest customer-perceived value". Therefore, it is important to determine the drivers of perceived value to offer an attractive product or service that customers will select to buy rather than support competitor products available in the market.

Kotler and Armstrong (2014) defined customer perceived value as "the customer's evaluation of the difference between all the benefits and all the costs of a marketing offer relative to those of competing offers" (p.12). While Bettencourt, Lusch and Vargo (2014) argued that the perceived value of an offering is related to the "service it is able to provide within specific contexts when used by customers who integrate resources to get a job done" (p.59), this does not suggest that the perceived value of an offer is impacted by competitor offers. Here it is contended that value be viewed as a part of the production process, where value can be delivered as a result of the production itself.

Bettentcourt, et al. (2014) argued that a firm's objective should not be to beat other competitors in the market, but instead, it should be to apply knowledge and skills to co-create value based on what the customer is trying to achieve. In these authors' view, the application of knowledge and skills to co-create value is the true source of competitive advantage, or as they position it, the true source of strategic advantage. Therefore in this case, the customer is seen as an active actor in the value creation process. This is in

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agreement with Prahalad and Ramaswamy (2004) who stated that the key to unlocking competitive advantage is value co-creation, where the provider enables high-quality interactions that will result in unique experiences between the provider and the customer, in this case playing a more active role. Specific to the higher education environment, Fleischman, Raciti and Lawley (2015) also defended co-creation as key and stated that "the way forward is to more intimately understand the needs and wants of students, providing opportunities for students to pursue various degrees of co-creation to construct a semi customised HE experience that provides value to all stakeholders" (p.87).

Conversely, Kotler and Armstrong's (2014) definition of competitive advantage stated that competitive advantage is "an advantage over competitors gained by offering consumers greater value than competitors do" (p. 528), which suggested that the customer is a much more passive actor in the value creation process. These opposing perspectives demonstrated that there is benefit in pursuing research in perceived value and value co-creation, to clarify the ambiguity between the concepts presented. This study however, focussed on exploring the role of the customer as an active participant in the value creation process, rather than a passive one.

2.3.1. Value Proposition

According to Ballantyne, Frow, Varey and Payne (2011), a value proposition is conventionally defined as "the marketing offer or value promise formulated and communicated by a seller, with the intent that it be accepted by a buyer" (p. 203). In agreement with Ballantyne et al. (2011), but looking at value propositions as strategic tools to deliver value and not just as selling mechanisms, Saarijarvi (2012) stated that "value propositions are fundamental strategic tools for companies to both externally communicate the core benefits of their market offerings and internally focus on the right things in order to deliver those benefits to customers" (p. 383). The concept of value propositions is important to this study as it is a key management concept that sets the customer's expectation regarding the value of the good or service being provided as well as it can shape the value co-creation mechanisms by incentivising customers', in this case students, participation.

Bettencourt et al. (2014) assumed that customers are always part of the value creation process and should not only be seen as the traditional "target" for value delivery, but as an active resource that co-creates value. Also, when viewing value as both the process and process outcome, the customer interaction in the value creation process becomes even more vital. Therefore, value propositions should be focussed on engaging the customer in

the value creation process, encouraging and supporting their participation as a means to achieve the incremental value.

Until recently, however, "goods-dominant logic" elements were still present in all forms of value proposition, with much emphasis on the delivery of value rather than on value co-creation (Ballantyne, Frow, Varey & Payne, 2011). This suggests that there is room for research regarding the co-creation of value through relational processes to support the value propositions.   Also, reinforcing the importance of the theme in current literature and Marketing studies, Bharti, Agrawal and Sharma (2015) stated that "the concept of value co-creation has gained popularity as it embraces customer and operant resources into the entire value-creation process, thereby overcoming the gaps of conventional marketing" (p. 571). It is important to note however, that not all companies can or want to offer co-creation and "evoking a change in the traditional company/customer roles in order to integrate customers into the production process may not always be either productive or profitable for companies delivering emotional or symbolic value propositions" (Saarijarvi, 2012, p.385). This may be the case with some types of credence goods, where the value sits in the provider's knowledge and ability to execute on a determine service. Therefore, it is important to understand how customers, in this case students acquiring the MBA diploma, view value co-creation in order to understand the benefits and the challenges of levereging this element in MBA value propositions going forward.

2.4.   Credence goods and value creation

Nelson (1970) distinguished between two types of "qualities" of goods: "search" qualities that can be determined in the search process before a good or service is purchased, and "experience" qualities that can be perceived only after purchase and use (Nelson, 1970; as cited in Darby & Karni 1973).

Building on Nelson's (1970) research, Draby and Karni (1973) proposed a third class of properties of goods, termed "credence qualities", where "credence qualities are those which, although worthwhile, cannot be evaluated in normal use" (p.68). Another definition of credence goods utilises Dulleck and Kerschbamer's (2006) definition of credence goods as "goods and services where an expert knows more about the quality a consumer needs than the consumer himself" (p. 5). A good example, is professional services, "which are customised, high contact, and high in credence properties" (Chan, Yim & Lam, 2010, p.48) and as stated by Howden and Pressey (2008), there are very few studies that explore the

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value creation process for credence goods. Therefore, there is an evident need to generate further insights about "how" value is created for credence goods, "who" plays a role in the process and "what" type of interactions drive the value creation.

2.4.1.   The MBA as a credence good

Franck and Schönfelder (2000) claimed that the quality of superior education cannot be easily measured and the perceived benefits of a "good" higher education are gradually exposed over the course of an individual's career (after consumption). Therefore, higher education can be classified as a credence good (Franck & Schönfelder, 2000).

"In higher education, very little data exist describing what is actually learned and the benefits that the consumer ultimately derives from that learning. Since little information exists on the outcomes of education, the value attributed to it tends to be based on surrogates" (Armstrong, 2014, para.9). Some of the stated surrogates includes: the research output of the faculty, cost of education, facilities, student extracurricular activities, academic quality of incoming students, and the breadth of the curriculum (Armstrong, 2014). Therefore considering the MBA as a credence good, and as such, the MBA is initially sold "on a promise" (Clark, 2001 as cited in Howden & Pressey, 2008). The implication of the promise is that determining the surrogates that drive the quality perception, as well as the value drivers that will help the customer evaluate the value created, will help shape the value propositions that correlate with the outputs of the MBA "promise". According to Datar, Garvin and Cullen (2011), relooking these value propositions will be instrumental going forward as business schools have reached a crossroads given the rising competitive pressures and new customer needs.

2.5.   Customer Experience as an enabler of value creation

Emphasising the importance of customer experience in shaping value creation, Addis and Holbrook (2001) stated that: "customer experience originates from a set of interactions between a customer and a product, a company or part of its organization and the value that the consumer and the company gain is created through that set of interactions" (Addis and Holbrook, 2001 as cited by Gentille, Spiller & Noci, 2007, p.399). Ramaswamy (2011) went even further and stated that value is a product of human experiences, and these experiences come from interactions, where the providers are facilitators of these interactions. Hence, it could be argued that customer experience in the form of interactions

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is the "enabler" of value creation. The framework in Figure 3 below illustrates the "role" of customer experience as an enabler of value, as it "shapes" value perception.

When analysing the value creation process of credence goods, the experiences that help shape the perceived value become even more important, given that these act as a "measurement" of the almost "immeasurable" value of a credence good.

Figure 4: Framework for exploring the "role" of customer experience
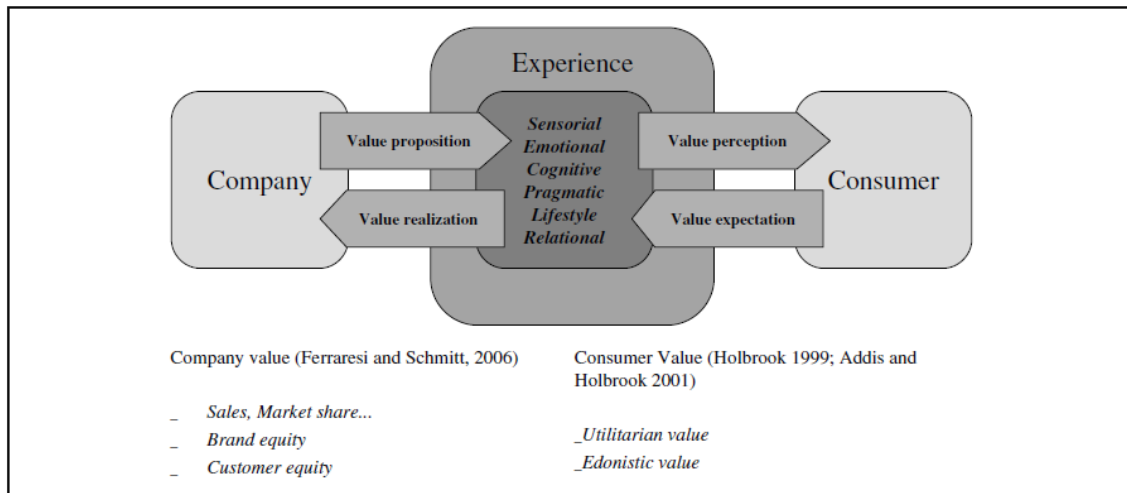
Source: Gentille, Spiller & Noci, 2007, p. 400.

Gentile, Spiller and Noci (2007) proposed that the right environment and setting for the desired customer experience should be created to contribute to the value creation for customers and the company itself. Vargo and Lusch (2008) stated that the interactions in the value creation process are very important. Essentially, whether the value is derived from goods or created from an interaction with another actor, the customers' experiences become the basis for enabling and evaluating value.

Confirming the importance of customer experience in shaping value creation and in alignment with Vargo and Lusch's (2008) arguments, the closest author's to conceptualising value as simultaneously process and outcome is Grönroos and Voima (2013, p. 137). These authors declared, "… that value creation is the customer's creation of value in-use during usage, where value is socially constructed through experiences" (as cited by Kuppelwieser, Simpson & Chiummo, 2013). Thus while they recognise the potential of value in use during usage, the "usage" for an educational good is both during the acquisition process as well as after the degree has been acquired.

In addition, as proposed by Gronroos (2008), the value received can also be negative, as value can be based on consumers' perceptions. Gronroos (2008) also stated that "value always has an attitudinal component, such as trust, affection, comfort and ease of use" (p. 303). Therefore, consumers' perceptions of value can be influenced by a series of different factors or experiences, for example, negative interactions with other consumers during the acquisition or consumption process. Gummerus (2013) also supported this view and argued that further investigation is required regarding activities experienced as positive and negative in the value creation process and how these influence value outcomes. Hence, the study also aimed to explore the following question: ***What experiences and interactions detract from the experience and consequently reduce the perceived value?***

In summary, "value co-creation may have both positive and negative impacts on value formation for customers, and it may be instrumentally created or just emerge from customers' experiences" (Gronroos 2012, p.1521). Therefore, this study considered both aspects when analysing the interactions and experiences reported by students. Also, considering the specific context of credence goods, where quality and value can be shaped by proxies or surrogates (Armstrong, 2014), how experiences pertaining surrogates impact the overall value of a good is also an angle that was explored within the research study.

2.6.   Summary of Literature Review

In conclusion, value creation has been confirmed as a relevant and crucial instrument for generating competitive advantage, despite the lack of consensus regarding the role of customers in the value creation process. The literature review provided comprehensive support to the research problem by confirming that both practitioners and academics could benefit from research that would generate further insights into value co-creation process, especially in the acquisition process of credence goods, where research is currently non-existent. These insights can be used as a foundation for the creation of more adequate value propositions, which may lead to gaining competitive advantage. Finally yet importantly, the literature reviewed confirmed the importance of customer experience in shaping the value creation process, and reinforced the need to further explore the types of experiences and interactions that can enable or destroy value.

CHAPTER 3:   RESEARCH QUESTIONS

3.1.   Introduction

The purpose of this research was to explore value co-creation during the acquisition process of a credence good by conducting a study of MBA student experiences, with the objective of gaining insight on how consumers can be enablers of the value creation process. To do so, the research questions below were established.

3.1.1.   <u>Research Question 1:</u> What do consumers, in this case students, regard as value in the MBA degree as a credence good?

Questions that aim to determine the enablers of value creation and to ascertain how value is co-created during the acquisition process of a credence good, in this case the MBA qualification, are depicted below:

3.1.2.   <u>Research Question 2:</u> Is there value co-creation in the acquisition process for credence goods, in this case, the MBA degree?

Sub-questions:

3.1.2.1   *<u>Research Question 2a):</u> What types of experiences or interactions co-create value in the acquisition process for a credence good, in this case, the MBA degree?*

3.1.2.2   *<u>Research Question 2b):</u> How are consumers, in this case students acting in syndicate groups, enablers of the value creation process?*

Consumers' perceptions of value can be influenced by different factors or experiences, for example, negative interactions with other consumers. The questions described below help to determine the interactions that detract from the value of a credence good, in this case, the MBA qualification:

3.1.3.   <u>**Research Question 3:**</u> **What experiences and interactions detract from the experience and consequently reduce the perceived value?**

Sub-question:

3.1.3.1   <u>*Research Question 3a)*</u> *How do experiences pertaining surrogates impact the overall value of a credence good?*

CHAPTER 4:   RESEARCH METHODOLOGY

4.1.   Introduction

This study aimed to explore value co-creation during the acquisition process of a credence good by conducting a study of MBA student experiences when interacting in syndicate groups. This chapter details and justifies the methodology used in this research study to collect and analyse data. This chapter also states the shortfalls and limitations of this research.

4.2.   Research Design

This research had two main objectives. The first objective was to explore how value creation is shaped by experiences and interactions during the acquisition process of credence goods and the second objective was to generate insights on how customers can enable value creation, aiming to support better value propositions.

To address the challenge of the lack of literature and insights regarding the value creation process for credence goods, Ulaga (2003) argued that "researchers have recommended the use of qualitative methods to explore phenomena about which little is known" (p.679). In order to generate insights into the customer value phenomena, Woodruff and Flint (2006) also recommended a qualitative research approach.

Considering that this study also sought to identify fundamental interactions from the individual's perspective, that added or detracted from the perceived value of the MBA, a qualitative approach was therefore deemed the most appropriate to address both the research problem and objectives and was therefore the approach applied for the study conducted. This approach contributes to a richer base of knowledge regarding customers' perceptions, experiences and value co-creation.

4.2.1.   An Exploratory Study

As emphasised by Howden and Pressey (2008), the majority of the studies in value creation have involved physical goods, where both the consumer and supplier have had a good understanding of the product and were easily able to assess value. In contrast, studies regarding the understanding of the value creation process for credence goods, where the

consumer has limited understanding of the product and value is more difficult to assess, were absent.

Given the qualitative nature and the objectives of the research, as well as the absence of literature on the topic of value creation for credence goods, an exploratory study was regarded as the most appropriate for gathering information, garnering new insights and forming a better understanding of the topic (Saunders & Lewis, 2012). According to Saunders and Lewis (2012), two of the three most usual ways of conducting exploratory researched are searching in academic literature and conducting interviews. Both methods were applied in the proposed research.

4.2.1.1 In depth Interviews

The interview methodology was selected to address the research questions regarding value co-creation for two reasons: Firstly, it is a flexible, discovery-oriented data gathering methodology that allows participants to contribute openly and freely (Saunders & Lewis, 2012). Secondly, given its interactive nature, this methodology allows the researcher to gain more depth into specific insights as they emerge, being particularly useful for this study as it aims to generate in-depth insights on how other customers enable value creation.

4.2.1.2 Critical Incident Technique

Bettencourt, Vargo and Lusch (2014) found that "value depends on context because each customer draws on their unique combination of experiences, culture, and mind to shape their value priorities and assign meaning to service received. In other words, customer involvement happens not only via the actions a customer takes to get a job done, but also by how they interpret and process information to define and assess value". (p. 58).

Hughes, Williamson and Lloyd (2007) recommended the critical incident technique as a good qualitative approach for collecting and analysing information about human interactions or activities and their importance to the people involved. The critical incident technique is a study of critical incidents, as experienced by the research participants, which allows the researcher to identify patterns and gather insight on "how" and "why" people engage or behave in a certain way (Hughes, Williamson & Lloyd, 2007).

The critical incident technique was applied to explore the research questions pertaining to the relational aspects of value co-creation shaped by customer experiences and to gather insights concerning the types of incidents (i.e. experiences and interactions) that create or detract from value through the recollection of interactions.

4.3. Universe and Sample

4.3.1. Universe

The population of this study consisted of all MBA students, males and females, in the process of completing their MBA studies, or students that have completed their MBA degree in South Africa in the last year (12 months). As for geographic reach, the study was conducted within South Africa, in the cities of Cape Town and Johannesburg. The research was limited to these two cities due to the time and budget constraints for this research. The geographic locations were selected due to the representation and concentration of the best-rated business schools in South Africa in these cities:

- Six of the ten best-rated MBA programmes in South Africa (PMR Business Schools Ranking, 2015) are located in Cape Town and Johannesburg.
- Seven of the fifteen accredited business schools in South Africa (PMR Business School Ranking, 2015) are located in Cape Town and Johannesburg.

MBA students from both part-time and full-time programmes were considered in this research due to the fact that "availability of time for the MBA" was an element that was explored in terms of the impact on perceived value created by syndicate groups. MBA lecturers and faculty members did not form part of the study.

Given the nature of the critical incident technique and its reliance on the participants' memories and recollections of fact that had previously occurred (Ellinger & Watkins, 1998; as cited in Hughes, Williamson & Lloyd, 2007) during the process of acquisition of the MBA qualification, students that had completed their MBA studies more than one year prior to this particular research study were not included in the research sample. This was due to the time elapsed from the conclusion of the MBA studies, whereby their contributions could have focussed on value-in-use or post-purchase instead of value created during the acquisition process of the MBA degree.

4.3.2. Sampling Method and Size

Due to the complexities of obtaining a full list of MBA students in South Africa, both enrolled and recent graduates, it was not possible to establish a sample frame in which to apply probability-sampling techniques. Saunders and Lewis (2012) stated that when no sample frame exists, probability-sampling techniques cannot be used and therefore, non-probability technique must be applied.

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Therefore, the researcher used a combination of purposive and convenience non-probability sampling, where purposive sampling allows the researcher to select the participants based on his/her own judgement (Saunders & Lewis, 2012); and convenience sampling affords the researcher the opportunity to select the most accessible participants as research subjects (Marshal, 1996). The following criteria were applied to obtain a more heterogeneous sample: race, gender, and MBA programme type. These criteria were defined with the objective of selecting a more heterogeneous group, ensuring the collection of a more diverse and varied set of data and avoiding racial or gender bias.

According to Marshal (1996), an adequate sample size for qualitative research is one that adequately answers the research question with the objective of reaching data saturation. A sample of forty MBA students was pre-selected, using convenience non-probability sampling. According to Saunders and Lewis (2012), if a sample has heterogenic characteristics, an initial selection of between 15 and 25 participants is deemed adequate. Therefore, of the forty pre-selected MBA students, twenty-five participants were then selected through purposeful and snowball sampling and twenty-five interview requests were sent out via e-mail. Only one request was declined, as the participant's e-mail could not be verified, and no evidence of systematic non-response bias is present. Of the twenty-four students who accepted to participate in the research, only twenty-two were interviewed and two interviews were cancelled due to lack of participant availability. Since saturation had been reached by the 20th interview (please refer to figure 7 for saturation analysis detail), the researcher did not attempt to reschedule the two interviews that were pending.

The diagram displayed below in Figure 5 illustrates the multi-level sampling process adopted for this research, which can be easily replicated for future research if required.

Figure 5: Multi-level sampling process adopted
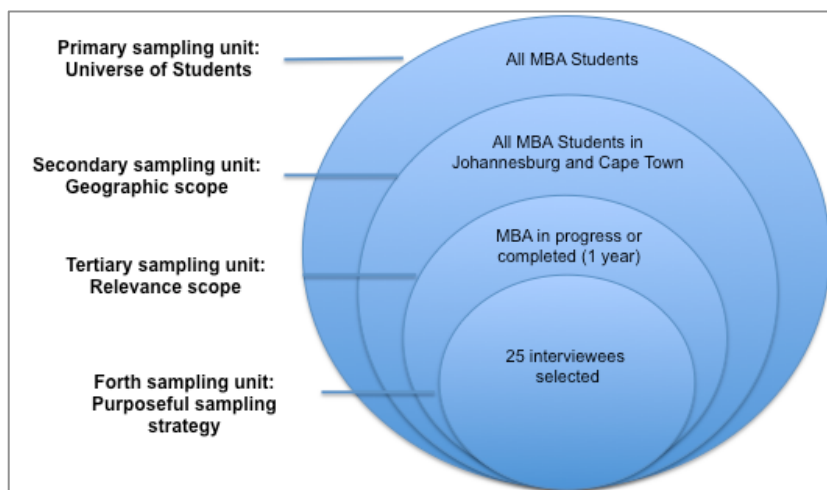
4.3.3. Unit of analysis

The unit of analysis for this research is the experience or incident where value was created or detracted from the MBA as it was perceived by an *individual student*.

4.4. Data Collection Methods and Research Instruments

The data collection methods applied for this study aimed to generate primary data from detailed interviews with selected MBA students and graduates. Creswell (2013) stated that there are several approaches to data collection in qualitative research. Some of these include:

- Unstructured, open-ended interviews supported by interview notes.
- Unstructured, open-ended interviews, supported by audio recordings and transcriptions of the interviews.
- Semi-structured interviews, supported by audio recordings and transcriptions of the interviews.
- Focus group interviews, supported by audio recordings and transcriptions of the interviews.
- A combination of different types of interviews: e-mail, face-to-face, focus groups, online focus groups and telephone interviews.

A semi-structured method was utilised for this study, where a set of predefined topics or questions based on the literature review were used as a guide to the discussions. Saunders and Lewis (2012) deemed this the most adequate method for collecting data when the interviewer is unsure of the answers that the participant will give, allowing the interviewer (in this case the researcher) to change the order in which the questions were asked, as well as decide to ask additional questions or not to ask some of the pre-defined questions. This method was particularly usefully given the critical incident technique applied, where the interviewer (researcher) would have to delve deeper into particular incidents stated by the participants. The high-level process used by the researcher for data collection is described in the diagram below:

Figure 6: Data collection process

Data Collection Process – Semi Structured Interview Method

Prepare	Pilot	Conduct Interview	Transcribe and Record in analysis tool

- Prepare an interview guide with topics for discussion and predefined questions (incl. opening question)
- Setup Interview: Contact participant, explain purpose of interview, setup location, date and time
- Arrange recording mechanism
- Develop consent form
- Print consent forms

- Plan Pilot: Select participants, setup time/date
- Perform pilot and test recording mechanism
- Assess pilot results: Notes, recording quality, outputs
- Make changes and updates to interview materials and procedures

- Setup room and materials
- Get consent from participant (sign consent form)
- Request permission to record
- Conduct the interview
- Record interview and take notes
- Thank Participant

- Store signed consent form
- Transcribe recording into word processing tool
- Record input into qualitative data analysis tool - Atlas
- Provide participant with a summary of finding/copy of interview notes (if required by participant)

Source: Saunders, M., & Lewis, P. (2012). *Doing research in business and management: An essential guide to planning your project.* Financial Times Prentice Hall.

4.4.1. Preparation

In order to ensure that the desired information would be collected from the interviews, a discussion guide was created in preparation for the interviews. McCracken (1988) stated that it is crucial to phrase the discussion guide questions in an open-ended, nondirective manner. He also stated that researchers should use floating prompts to explore specific themes as these arise during the interview and when important themes that are required do not naturally in the interview, the interviewer must be more obtrusive and introduce planned or fixed prompts. Therefore, the discussion guide consisted not only of open-ended questions, but also of planned prompts and floating prompts.

Also in preparation, the participants were then contacted via e-mail, and invited to take part on the study. A brief introduction to the researcher and study were provided along with an informed consent letter ensuring that their participation was voluntary, together with a confirmation that the interview content would be kept confidential (please refer to Appendix 2 for informed consent letter). The interviews were scheduled on the date, time and location suggested by the participants and were confirmed one day prior to the meeting.

4.4.2. Pilot

In order to test the approach as well as recording devices and discussion guide questions, a pilot interview was conducted. The pilot interview was scheduled to run exactly like the other data collecting interviews, with a participant randomly selected from the sample group and following the same procedures for data capturing. This allowed the researcher to evaluate

the quality of the recordings and recording devices, as well as the level of depth and insights generated from the interview given the prompts in the discussion guide.

Rosaline (2008) stated that running a pilot can help to ensure that the questions support the capturing of the right data required as well as guides the interviewer to the best order of questions, in a way that it works better for both the interviewee and interviewer. This being said, after assessing the pilot results, questions regarding cultural elements that can contribute to value creation were added. In addition, one of the questions that was originally an opening question concerning the meaning of the MBA to the students, was moved to the end of the interview as no additional insight was being generated from the question, given that it followed a very similar question, generating some confusion with the interviewee.

Following the pilot test and the analysis of the pilot results, the discussion guide and associated materials were amended and the scheduled interviews were confirmed. Considering that the pilot test presented good results and due to the good quality outputs of the pilot interview, the findings and data collected were measured together with the overall study.

4.4.3.   The Interview Process

The data collection, in the form of semi-structured interviews, took place in various locations such as participants' work offices, and private residences, with most of the interviews being conducted at the MBA institution campus. All interviews, except for two, were conducted face-to-face. Dialsingh (2008) stated that face-to-face interviews reduce nonresponse bias and also make it easier for the researcher to probe deeper to clarify certain responses, thus gleaning more information on specific topics. Face-to-face interviews also allow for the researcher to gather insights from the observation, noting and if required, probing on specific body language expressed by the participants (Dialsingh, 2008). Therefore this method was deemed the most appropriate for the in-depth exploratory interviews conducted. Videoconferencing software was used for interviews where the participants were at a different geographic location to the researcher.

Despite the appropriateness of this method, there are disadvantages to face-to-face interviews that must be addressed. These include the presence of interviewer bias and a fear of lack of anonymity and confidentiality by the participant. These must be overcome by creating a trusted relationship with the participant (Dialsingh, 2008). For this, an informed consent letter ensuring that their participation was voluntary and the interview content would

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be kept confidential was sent in advance and signed by both the interviewer and the participant at the beginning of the interview (refer to Appendix 2 for informed consent letter). Also, the order in which the questions were structured in the discussion guide, allowed for open-ended less sensitive questions to be addressed first, and the more sensitive questions to be asked last, once the participant was more comfortable with the interviewer.

All interviews were conducted in English. Given that all participants and the researcher were fluent in the language, a translator was not required. Refer to Appendix 1 for the discussion guide used to direct the interview questions.

4.4.4. Transcription and Input into Analysis tool

Kowal & O'Connell (2014) stated that transcription as a form of written recording of a verbal discourse, in this case the in-depth interviews, is vital. Therefore, all interviews were recorded in audio format and then transcribed for analysis, except for one where the audio file was corrupted. In this case, notes that were taken by the interviewer during the interview were used for data analysis instead of a transcript. The transcripts were generated in Microsoft Word format and sent to the participants for validation.

All interviews were transcribed verbatim from the interview recordings to reduce selective systematic bias (Kowal & O'Connell, 2014). More than fifty hours were dedicated to transcribing the twenty-one interviews that were originally in audio format. Once completed, all transcripts were then reviewed once more against the recordings in order to rectify any transcription errors or spelling mistakes. The review and editing of each transcript amounted to approximately fifty minutes for each transcript, resulting in a total of approximately twenty hours of reviewing and editing time. The review and editing was completed by the researcher, who was also the interviewer for all interviews conducted, ensuring the quality and veracity of the transcripts to the interviews conducted. The transcripts were then named according to the standard naming convention defined by the researcher to ensure confidentiality and required degree of anonymity. The transcripts were then uploaded onto the Atlas.ti qualitative data analysis tool for coding analysis. The interview sequence was respected in order to maintain the integrity of the data collection for the coding process.

4.5. Qualitative Data Analysis

For the qualitative data analysis, computer-aided qualitative data analysis software (Atlas.ti) and Microsoft Excel were used. Hughes, Williamson and Lloyd (2007) suggested the following step-by-step approach to analysing the data collected:

1. Develop a frame of reference or set of broad categories for classifying the critical incidents;
2. Identify categories and sub-categories of critical behaviours;
3. Link the examples and pieces of data to the categories and sub-categories.

This research aimed to explore how value creation is shaped by customer experience during the acquisition process of a credence good as well as generate insight on how customers co-create value. Therefore, a hybrid approach of both **inductive and deductive** analysis was used in this research.

Primarily, the researcher used a deductive approach to identify key themes from the literature review and research questions, as a framework to drive the data analysis. Given that this research also aimed to contribute to theory by generating insights on how other customers co-create value, and inductive approached was also applied to identify new themes emerging from the data collected.

In conclusion, the researcher used the steps proposed above as a foundation, and leveraged both deductive and inductive approaches to classify the incidents and experiences that impacted value creation. The summarised data analysis process applied by the researcher is depicted below:

1. *Deductive Analysis:* Broad categories were defined based on the academic theory presented in the literature review and on the research questions the study was set out to answer.
2. *Coding and Inductive Analysis:* Categories and subcategories, namely "super codes" and "codes", were created in a deductive manner, based on the themes identified within each category. Super codes and codes were added to the data analysis code book as new themes were identified following the inductive method.
3. *Thematic Analysis:* Examples and pieces of data such as direct quotes were then linked to each code, allowing for a thematic analysis, where the data was categorised and compared, allowing for insights and findings to be derived based on the different connections, differences and similarities.

4.5.1. Data Analysis: Coding

Babin, Carr, Griffin and Zigmund (2009) stated that "codes are meant to represent the meaning in the data" (p.468), and in qualitative data, words and phrases are used to represent themes, as opposed to numbers. More than thirty hours of coding were performed to assist in the data analysis that culminated in the results presented in this chapter. An initial coding exercise was conducted in Microsoft Excel and when the transcripts were uploaded into Atlas.ti, all documents were coded a second time for thoroughness. Each interview transcript was read several times and a word-count was performed to ensure that the important themes were captured and adequately coded.

Code books were created and reviewed using the code manager function of the qualitative analysis tool, to ensure that the codes were at the right level and presented the correct level of granularity. Thirty initial codes were originally created and classified in "Super Code" families. The initial set of codes was derived from themes extracted through a deductive analysis of the literature and the theory presented therein. There were two iterations of the code book: The initial one comprised of the codes derived from the themes in the literature review as well as the research problem and question. The second iteration included codes derived from the data collected through the interviews, with new themes that were not present in the initial theory review. The code book was then reviewed, theme duplications were eliminated and similar codes were consolidated into one final code book. Refer to Appendix 3 for the code books described in this chapter. Table 2 summarises the iterations and the number of codes present in each version:

Table 2: Summary of coding journey

Iteration	Number of Super Codes	Number of codes	Observation
1st Code Book	5	30	Codes were derived from the literature and research questions.
Final Code Book	10	81	Updated with codes derived from the data collected through inductive analysis. Duplications were eliminated and codes merged where themes were either the same or too granular.

The data was coded in the order that the interviews were conducted, and the emergence of new themes or codes in each document was recorded. Based on the frequency of the emergence of new codes, a saturation analysis was conducted.

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Figure 7: Saturation analysis

Code creation over the course of the data analysis
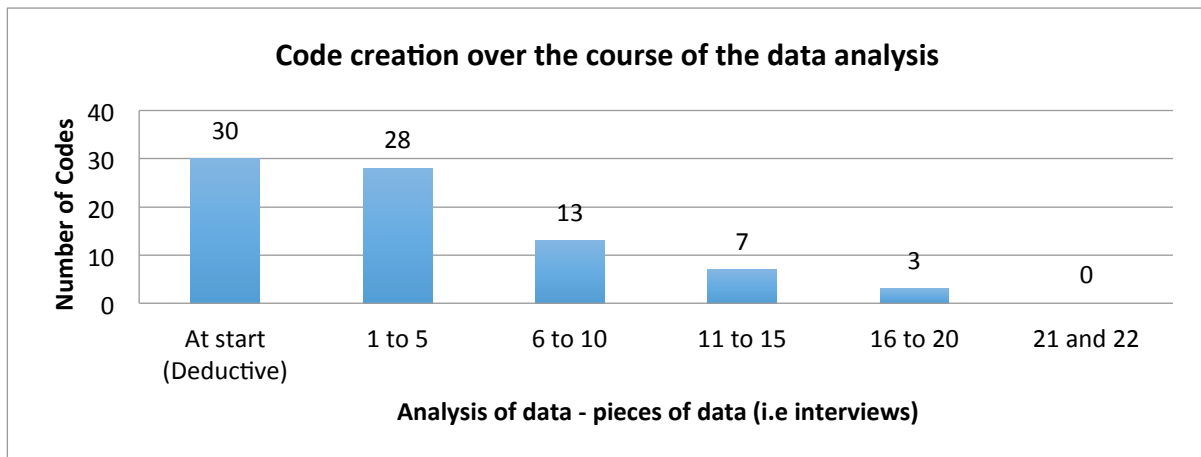
The graph above illustrates that approximately 81 codes were created and saturation was reached by the 20th interview that was conducted.

4.6. Data Validity

4.6.1. Validation of responses and researcher interpretation

The interviewer validated the understanding of participants' responses throughout the interview process by repeating the answers from the previous questions as part of the next question. This helped not only to validate key themes, thereby improving the quality of the findings, but it also contributed to gathering more insights concerning the topics as the participant validated and further explained the concepts.

The critical incident technique helped to validate main concepts through detailed narratives of recalled incidents. By the verbatim transcription of the incident, the researcher inferred key concepts illustrated by detailed examples.

4.7. Research Limitations

The following are limitations of the research scope and methodology applied:

- The critical incident technique, due to its nature (based on personal recollection), has limited generalisability for the findings (Hughes, Williamson & Lloyd, 2007).
- The use of non-probability sampling for the selection of participants in the research does not allow for the extrapolation of findings to the entire population

due to the non-statistical representation of the population in the sample used (Saunders & Lewis, 2012).

- Given that all the participants in this research have studied at South African universities, more specifically in Johannesburg and Cape Town, the findings of this research may not be relevant to other countries or geographic locations.

- The research was limited to students who have either completed their MBA degrees in the last 12 months or who are in the process of completing their MBA degrees.

- Researcher or Interviewer bias may have occurred for two reasons:
  1. Researcher is also an MBA student, is familiar with the areas discussed, and has her own opinions regarding the themes and topics expressed by the participants.
  2. Some participants may not have expressed their true opinions because the interviewer was a peer. Conversely, some participants may have felt more willing to share and be open, given that the interviewer is a peer and can relate to the concepts and topics under discussion.

- The interviewer and researcher is from Brazil, and therefore not from the same country and cultural background as the participants. This may have impacted the research results in two-ways:
  1. Negatively: This may result in interpretation errors due to cultural differences.
  2. Positively: Given the foreign background of the interviewer and the South African context, the participants were more open to talk about specific South African cultural elements as well as specific themes pertaining to the country's history, for example: Apartheid, Bantu education and the lack of interaction between some cultural groups.

- According to Krumpal (2013) "due to self-preservation concerns, survey respondents underreport socially undesirable activities and over report socially desirable ones" (p.2025). Therefore, social desirability bias may have been present in the results given that participants may have answered the questions regarding their syndicate groups in a politically correct manner, instead of answering as they honestly felt. This is due to the need of self-presentation or even fear that their responses would be communicated to other students in a non-confidential way.

- Due to the exploratory nature of the study, a more detailed study on specific findings is required. Chapter 7 contains suggestions for future research.

CHAPTER 5:   RESULTS

5.1.   Introduction

The purpose of this research was to explore value co-creation during the acquisition process of a credence good by conducting a study of MBA student experiences. As outlined in the previous chapter, qualitative interviews were performed across twenty-two participants from Cape Town and Johannesburg, concluding in approximately thirteen hours of interviews. The qualitative data was collected over a two-month period, from August 2015 to September 2015.

The participants were asked to talk about their MBA "journeys", starting with the selection of the specific institution, followed by a discussion regarding peer interactions and the interviews concluded with a detailed discussion concerning their experiences so far. Participants were asked to share both a positive and a negative experience that they could recall, more specifically related to their syndicate group interactions. The topics were addressed through open-ended questions pertaining to the themes of this research, and examples were used to support the illustration of the topics beings addressed in each question.

This chapter provides a detailed description of the sample of participants followed by the presentation of the results that were captured during the qualitative data gathering exercise. To maintain consistency, the research questions outlined in Chapter 3 were used as a guiding framework to report on the findings of this research.

5.2.   The Sample

5.2.1.   Demographics of Participants

The research sample comprised of twenty-two adults who were either in the process of completing their MBA or had recently completed their MBA studies. The sample of participants was a purposefully diverse sample, with a good spread across race and gender. The distribution between male and female respondents was equal, with 50% male and 50% of the sample being female, thus eliminating gender bias from the responses being portrayed in this research.

Table 3: Sample description: Race and gender

Gender	Race				Total
	Black	Indian	White	Coloured	
Female	2	4	4	1	11
Male	2	5	4	0	11
Total	4	9	8	1	22

All participants were fluent in English, despite their different cultural backgrounds. With regard to the level of education, all participants had completed, at a minimum, a secondary degree and were currently in progress or have completed their MBA qualification.

5.2.2. Classification of Participants based on MBA status, geographic location and format

Three questions were asked to all participants to ensure that they were within the desired target sample described in Chapter 4. The first question was regarding the status of their MBA course, whether the course was "completed" or "in progress". If completed, the participant was then asked about the time that had passed since completion. If the answer was more than 12 months, the interviews would not have been considered in the results of this research as it affects the validity of the results due to the risk of inaccuracy in the recollection of the experiences narrated in the interviews. All participants stated that their MBA courses were either in progress or had been completed less than 12 months prior to the interview, suggesting that the data was more relevant to the acquisition process than to the value derived from usage or post-purchase. Therefore the findings of all twenty-two interviews have been considered in this research. Figure 7 presents the classification of the students according to the distribution of completion status of the MBA courses:

Figure 8: Sample description: Status of participants' MBA courses

Sample Description: Status of MBA course

Completed 14%

In Progress 86%
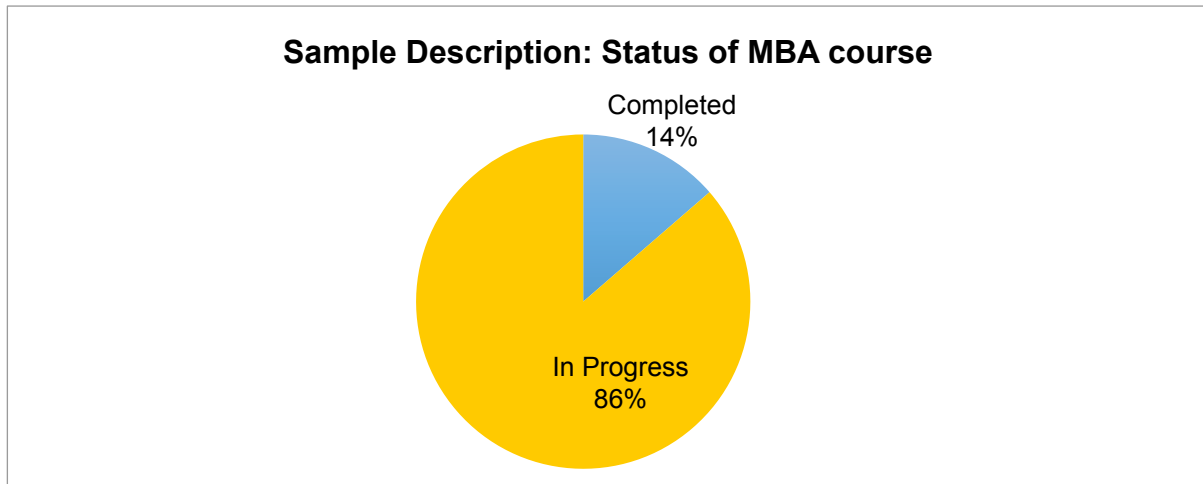
The second question asked to all the participants was about their selected MBA institution and its location. This was to validate that the MBA courses were located in the cities of Johannesburg and Cape Town. For the purpose of this study, the town of Stellenbosch was considered within the city of Cape Town and therefore, was deemed valid as part of the sample considered for this research.

The graph below illustrates the distribution of the participants according to their institutions and the geographic location of their institutions and therefore the cities where their MBA courses were attended. Overall, three MBA institutions are represented in this study: The Gordon Institute of Business Science, the University of Cape Town and Stellenbosch University Business School. All are top rated schools in South Africa, AMBA accredited and in competition. This suggests that these schools attract top talent and therefore, the results were not representative of the South African MBA student population, as this would also include the non-mainstream institutions.

Table 4: Sample description: Geographic location and institution

Geographic Location	Participants in Category	Institution (detail)
Johannesburg	19	Gordon Institute of Business Science
Cape Town	3	University of Cape Town (GSB) and University of Stellenbosch

The third question posed to the participants was the kind of format that was selected by them to complete their MBA qualifications. The representation of the participants of this research as it relates to the format of their MBAs is depicted in the graph below:

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Figure 9: Sample description: MBA format

Sample Description - MBA Programme Formats

Full-time 14%

Modular long block 18%
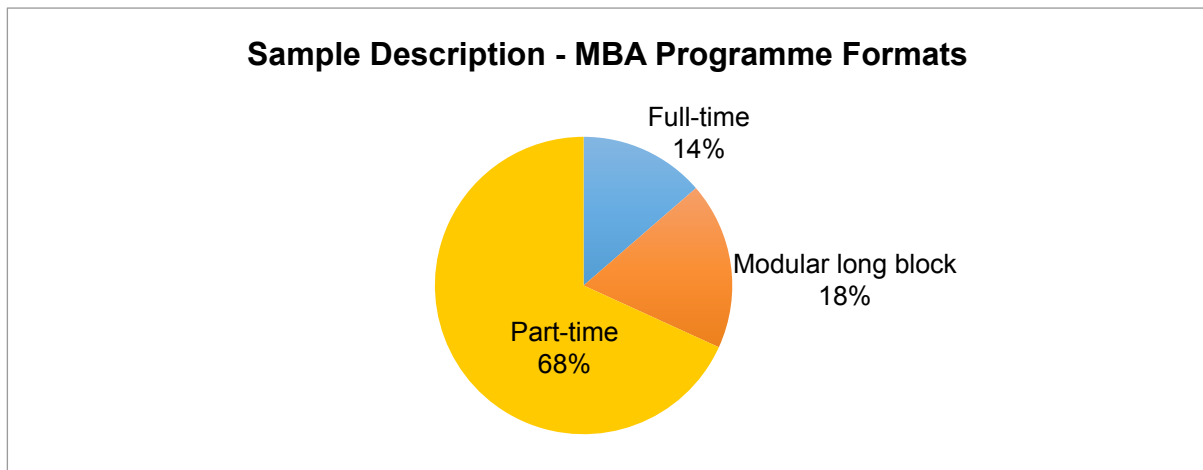
Part-time 68%

The results of the study could have been impacted by the sample being skewed with a majority of the participants being part-time students and currently working, since they have less time to dedicate to their syndicate group interactions and have less available time to prepare and attend classes, affecting their level of contribution.

5.2.3.   Other Sample Observations

5.2.3.1   Participant's Industry

The sample was diverse in terms of industry representation, where participants held occupations from different industries ranging from Banking to Healthcare. This element suggests that the results could have been impacted by the different approaches to group work, interaction styles as well as other industry specific elements. The results of the participant industries are represented in the graph below:

Figure 10: Sample description: Industry representation

Sample Discription - Industry Representation
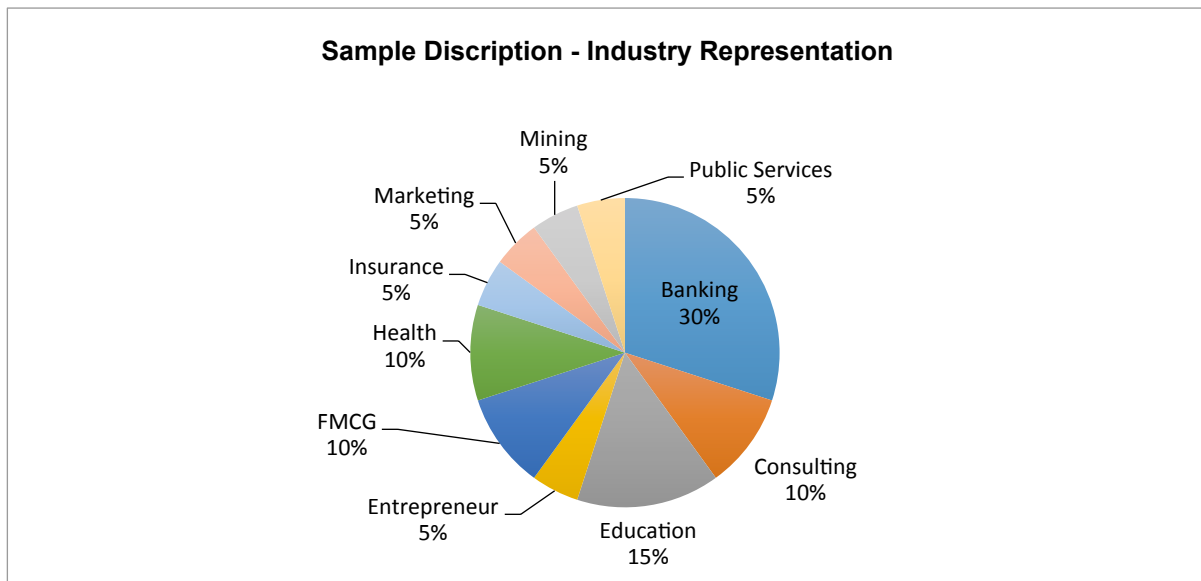
5.2.3.2 Participant's age

Even though the participants were not required to report on their age, the researcher observed that all participants were of working age, ranging from approximately 30 to 40 years of age. This suggests a homogeneous sample across participants' age dimension, which may imply that all participants were at a similar stage in life, both professionally and personally.

5.3. Presentation of the findings

In an attempt to further define the concept of value, generate insight on value co-creation and ascertain how consumers can be enablers of the value creation process, the students' perception of value with regard to the MBA qualification was first explored. This aspect of the study was intended to conceptualise the meaning of "value" with regards to the MBA qualification as it lays the overarching foundation for the assessment of value and value co-creation regarding the experiences narrated by the participants during the acquisition process.

5.3.1. Research Question 1: What do consumers, in this case students, regard as value in the MBA degree as a credence good?

5.3.1.1   Students' / Customers' descriptions of value:

To retrieve consumers' perceptions of value in the acquisition process of the MBA qualification, participants were asked to discuss their MBA journeys, including sharing their reasons for studying towards an MBA, their expectations and what they believed they achieved from the process (outcomes). Through the application of an inductive method for analysis, key themes that emerged from the interviews were coded and the results of the interview participants' perceptions of value are reported in the table below:

Table 5: Categories of value per MBA format:

	Full-Time	Modular	Part-Time	Total
Credibility and respect	1	3	1	5
Collaboration	1	0	5	6
Competitiveness	0	0	3	3
Confidence	2	2	2	6
Differentiation	0	0	1	1
"I can do the job better"	0	0	4	4
Enhanced skills	1	2	14	17
Entrepreneurial opportunities	0	0	1	1
Global recognition	0	0	4	4
Innovative learning	0	0	2	2
Learning to work with others	1	1	5	7
Location and convenience	0	1	3	4
Personal growth	1	1	21	23
Prestige	1	0	1	2
Relevant topics discussed	0	0	1	1
Networking	2	6	19	27
Career progression	0	1	13	14
Quality of lectures	0	1	3	4
Usefulness of MBA diploma	0	0	2	2

The top categories of value observed proved that the results were very similar for all types of MBA formats. Networking was the category that was most mentioned, followed by personal growth, skills enhancement, career progression and confidence acquired. Given the sample characteristics, where 86% of all participants are still in the process of acquiring their MBA diplomas, most of the references made to the value categories displayed in the table above

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were reflecting value created during the process of acquiring the MBA as opposed to post-acquisition. Below is a detailed description of the findings related to the top 5 categories of value mentioned by the participants:

Networking

With regard to networking, most participants classified the interactions they had with peers and the relationships built from those as networking value. Linked to networking value, participants mentioned the representation of the major companies in South Africa and that the level of their peers in these companies as a driver of the value perceived from a networking perspective. Also, in terms of contribution to the learning process, the many industries represented in their classes and syndicate groups was also mentioned as a value addition, as peers contributed with insights from different industries, broadening the horizons and giving participants a better exposure to these different industries.

Participant 9:

> "My experience with my colleagues and friends and things in class has been nothing but brilliant. I've learnt more from them I think then I've learned from the classes itself. I now have a network that spans any type of discipline or field you can think of and also I've become apart of an distinguished alumni and an MBA kind of family which is also fantastic."

Like Participant 9, Participant 5 also stated that the learning from peers from different industries has contributed more to her learning during the acquisition process of the MBA than the formal lectures:

> "I mean there are engineers, there are dentists, there are all kinds of people, and to just have all of those views on the table, and to see the different lenses through which people view the world, has been for me the most fascinating part, to try and assimilate things and create my own points of view, based on what everybody says. So it's actually been less about the lecturers, and more about my class and my peers."

When discussing the detail around her networking experience, Participant 7 also expressed how her peers' experiences were an important component of her learning, and she highlights how the MBA acquisition process enabled her to network and have access to people that she otherwise would not have had the opportunity to have met:

"So you know some people's exposure and experience was just phenomenal! Their understanding and their grappling of issues and the actual current positions that they hold now… I look at a class and say oh my god this person is my friend now… I feel like it's the first time I look at their position, and they are sitting so high up in an organisation, you know? I had no idea! That person would never have been my peer if it wasn't for this programme."

Participant 13 reinforced Participant 7's view on how valuable the acquisition process of the MBA has been in terms of enabling access to a diverse group of professionals that otherwise he would not have had:

"I mean you sit down with vast variety of professionals, like I sat down with you I think during our course and spoke about consulting, like just having those people to have access to, like where else do you get that access?"

Participant 15 expressed that the value of networking went beyond the classroom setting, into the syndicate interactions, where the different professional experiences also contributed to his learning process:

"Well, the networking goes over and above just your formal class as such. What is important and big learning for me, a big benefit and plus for your MBA, is actually your syndicate work. It's the interaction with other individuals, who might be specialised in that function that you're doing, or that module that you're performing."

The role of the MBA provider in facilitating the value creation processes, which resulted in networking, was also emphasised by some participants. For example, Participant 6's comments below illustrate her expectations regarding the role of the institution in facilitating or enabling value creation through networking during the acquisition process:

"The second thing was the networking thing, and while I appreciate that you probably need to do it for yourself, you know. You need to make friends in classes, and things like that, but when you pay a quarter of a million rand you expect, I expected the institution to create that."

And she elaborated on the topic of the facilitation, suggesting experiences that would enable value creation from a networking perspective:

"That environment for me, where outside of classes we would have networking and socials and things like that, that we could experience as value add, as the extra stuff

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that you don't get at other institutions, or you don't get as part of an academic experience, you know?"

This quote not only illustrates the participant's expectation around networking during the acquisition process of the MBA qualification, but it also demonstrates that even for value creation to occur between students, there needs to be some kind of facilitation from the MBA provider.

Participant 10 also recognises that the MBA provider had a role to play in ensuring the diversity that would allow for value creation:

"My MBA provider did a good job in actually merging people from different industries in the class. They brought people from finance, they brought people from IT, they brought people from mines…They made sure the class had a lot of variety."

Personal Growth

Personal growth was the second category of value most mentioned by participants as an outcome of the acquisition process of the MBA. In most cases, the personal growth was a product of learning to work with different people and personalities, and most participants attributed this outcome to the syndicate interactions. There was also an element of personal growth linked to the different experiences, mostly enabled by the MBA provider:

Participant 1:

"I think I'm a better person, better person from a personal point of view you know the personal development, personal growth, and just from a career point of view as well you know, I see things differently."

Later in the interview, participant 1 emphasises once more how he evaluates personal growth as a greater outcome of the MBA acquisition process than actually the academic learning:

"That's why I'll say that for me, it's not just from a career point of view or from an academics point, but I think I've learned more from a personal point of view than anything else."

Participant 4 also elaborates on her personal growth obtained from the MBA experience:

"But from a personal growth perspective, I feel I never felt this strong, empowered and confident in my ability to take on more senior leadership positions and to deal with the stresses and the politics."

Participant 4 also elaborated on personal growth as it related to her syndicate interaction:

"I think that was the biggest lesson for me because I was never good at following, I would have never realized that I was so determined to have my own way. I have learnt to follow and I've learnt to rely on other people, admit that I don't know how to do stuff instead of the whole team fail on the back of my inabilities. So that inevitably was my learning from the syndicates."

Participant 16 reinforced the element of personal growth, and how the experience that he had in one of the courses during the acquisition of the MBA degree added value due to the impact it had on his personal development:

"And so it was a hell of a experience, so I thought that was a real eye opener for me, and maybe I don't know, I think it's still a new course or whatever, but something like that really I felt added value and brought a different side out of myself as a person."

Participant 2 introduced the theme regarding value as it relates to personal growth derived from her syndicate interactions:

"I think there is a correlation between syndicate performance and learning, because you can learn things and learning is not technical learning its also learning from personal learning."

And she elaborates:

"I think I came into the MBA from a personal perspective looking into become more emotionally intelligent, to become a listener, to be more grounded as a leader and I think that that has definitely met my expectations."

Enhanced Skills

As one of the key expectations as well as outcomes of an MBA qualification is to enhance students' skills, especially on the general business side, it is not surprising that this was one of the categories of value frequently mentioned by participants. What was interesting though is that some participants highlighted that the value from a skills enhancement perspective

was derived from peer or third party interactions, but reiterating the importance of the MBA providers' role in enabling this value creation.

Participant 8 for example emphasised the learning outcome as it relates to the peer contributions, but highlights the role of the MBA provider in driving the value creation process:

> "I think the lecturer drove it but there was lots of learning from my peers and we also had really good speakers that came to speak to us about what really is happening. And in my mind that is what I though an MBA was all about, more discussions, more communication and learning from each other. I don't want to learn about the balance sheets and does it balance…"

Career progression

Career progression, even though usually related to value obtained after the acquisition of the MBA qualification, was one of the frequently mentioned value categories for the acquisition process since approximately 30% of all participants changed careers during the acquisition phase of the MBA. For example, Participant 5 highlighted that if it wasn't for her being an MBA student and for her exposure to a more corporate environment during the acquisition of the MBA qualification, she would not have qualified for the job that she currently holds:

> "I think I mentioned to you before that the reason I'm sitting at my new role today is because of the process of this MBA. There's no way I think I would have even gotten my foot in the door and then was able to converse with these people that have been in corporates, you know, that are very high levels, and to be given this opportunity. I think it is testament to what the MBA offers and has given me in any case, because really - I'm telling you now - I came with no corporate background whatsoever. I came from a very different, very creative environment, with no real organisational understanding, bigger picture thinking, and that's what the MBA has given me, and I think it's been super valuable because I wouldn't be here today."

Participant 9 highlights how one of his expectations as he started his MBA journey was to change careers, and how during the acquisition of the MBA qualification, he got a new job.

> "I did the MBA because I knew I needed a career change and I needed a broadening of horizons. I had been in one sector for like 10 years nearly and I knew that there was more out there and I needed to skill myself."

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He attributes his success in meeting this expectation not just to the qualification, which he still did not have at the time, but to the confidence that was built through the interactions with peers as well as business knowledge obtained during the acquisition process:

> "I got a new job. Did the MBA get me the new job? I don't think it got me the new job but it certainly helped finish the closing of the deal on the new job the fact that I was studying for the MBA. I have met lots of new awesome people. My horizons have been broadened in terms of my knowledge and understanding. I'm much more confident in speaking and understanding about business and entering into those type of conversations, reading about it etc."

Both Participant 5 and Participant 9 were still in the acquisition process of the MBA, not having the actual MBA qualification yet. While Participant 20 for example, was given the opportunity to change jobs and pursue a career in a different industry after she had finished her MBA studies but due to the connections she has made during the acquisition process of the MBA. She highlighted how the MBA had given her credibility due the perception of the MBA qualification and the MBA provider credentials in the marketplace:

> "There is a huge amount of credibility. People definitely react differently to me now than they did before. Maybe for me, for someone who came from my background, it is more pronounced than for someone who has had an impeccable academic career and impeccable career period so far. For someone like that, it may be less pronounced, but for someone like me that came from a media and broadcasting background, where it's not expected and where I am expected to be almost a one dimensional individual because I live in the world of popular content. That the idea that I could have gone through a programme as rigorous as what the MBA is perceived to be, from an institution that has an incredible credibility that my institution is perceived to have. Definitely has got me noticed."

Confidence

In terms of confidence, the opinions of respondents were mixed, with some participants claiming that the practical elements and experiences throughout the acquisition process of the MBA resulted in an increase in confidence. Others claimed that it was an expectation before starting an MBA, but that the expectation was not fulfilled during the acquisition process as they lacked the practical experience required to drive it:

Participant 9:

"My horizons have been broadened in terms of my knowledge and understanding. I'm much more confident in speaking and understanding about business and entering into those type of conversations, reading about it etc."

Participant 17:

"Ja, and one because people really listen to my perspective and were interested in what I had to say, and gave credence to the fact that what I had to say was valuable, and it brought a new perspective and all of that, so I think my confidence was built along the way, but it wasn't smooth sailing."

Participant 4 relates the confidence gained to the theoretical validation of her learning through the practical experiences in her work environment:

"It did help me to validate it and to have confidence to refer back to it whereas when I learnt it in the business environment I couldn't really quantifiably put it down. So that definitely has helped me."

Participant 7:

"This is a very big thing for me right now because of my current position. None of the skills that I have learned can be tried out. So my lack of confidence is coming from my lack of practice or application. So the MBA is good and well and its almost like I am waiting to get the diploma to then press engage."

5.3.1.2 Value and Credence Goods

A deductive approach based on some of the surrogates or proxies suggested by Armstrong (2014) was used to explore the concept of value with regard to credence goods. These include buildings/location, the academic quality of incoming students (student selection process), seller credentials (institution credentials) and the quality of lecturers and lectures. Although some of these surrogates are "search qualities", they also directly impact the student experiences and perceived value during the acquisition of the MBA, since they set up the expectations of the student regarding the value he expects to be delivered through the acquisition process.

In order to explore the credence elements stated above, the participants were questioned about their MBA selection process and their choice of institution, or were asked to elaborate on their experiences when a surrogate or proxy was mentioned during their narratives. New

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credence elements were also recorded as they emerged from the interviews. These elements included Alumni success, brand name/reputation, rankings, prestige, networks (as it relates to relationships built during the acquisition process as well as interactions with 3rd parties) and innovative and differentiated teaching methods.

The elements were coded as the participants in their narratives mentioned them. The graph below illustrates how many times each of the elements assessed was mentioned by the participants. Networks and access to 3rd parties was the category that received the most mentions and alumni success was mentioned the least.

Figure 11: Value measures for credence goods based on surrogates
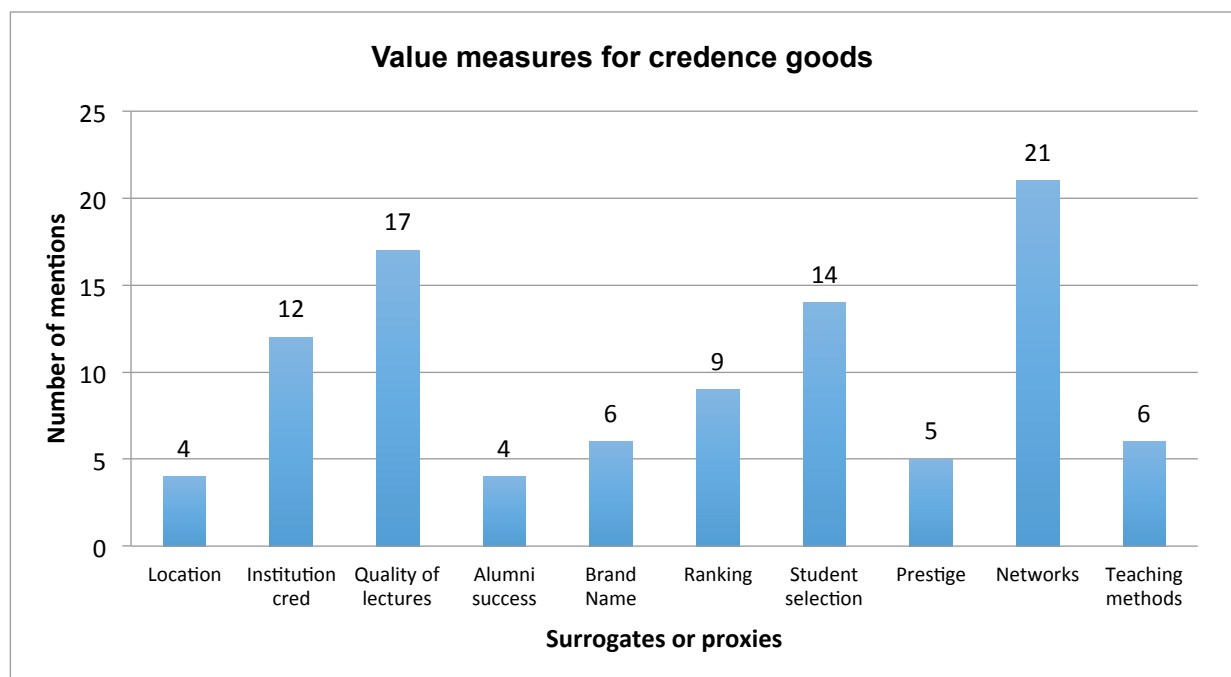
Elements like location, institution credentials, alumni success, brand name and ranking (as it refers to the selected institution's position when ranked to other institutions in South Africa and globally), were mostly linked to the reason for selecting the MBA provider rather than actual value perceived or created. On the other hand, quality of lectures, student selection, prestige and teaching methods were credence elements usually referred as value drivers during the acquisition process of the MBA diploma, as they were mostly linked to the quality of the experiences the participants' had during their MBA "journeys", as they engaged with faculty, peers and 3rd parties.

Participant 4, for example, emphasised the importance of the selection process as an element associated with the institution's credence as well as it being an important factor

contributing to the quality of the discussions in class, which results in value co-creation during the acquisition process of the MBA:

> "If you've been to Harvard even for two months, you still seen as exceptional. A: because it was a stringent, very difficult process to get in and you know that you have to be exceptional even to even get considered, so even being considered is massive. And B: you are in a classroom of highly exceptional people that are encouraged to ask more questions than are to listen and we don't have that culture in our business school."

With regard to the quality of lectures, the opinions were mixed. Some participants stated that they were very impressed with the level of the quality of the lecturers, like <u>Participant 13</u> who stated:

> "I never had as good lecturers as I had here. The majority of the lecturers here are really, really good. Like I really enjoy them, like they actually - it's kind of like you go to a TED talk every day, for most of them."

Other participants, like <u>Participant 6</u>, stated that the quality of the lectures depended on the lecturer, validating how instrumental the service provider is as an enabler of value co-creation during the acquisition process:

> "I also, from a quality of lecturers perspective, I realised that there were some lecturers that were actually educators, so they were very good at helping you to learn and create the kind of environment where you can create ideas and workshop and gain more insightful information. But there were more lecturers than not, who actually were just presenters, who kind of were industry specialists and told you what they knew. But you know how to teach you on those skills and capabilities… and information I thought was kind of lost."

The study also leveraged the theory proposed in the literature review and further explored the constructs of value proposed by Babin and James (2010), where they stated that value can be interpreted in four ways:

- Value as it relates to price, where low price equals high value.
- Value as it relates to the customers' expectations and how these were met, where customers come to conclusions of perceived value based on the usefulness of a product or service.

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- Value as the result of the measure of quality obtained, minus the price paid for the product or service.
- And value as a result of an equation that considers "what I get versus what I give".

By applying the deductive method, these four dimensions were explored during the interviews. Eight interview participants (36%) mentioned one of the four dimensions above, "value for money" being the dimension mentioned the most. The table below illustrates the interviews where at least one of the dimensions were mentioned, directly or through examples in the participants' narratives.

The dimensions of "value as it relates to price" and "value as it relates to quality" were not mentioned by any of the participants. A detailed description of the finding regarding the dimensions above as portrayed by participants is given below:

5.3.1.3   Value as it relates to expectations

In this case, the concept of value with regard to what the student perceives as "what I got versus what I expected to get" was assessed, where value is what was expected and what exceeded expectations. Participants 4, 6, 8, 10 and 22 made reference to expectations regarding value, in this case delivery on expectations or promises, that related both to the end goal as well as to the process of acquiring the MBA degreee. With regards to the end goal, obtaining the qualification from an acredited university was mentioned as the desired value. While participants that refered to the value delivered during the acquisition process mentioned pratical experiences, as opposed to classrom learning, as well as innovative teaching methods, as it relates to practical "hands-on" experiences, and upskilling in general management skills.

Below are some examples of the references to "value as it relates to the customers' expectations and how these were met":

Participant 6 had expectations regarding acquiring general management skills. In her case though, she believes the increment in terms of knowledge and skills acquired was marginal, and did not meet her expectations from an MBA qualification point of view:

> "I felt I would get more in-depth content, and maybe it's a fault of my own, I don't know, but I already have a lot of - I already have a lot of kind of base level understanding, by nature of consulting, if I can call it that, and I was hoping for

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something more than that, and I don't think - I think what I expected, and what I got are two different things."

Participant 6 added more detail, later in the interview, to her perceptions regarding her expectations:

"If I had to say to you, there are things that I expected that I thought I would get out, it would be, let's say it's you know, your general management experience, but I thought that general management was more than what I knew. I just had that expectation upfront, and then I found most of what general management means I already know, and the marginal benefit was far less than I really hoped for."

For participant 22, value out of the MBA qualification also refers to building general business skills, and gaining practical knowledge on general business and opening a business:

"I think my expectations are definitely met, and what they were was for me to gain lots of knowledge in general business, practical knowledge in general business, that would allow me to almost open a business tomorrow, and understand the inner workings of a business, and how to go about opening it up."

And he continued to elaborate on the value addition with regards to what he believes exceeded his expectation, in this case: learning from colleagues, making friends and building a network that he can leverage in the future:

"My expectations from learning from a class and stuff like that, I didn't have, so it actually went over and above what expected, because I didn't expect to learn as much as I did from my colleagues. I didn't expect to make the great friends and relationships that I've made with my ex-class mates, and I can still call on them now."

Participant 8 reinforced both Participant 6 and Participant 22's view regarding value as being relative to what her expectations were as she joined the MBA. And, similar to Participant 22, she also mentioned that her expectations were around practical experiences, as opposed to the "classroom" learning:

"I feel like I have been short-changed somewhat with my MBA. I think my expectations to what I actually got were very different. I think I expected more of a classroom setup, not just trying to rush to finish a module. Like some of the stuff was very interesting, but it was all like very academic. It's like I'm back in high school and the lecturers are just trying to make sure that they finish whatever curriculum they

have. So we didn't get that much time to interact and really discuss. I think that is what I really had in mind."

Two participants mentioned the value propositions of their selected schools in their interviews, expressing how those shaped the expectations with regard to elements of the MBA acquisition process.

Participant 4, for example, reflected on the teaching methods versus the value proposition of the institution as it relates to the value it promises to deliver:

"They can control our immersion into different industries, especially since this institution is positioned as highly corporate. They've got numerous businesses assigned as business associates that they do training for. Why not give value back, if that's your main selling point as a corporate business school… Sell your MBA students back into those businesses to do consulting projects and to solve problems. It's almost like allowing them to find new staff and skills."

5.3.1.4   *Value as it relates to "what I get versus what I give"*

This interpretation of value was the most mentioned by participants as they tried to frame value in relation to the overall MBA acquisition experience or process. Most participants linked the overall perception of value to the amount of money paid for the MBA qualification as well as the opportunity costs associated with it, for example, time dedicated to the process. When referring to these elements though, participants linked the effort, in this case referred to as monetary value or time, mostly to experience touch-points with the provider and or credence elements like building maintenance, programme administration and quality perceived of the education provided.

Participant 9 referred to the amount of money paid for the credence service or good under analysis and how he believes that building maintenance and facilities contribute to the benefits that you would expect to get back for the money that was invested:

"The wear and tear of the building… I mean we are supposed to be a world class business school, we pay R300 000 each. So three of us is R1 million. I'm really disappointed by the fact that we still have blackboards, why can't they all be smart boards and the lecturer can just email the stuff that is put on the board. I'm disappointed by how often things aren't working here. Even batteries in clocks, I know it sounds silly but if you not changing the batteries in the clock what else are you not doing?"

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Participant 12 also made mention of the monetary amount as well as the time that was invested to obtain this qualification and commented on the key things that he is "taking away" from his MBA qualification experience, such as networks, diploma from an accredited university and incremental learning from an academic side:

"This opportunity cost two years of time spent here plus R300 000 ± spent, there is a couple of things. The fact that, I've got an MBA from an accredited institution behind my name, given what the market consensus is, that's great! Its something that allows me to start talking to people, probably be better understood… where I'm coming from. So yes, that's a big tick and I hope the school maintains it because I want to able to use its name in 10, 15, 20 years time. The second thing is the networks, most of them have been very meaningful and I think I met some very incredible who are almost confident, that in 10, 15, 20 years time, It's something I'm going to be able to pick up the phone and phone somebody who is heading this company, because we actually at some point in time, had some meaningful conversations. On the academic side, incremental learning, in terms of, I think maybe, I can't find a better word, but let me just say MBA was a bit more of reinforcing my filters. I am a lot more able to filter things now… Because of the general knowledge I have, I am now in a comfortable position to ask all the right questions. I can use these right questions to filter anything."

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5.3.2. **Research Question 2:** Is there value co-creation in the in the acquisition process for credence goods, in this case, the MBA degree?

The results illustrate that the value is created not only by the interactions between provider and consumer (provider-consumer) as provider delivers on the good or service to the customer, but also by the interactions between consumers (consumer-consumer) as well as the interactions between consumers and 3rd parties (consumer-3rd party) involved in the process of delivering the MBA qualification.

Figure 12: Mention co-creation between institution and consumer
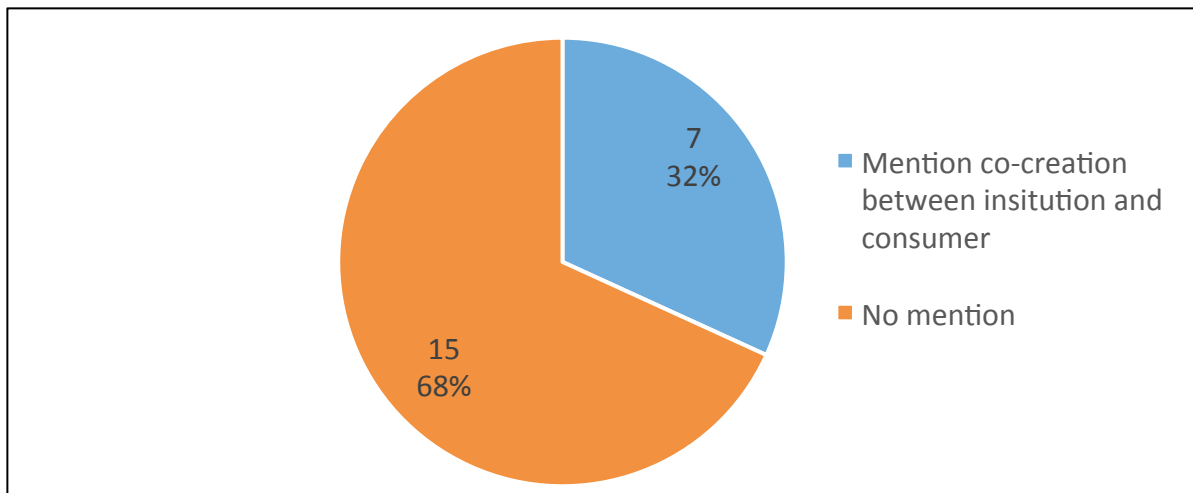
There were nineteen mentions, from 7 participants (32% of participants), regarding co-creation between the institution and the consumer. Most of them described the quality of lecturers and lectures, as it relates to interactive formats of delivering content, their knowledge and practical contributions as well as their networks.

As an example of co-creation between the provider and the consumer: Participant 2's answer when asked to detail what made her learning experience so great in a particular module she had mentioned earlier in the interview:

> "The lecturer. She was very current and very topical. The lecturers energy around the topic and the presentation as well in terms of how she presented the different aspects of the topic."

And she complements:

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"…it was a module where I could add value. Something that I was passionate about so added value to somebody else's life. That's a personal experience aspect of it. So, give me an academic **and** a personal passion experience and you know…"

Figure 13: Mention co-creation between peers (Consumer-consumer)
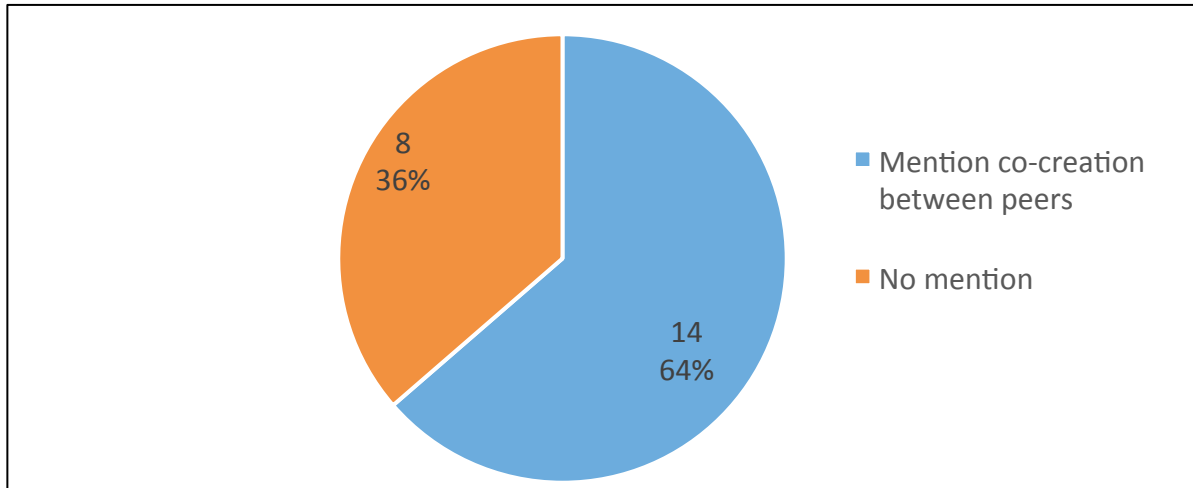
There were thirty-one different mentions from fourteen of the twenty-two participants (64%), on how value was co-created from interaction between peers, with most respondents relating to syndicate interactions as well as the collaboration and sharing of experiences in a classroom setting.

Participant 16 for example illustrates the type of collaboration and sharing between peers that creates value:

"We had quite a diverse group of people with varying skill sets and ages and experience and so forth and just listening to people about - I don't know - about banking, or you know things with the unions, just these weird and wonderful different backgrounds and the expertise that they brought. When you say something or ask a question they actually explain to you, no, no, it can't work like this because X-Y and Z, or this is why things happened, because sometimes we just have a very narrow view of the world through our understanding of media, and whatever little bit we've read here and there, and people sometimes who are closer to something, can shed light in that and open things up for you. So from a knowledge perspective I think the syndicates are fantastic."

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Figure 14: Mention co-creation between consumers and 3rd parties
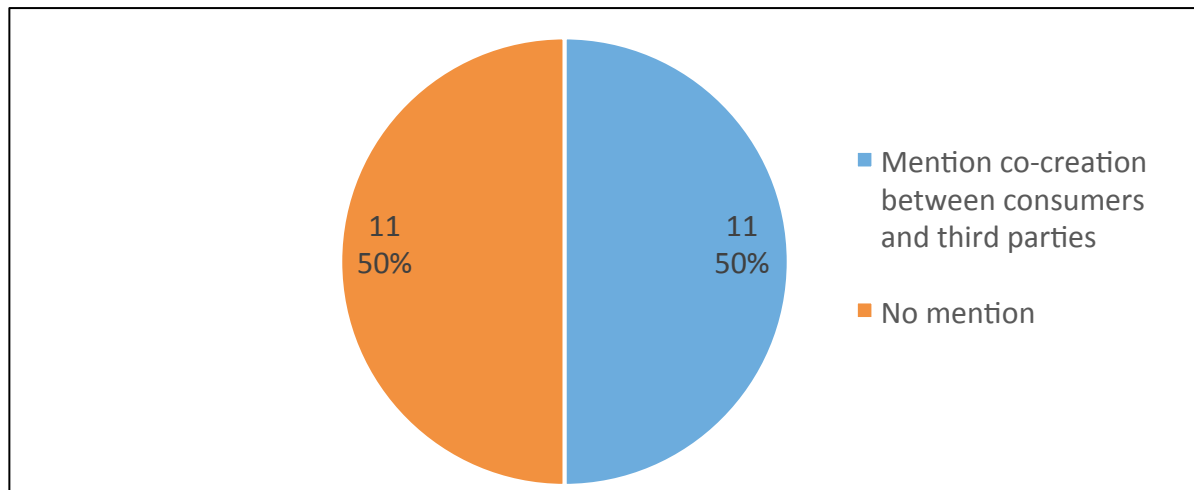
There were twenty-one mentions from 50% of the sample indicating how third parties contributed by adding value to the participants' MBA acquisition processes, most of them recalling guest speakers and company visits, where participants were exposed to CEOs and executives of great corporations, who shared their experiences and knowledge regarding business practices.

For example, <u>Participant 7</u> shared an experience where the students had a chance to interact with CEOs and generate learning on leadership and best practices:

> "There was other remarkable learning… I got to do Nick Bindell's one elective and just sitting in the classroom with him, himself being who he is, and thinking the way he thinks, was phenomenal! But then he also brought in CEO's from across the South African landscape and had solid conversations with them. Not quick, but an hour and a half minimum conversations with him."

And she elaborated on the experience and how value was co-created not only through the interactions with regards to the sharing of their business experiences, but also due to a practical component of seeing leadership in action. She also highlighted an element of value as it related to credibility given their "status" and success in different industries:

> "He drove it and we drove it. And before that, we also interviewed them as syndicates so it was this high level of interaction with them, we are talking big boys like Robert Brozin and Ian Lourens, you know the prime media Jardine, real big CEO's and that was just phenomenal. Phenomenal, phenomenal, phenomenal! It was the most - my entire MBA was worth it."

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"You can only understand your own leadership if you look at these people and you try and understand theirs. So we were not only understanding business we were understanding them as people, as leaders. It was like a leadership simulation, or it's as close as you could get."

The findings detailed in section 5.3.2.1 (question 2a) below further illustrate the type of experiences and interactions that co-created value in the acquisition process. The ensuing findings presented are focussed mostly on the consumer-consumer interactions, as value derived from syndicate interactions was the aim of this study.

5.3.2.1   *Types of experiences or interactions that co-create value in the acquisition process for a credence good, in the case, the MBA degree (Research Question 2a).*

Participants highlighted that the interactions that result in value co-creation are those that are related to application of theory to real scenarios, either in a classroom setting or in a syndicate setting. It was highlighted however that in a setting with smaller groups, some students are more willing to share these practical examples that result in valuable insights being co-created.

Below are some examples provided by the participants of incidents and experiences that illustrate how they perceive value co-creation as it originated by interaction between **peers (Consumer - Consumer)**:

Participant 3's view regarding peer interactions versus interaction with lecturers builds on the understanding of why and how these peer interactions result in value co-creation. She emphasised the value that can be extracted from the knowledge and experience of peers in the work place, where they have implemented in real life situation, some of the theory provided in class:

"If I had to think of what I've taken back to try and experiment on at work, its very much the interactions with the class, as opposed to the lecture and the material that we've been given. I think it's a lot easier, having spoken to someone who has been in the similar situation, as opposed to looking at the theory and saying Kotler's eight steps, how do I apply the eight steps? As opposed to talking to someone and saying you know what Kotler's eight steps is but I used six of them and this is how I use it. It's kind of a hybrid version, but understanding the context of how they've used it, is more valuable. So in terms of the implementation of the MBA or what I've learnt, I

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think it comes from actually learning from each other as opposed to the lecturer standing in front and saying this is what it is."

Participant 9 confirmed Participant 3's view of how value is co-created through the sharing of practical, real life experiences, where other students share their stories around how the theory discussed in class can actually be applied in the workplace:

"The growth that I got from my colleagues and classmates and the learning was about reality. You learn about something in a textbook but what is it really like, mining sector is a good one we got to go down a mine, meet with all the big decision makers in the mine and what they do, that's just an example. But there are countless examples of speaking to guys who were involved in these types of industries and they can give you real life experiences about what goes on and how it works. And that's very useful and very insightful because you use it for your own development and growth. Not academically but more about real world and business."

Participant 5 also shared the view concerning the significance of the peer interactions she had in her MBA acquisition process as opposed to other interactions. She also delineated the importance of having a diverse group of people and how the different points of views contributed to her learning process:

"There are all kinds of people, and to just have all of those views on the table, and to see the different lenses through which people view the world, has been for me the most fascinating part, to try and assimilate things and create my own points of view, based on what everybody says. So it's actually been less about the lecturers, and more about my class and my peers."

Participant 16 shared the same view as Participant 5 regarding the importance of a diverse peer group value co-creation during the acquisition process:

"We had quite a diverse group of people with varying skill sets and ages and experience and so forth and just listening to people about, I don't know, about banking, or you know things with the unions, just these weird and wonderful different backgrounds and the expertise that they brought."

Participant 6, for example, highlighted the importance of the interactions in a smaller setting like the syndicate group, where students can get more in-depths insights than in a larger classroom setting:

"Generally you will find that the ones that don't speak in a broader class, have actually a lot more valuable information to give than those that do speak in a big class, and this is just my own experience. But also, I feel more comfortable in smaller groups than I do in a class setting, because I feel like we get to more in-depth insightful conversations in small settings than we do in a big class, because people argue superficial points generally, as opposed to actually kind of honing into the things that really matter."

Below are some examples narrated by the participants of syndicate experiences that illustrate how they perceive value co-creation from the interactions between **Consumer and 3rd parties,** not just between the participants of the syndicate*.*

Participant 19 for example, shared a syndicate experience that added value to the MBA acquisition process for him. The value in this case was also co-created from an interaction of the students with 3rd party guest speakers, who lectured and supported the course content delivery by providing practical examples based on their experiences:

"Some of the most valuable experiences was what you call planning new ventures, where they brought in different funders, so they brought in angel funders, they brought in some venture capitalists, they brought in I think the Development Bank or one of the kind of small/medium kind of funds for banking. So they brought in a couple of sources for funds essentially. We then had to pitch ideas to them, so we had to kind of develop a business idea and eventually pitch to them in a dragon's den style fashion. Along the way they would kind of give some lectures in classes in prep. They gave a very interesting perspective on how they would approach a proposal, which was - it literally comes down to an elevated pitch, and you have a few minutes, and we saw them kind of really interrogate the things that we had said quite harshly, and I think everyone walked out of that class kind of really knowing what it means to go and pitch for venture capital, or angel funding, or something, which you could have maybe taught by textbook, but I don't think it should have happened any other way."

Participant 16 recalled one of the courses where his syndicate was taken to Marikana, and there they met with miners who shared their stories with them. The participant emphasised the importance to the experience of actually hearing the story from one of the miners and in the field, as opposed to in a classroom. It was clear from the participant's excitement as he

narrated the experience, that it would have been very difficult to replicate the learnings of this experience in a classroom setting:

> "Who were there when it happened, I mean that's so powerful. I mean - and I suppose you could bring them to a classroom and they could speak to you, but those are guys in that instance who aren't, you know, the most articulate guys in the world, they're miners. They're not going to come and do a PowerPoint or whatever. So being there in that environment and pointing and showing and wow, we ran here and whatever."

5.3.2.2 *Consumers, in this case students acting in syndicate groups, as enablers of the value creation process (Research Question 2b).*

Most participants cited that personal growth was the greatest value addition from working with peers in syndicate groups, where peer experience in different industries and diversity were mentioned by many participants as a vital component that enabled value creation. The different personalities, cultures and backgrounds, even though these sometimes resulted in conflict and negative experiences, were translated into personal learning and growth. Respect was also mentioned as key to enabling the collaboration and value co-creation between students when acting in syndicate groups. The insights generated in this section validate how other consumers are vital to the delivery of value during the acquisition process of a credence good. Below are some quotes from the respondents that illustrated some of the experiences where the interaction of students in syndicate groups enabled value creation:

Participant 1:

> "So I think the syndicates have exposed me to the real world and the real world being, it's not everybody that you like, it's not everybody that you're comfortable with, but it's people that you have to work with to get the job done".

Participant 16:

> "I loved it, you know, different backgrounds, different people and you're going on this adventure into an unfamiliar environment as well, so I thought that was great! So it forced you to look at things differently, with different people, a fresh set of eyes, and that was great!"

Participant 16:

"We had quite a diverse group of people with varying skill sets and ages and experience and so forth and just listening to people talk about, I don't know, about banking, or you know things with the unions, just these weird and wonderful different backgrounds and the expertise that they brought."

Participant 19:

"So I think you get different perspectives, for example, we had a DJ who became a marketing professional in the end, so you look at that, from where I am, you get very different perspectives to corporate, and it kind of challenges thinking in the way you communicate and the way you message very differently."

And he continued, detailing the different elements that enable value creation:

"So I think, the question is where does the value come from? So I think of like in terms of some background, difference in background for instance brings difference in views. I think difference in nationality also brings difference in views, because you get some - I certainly picked up some kind of Africa context to problems through the group, versus just a local context. There may be even a - I suppose a provincially different context to how things work."

Participant 3:

"So that patience, tolerance and then, I think just accepting different perspectives is something that really, I wouldn't say is new to me, but something that I valued because it's interesting to find how people think so differently. I'm exposed to an industry where, we all sort of think along the same lines. So when you get into this sort of mix of people, from all kinds of different kinds of backgrounds, it's very interesting to learn about them, to learn about how they see things differently, and how you can try and practice what they doing, try and copy-cat it."

Participant 5:

"It's just people from very different perspectives, like people from the mining industry, people from unions. Because I've always been very much in the private sector so getting a perspective from government, from civil service, from all of these things, has been fascinating for me, because I feel like I've had almost a very silo'd view of the world, and just understanding different perspectives, and also, I mean the way people think, because we all come from very different backgrounds."

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Participant 6:

> "I actually found the most value for my syndicate groups. I was one of the lucky few, I believe, from what I hear, that actually enjoyed the people that I was put with. We clicked really well in terms of just our personalities and the way we interacted. I learnt a lot from the people in my syndicate group. We were respectful of each other. We challenged each other. There was like the slight kind of conflict that happened, but they were mature, and I learnt, I felt that I learnt the most from my syndicate groups."

Value in integration

Some participants mentioned a driver of value creation that was specific to the South African context. These relate to the opportunity to work with people from different backgrounds, which if it were not for the MBA processes, they would otherwise not have had. Participant 14 for example, stated in his interview that his syndicate groups were a "melting pot" of different cultures, some that he had never before had a chance to work with. As a result of this integration, he was able to develop friendships across cultural groups, building and expanding his current network beyond his own cultural group.

Participant 15 reinforced this view that in South Africa, there is little interaction across some cultural groups, and that as a result of the interactions during the MBA acquisition process, the "enforced" integration contributed immensely to his personal growth:

> "There was a social element, but it was restricted as in - from a South African context, you probably - at university for example, you probably inclined to have cliques, and majority of cliques are probably people from the same race. So from that aspect it was fairly limited, and being from the race I am, you're embedded with similar ideologies and thinking. So there was limited exposure to something new out there versus here at this institution. Here there are multiple nationalities, multiple races, multiple industries. So there's far more development here within the past 18 months, than I would say in my professional career, and my varsity, which spans over like combined about 30 years."

Participant 5 also mentioned that this interaction across cultural backgrounds as a value addition and that the experience she had to interact with other students across cultural groups contributed to her development as a leader, as she felt more prepared to deal with diversity in their work settings.

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"So that has taught me a lot about the MBA is that people aren't (you know) you don't pass a judgement based on what you think this person is or what their background was. You know, maybe they might have had and this happens a lot in this country, like a very underprivileged background or education and managed to kind of - like there's a guy in our class... He is so smart. He's difficult, he's a difficult guy, but I passed a judgement on him and he helped me a lot in microeconomics, because he could just - ja, he got it and he was just a Math's wizard and he helped me a lot, because I'd never been exposed to economics at all. So that was the moment I think when I thought, you know, don't pass judgements on people because of their demeanour or the way they speak or something like that. Let's see what this place has to offer and I'm bringing it into the work situation because our team is very diverse and you have to remain, you know, professional and the point is to get the best out of people."

Participant 13 also highlighted the cultural diversity in the classroom settings, and how even though it adds complexity to the interactions, it is also valuable in the context of South Africa:

"Culture is obviously, obviously there's huge - I think there's big differences between people in classes. Like I think the black students and white students have different background and then there's different black students from different areas, you know, different backgrounds… Then you have the international students, like we have a few Indian people and then a few American people, and a few Brazilians coming through. So I think it adds complexity to the whole situation, which I think is very good in South Africa, the context that we work in."

5.3.3.   **<u>Research Question 3:</u> What experiences and interactions detract from the experience and consequently reduce the perceived value?**

The negative interactions and experiences reported by the participants that detract from the experience, as they relate to value co-creation, can be grouped into two main categories:

A. Negative interactions and experiences with peers: This refers to peer interactions in the classroom settings as well as in syndicate groups.

B. Negative interactions or experiences with the institution/service provider: These refer to the interactions with the institution representatives and staff, administrative personnel, lecturers and faculty as well as other surrogates.

No negative experiences regarding 3rd parties were recalled by the participants. It was also observed that customers were less willing to share negative experiences related to peer interactions in detail. In one occasion, one of the participants was dismissive when probed for further detail on an incident regarding the sensitive topic of the education system in South Africa during apartheid. The same was not observed for experiences regarding credence elements and interactions with the MBA provider, where participants were at ease to discuss the examples in detail.

The topics to follow further deconstruct question 3 into the two types of interactions reported by participants, namely negative interactions and experiences with peers and negative interactions or experiences with the institution/service provider:

5.3.3.1   *Experiences pertaining to peer interactions in the classroom settings as well as in syndicate groups that impacted the overall value of the credence good, in this case, the MBA diploma:*

Most participant that mentioned negative experiences with peers, reported that they happened in a syndicate setting. The negative interactions were usually linked to team dynamics and conflicts that could not be resolved, resulting in syndicates dividing the workload between individuals instead of collaborating together. Most of these conflicts were linked to behavioural components, emotions and personality clashes. Some participants felt that that this detracted from the experience of the MBA degree as they did take away the intended value out of the syndicate interactions. Negative experiences regarding dismissive participants who were not engaged and did not collaborate to the syndicate learning processes were also mentioned by some participants as detracting from the value in the acquisition process of the MBA diploma.

Below are some of the participants' descriptions of some of the negative experiences in syndicate groups that detracted from the overall value of the MBA diploma acquisition process:

Participant 8:

> "My first syndicate, I feel short-changed again because we had such intelligent people from like very varied backgrounds and I think I could've learnt a whole lot more than I did. But, because we didn't agree at the beginning of the syndicate, we never then met after that. So you find that I did an assignment with one person or two people. So for that interaction was just not there."

Participant 1:

> "And what matters is the submission of that syndicate assignment, and for me everything else that went in-between didn't really matter. Maybe it mattered but I chose to ignore, and this is how I dealt with the syndicate is that there are a whole lot of emotions that go through the syndicate and sometimes we lose the focus of getting that assignment done."

Participant 11:

> "We just had one male who really struggled with females taking the lead or females, that is actually the culture issue that we had. It wasn't a - we had one male who really had an issue when women stepped up and was stronger."

Participant 11 also reported on an incident where a participant did not contribute to the group work, straining the other participants in the group:

> "Two days before the assignment he had done nothing and then got grumpy and lashed because he was supposed to lead it, did nothing, got lashed out, and then still wanted full marks. Left everything entirely in my hands and that was the only one that didn't want to lead it. That's the other thing, he didn't want to take it and say no I'm behind on readings I can't take the lead. So it's always one person, but it was one person that really killed the dynamics of the group."

5.3.3.2   Experiences pertaining surrogates that impacted the overall value of the credence good, in this case, the MBA diploma.

To explore experiences that detracted from value as they relate to the MBA provider, a deductive analysis process was used leveraging Armstrong's proposed surrogates to categorise the negative experiences with these surrogates as the participants narrated them. Table 7 below presents a summary of the categories of the negative experiences with surrogates as stated by the participants:

Table 6: Summary of surrogates experiences that detracted from value

	Negative experiences that destroyed value
Brand Name and reputation	0
Student selection (Academic quality of incoming students)	4
3rd party judgements	1
Infrastructure and administration (Facilities included)	15
Quality of lecturers and lectures	9

When participants were questioned about negative experiences that they might recall, with peers or the institution, twenty-nine negative experiences relating to the credence surrogates were cited as value-detractors by the participants. The data presented in table 7 illustrates that most of these were linked to the infrastructure and administration of the institutions followed by the quality of lectures and lecturers.

Regarding infrastructure and administration experience, most participants mentioned that facilities were below par of their expectations for the type of MBA provider institution the participant chose. In these cases, some participants made reference to the amount of money paid for the MBA qualification and also the credence of the institution as factors that set the expectation regarding what they would get in terms of infrastructure and facilities. The fact that these expectations were not met generated the negative experiences reported.

With regards to administration, some participants mentioned that they saw the programme administrators as the connection between the student and the institution, and as such, they expected the quality of the service to be in alignment with the brand or the credence of the institution. Therefore, when that interaction did not meet expectations, it detracted from the value of the qualification being acquired. Also, an element of discontent emerged regarding

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the amount of students in the programme, where the volume of student impacted the quality of the administration services provided.

Participant 3 recalled the issues that she had with the technology provided by the institution:

> "The electronic submissions, the change in systems. That wasn't done very smoothly because the links weren't working all the time. It was the first time they went electronic with that, that was problematic".

Participant 15 mentioned the technology issues, and how the expectation was higher as the institution is comparable to an Ivy League school:

> "So the expectations - that this is sort of an Ivy League institution within South Africa, so the level of lecturing and tuition, was somewhat lower than what I expected. The level of support was definitely not where it should be because I've personally had IT issues probably twice every month. That was crazy! And if you're paying significant fees you don't expect that to occur".

On the administration side specifically, issues concerning strained capacity and the implications thereof were cited by some participants as detracting from the value of the MBA:

Participant 18:

> "Your everyday and first interaction with the institution is through the administrator, and I work in a service industry. For me, like most people, every time you interact with your customer and *we* are the customers here, it's an opportunity for you to do only one of two things: either improve your credence, improve your brand, or diminish it. The administrators are incompetent, clueless, unhelpful and don't know what's going on, in lots of cases".

Participant 9:

> "The biggest thing that is disappointing me and I'm going on a bit I know, but it's the stuff up with regards to marks and how many times it's happened. I've had my results change with a full symbol because I queried them. I know countless others who have had the experiences and what is worrying is it's not only in the MBA; I know people who have this experience in a variety of different courses that are presented here. So I think that again, going to the issue of capacity being strained or pushed to its limits here and I think the admin staff have got too much on their plates, I don't think that

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they are incompetent I just think that each is responsible for 200 or 300 students who ever knows what the ratio is it's too much."

The administration issue concerning marks was also mentioned by Participant 18 as a negative experience that impacted his MBA experience:

"This whole marking story has tainted my opinion of my institution and how they approach things".

Participant 16 also recalled issues with the administrative coordinator of his course and communication:

"I could never get a response. I thought it was pathetic. Now again, it could be she was overworked. It could be I don't know, she didn't like my email address, who knows" and he expands: "So I don't know what it was, but I found it extremely frustrating that I couldn't get an answer for anything I wanted to know, and I'm not the kind of person who'll nag and ask you a million things. So, its little things like that, which undermine my experience a touch".

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CHAPTER 6:   DISCUSSION OF RESULTS

6.1.   Introduction

The previous chapter presented the detailed findings from the primary data generated from the in-depth interviews with selected participants. By consolidating the findings, the researcher aimed to explain the MBA students' experiences regarding value creation, with the objective of answering the questions proposed at the beginning of this study. This chapter expands on the data presented in Chapter 5, by undertaking a detailed discussion of the findings and contrasting these to the views of academics as reviewed in Chapter 2. The goal was to address the research study's objectives by exploring value co-creation during the acquisition process of the MBA qualification, focussing on syndicate interactions and generating insight on how consumers can be enablers of the value creation process.

For consistency, the same structure used to introduce the results in Chapter 5 is used in Chapter 6 for the discussion of the findings. This enables the reader to follow the thread of the arguments clearly, moving from a broader discussion on "what students perceive as value" and value co-creation during the acquisition process, into a detailed discussion concerning syndicate interactions and "how" value co-creation is enabled during the acquisition process of an MBA degree.

6.2.   Addressing the Research Questions

Gummerus (2013) emphasised the need for further research on the topic of value, suggesting that there is a latent gap with regard to the clarity on the concept of value. This was supported by Gronroos and Voima's view that value is an ill-defined concept (Gronroos & Voima, 2013 as cited in Kuppelwiser, Simpson & Chiummo, 2013), stressing the need to contextualise the concept of value. This being said, an initial discussion concerning customers' perceptions of the MBA degree emerged as being necessary as a preliminary interrogation as it lays the overarching foundation for the assessment of value and value co-creation regarding the experiences narrated by the participants during the acquisition process.

6.2.1. Research Question 1: What do consumers, in this case students, regard as value in the MBA degree as a credence good?

Given that the objective of this study was to explore value during the acquisition process (usage or consumption), the applicable surrogates or proxies suggested by Armstrong (2014) were used. These included buildings/location, the academic quality of incoming students (student selection process), seller credentials (institution credentials) and the quality of lecturers and lectures. Also, to ensure that value in the acquisition phase would be captured, as opposed to post-acquisition, most of the participants selected for the research were still in the process of completing their MBA qualifications.

The literature used as a foundation for this study delineated that in the case of credence goods, value is difficult to measure even after purchase, usage or consumption, and the costumer relies on third-party judgements, seller credentials or surrogates in an attempt to assess the value of the good (Andersen & Philipsen, 1998, Howden & Pressey, 2008, Armstrong, 2014). In the case of the MBA degree, "usage" can be regarded as the acquisition process as well as the result or outcome of the acquired good. However, the data presented in Chapter 5 in table 5, demonstrated that most participants contextualised the value as being: confidence obtained through practice, enhanced skills, personal development and growth, networking and career progression. The results were the same across all MBA types, indicating that within the MBA formats assessed, there is little to no variation on what customers perceive as value during the acquisition process of a credence good.

As noted, third-party judgements, seller credentials or surrogates were not mentioned by participants as the top 5 categories of value **outcomes** from the acquisition process, although they were mentioned as elements that influences their choice of MBA provider. This indicated that these credence elements are not usually used to assess value **outcomes** during the acquisition process of the MBA diploma, but rather to assess value either in the "search phase", where the customers are selecting their MBA providers, or post-acquisition, when customers would be leveraging these "proxies" such as 3rd party judgements, to achieve other outcomes for example, a new job attainment.

Some credence proxies, however, were linked by participants to the quality of the experiences obtained during their "MBA journeys" as they engaged with faculty, peers and 3rd parties linked to the programmes. These were: quality of lectures, student selection, prestige and teaching methods. These were perceived as **enablers** of the value creation

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process during the acquisition of a credence good rather than value outcomes/measures of perceived value.

This was confirmed by participants when emphasising the role of the MBA provider as the enabler of the interactions or experiences that would drive value such as networking or enhanced skills where value was associated to interactions with other customers (co-created). For example, industry diversity as well as cultural diversity, both in a classroom and syndicate setting, were emphasised as drivers of value creation. In both cases, the MBA provider influences value creation, as they control the selection process of students as well as placement in classes and in syndicates. The provider can, in this instance, randomly select and group participants or purposefully do so. If randomly selecting, the diversity component can be lost, therefore impacting value creation during acquisition.

When assessing the students' value perception related to the acquisition process of credence goods, as per the value interpretation dimensions proposed by Babin and James (2010), the data revealed that some participants did mention at least one of the four dimensions. This opposes Andersen and Phillipsens' (1998) belief that these do not directly apply due to the nature of credence goods.

With regard to "value as it relates to the customers' expectations and how these were met", it can be also be affirmed that value propositions had an important role as these, are the value promises communicated by the providers, setting the expectation of the buyer, which in this case is the MBA student. Once again the role of the provider as an enabler of value creation was emphasised by participants, reiterating that they regard practical and innovative teaching methods as the best method to deliver on the academic content, bridging the gap between theory and practical application. Leveraging Clark's view that credence goods are sold on a promise (Clark, 2001 as cited in Howden & Pressey, 2008), understanding these elements that customers perceive as enablers of value creation will help MBA providers to shape better value propositions that correlate with the outputs of the MBA "promise". As suggested by Datar, Garvin and Cullen (2011), relooking the value propositions will be instrumental for MBA provider competitive success given rising competitive pressures.

The dimensions of "value as it relates to price" and "value as it relates to quality" were not mentioned by any of the participants. With regard to "value as it relates to the price, where low price equals high value", for an MBA degree, the concept of price and credence seem to be directly related. An MBA diploma is seen as very expensive and the higher the price, the

higher the association with quality and credibility, and therefore, it is unlikely that a student would perceive value from obtaining an MBA degree for a cheep or low price.

The same occurred with the interpretation of value as it relates to quality, where value is the amount that the quality perceived exceeds the price paid for the good or service. Considering that the MBA degree is perceived as a highly priced good, high quality is expected. Therefore, most students perceived the quality to be inferior or on par with their expectations, considering the price that was paid for the MBA degree. Thus, further research is required to investigate the correlation between these two interpretations of value and the MBA diploma.

With regards to value as product of "what I get versus what I give", most participants that mentioned this dimension linked the overall perception of value to the effort associated with the MBA qualification, where effort was categorised mostly as time and money spent. In this case, credence "proxies" linked to experience touch-points with the provider were cited in contrast to the perceived effort. This may be a result of the sample, as it was comprised mostly of participants in the process of acquiring their MBA degree, as opposed to participants who have completed the degree. If the sample had been comprised mostly of participants that had completed their MBA qualifications, the data could have reflected value linked to outcomes perceived over time as opposed to experience touch-points and credence elements.

Literature also suggests that as a credence good, the benefits and value derived from higher education, in this case an MBA degree, are exposed over time and after acquisition (Franck & Schönfelder, 2000), unlike normal goods, where value can be measured during acquisition or consumption. The findings of this study has shown that this is not necessarily true, as the top 5 concepts of value emphasised by the participants and presented above, are also delivered through the acquisition process, and therefore can be assessed both during the acquisition process as well as outcomes exposed over time.

Woodall, Hiller and Resnick (2014) noted on their proposed equation of value that elements like networking, career progression, personal development and enhanced skills, were outcome expectations to be delivered as a product of higher education. The data showed that these could also be outcomes derived **during** the acquisition of the MBA diploma as opposed to post-acquisition outcomes only. Aligning to Gummerus' (2013) value categorisation, it is clear that these value outcomes can therefore be both a product of value creation processes as well as value outcomes.

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6.2.2. Conclusion

The findings conclude that customers participating in the study can assess value outcomes during the acquisition of a credence good, but not necessarily through third-party judgements, seller credentials or surrogates, as suggested by literature. These surrogates or proxies were used mostly to describe the "search" elements, while other proxies like quality of lectures were referred to as value creation enablers during the acquisition process as opposed to value outcomes. Also, the data affirmed that most participants regard value in the acquisition phase of the MBA degree as being:

- Networking;
- Personal growth;
- Enhanced skills;
- Career progression (where 30% of participants had changed jobs during the course of the MBA);
- And Increased confidence, due to practical application.

Therefore, the findings of this study contributed to bridging the gap presented by the literature with regard to a better understanding of the concept of value (in this instance – credence good/MBA degree). It also contributed to theory on credence goods with regards to how value outcomes are perceived by customers, the role of the provider and the use of surrogates and proxies. The insights generated regarding the customers' perceptions of value can contribute to supporting the providers in constructing better value propositions as well as enabling the experiences that will permit the delivery of the value elements stated above.

6.2.3.   <u>Research Question 2</u>: Is there value co-creation in the in the acquisition process for credence goods, in this case, the MBA degree?

Having contextualised the meaning of value, Research Question 2 focuses the discussion on value creation and co-creation in the acquisition process of a credence good. It specifically considers who creates value and how value is created. According to the service dominant logic proposed by Vargo and Lusch (2008), the consumer has active participation in the value creation process, as opposed to the traditional goods dominant logic where the consumer has a more passive role and the provider is the key contributor to value creation (Bettencourt, Lusch and Vargo, 2014).

However, literature on value creation for credence goods suggested that due to the nature of credence goods, the provider defines the need and drives the value, and the consumer has a much more passive role to play in the process of value creation (Howden & Pressey, 2008). This is due to a high level of information asymmetry about the good or service being provided, where the provider is the expert that knows more about the quality that a consumer needs than the consumer himself (Howden & Pressey, 2008, Dulleck & Kerschbamer, 2006). This passive role in value creation contradicted Vargo and Lusch's view on co-creation, and is more aligned to the traditional goods dominant logic, where the provider is the key generator of value to the customer.

The findings presented in chapter 5.3.2 of this research, however, challenge Howden and Pressey's view as well as the goods dominant logic view of consumers as playing a more passive role in the value creation process. In contrast to what the literature review suggested about value creation and the nature of credence goods, the findings of this study show that there is indeed value co-creation during the acquisition process of a credence good. The participant feedback demonstrates that value was co-created not only by the interactions between consumers and the provider but also by the interactions between consumers and other consumers as well as consumers and other third parties involved in the MBA acquisition process.

Also, Howden and Pressey (2008) emphasised the role of the seller or provider as being the most important generator and determinant of value, although this research study's findings demonstrated that for value created in the acquisition process specifically, interactions with peers and 3rd parties were the key drivers of the perceived value as described by the participants. For example, personal growth and networking were the most mentioned elements of perceived value. Both of these elements relate to the experiences with peers, as

opposed to credence elements directly linked to the provider, such as the quality of lectures. These findings confirmed that consumers actually have a much more active role to play in the value creation process of credence goods, especially during the acquisition phase, therefore expanding on the literature on credence goods and value co-creation.

6.2.3.1   *Types of experiences or interactions that co-create value in the acquisition process for a credence good, in the case, the MBA degree.*

Addis and Holbrook (2001) stated that customer experience stems from the interactions between consumer and provider, consumer and product/consumer and also between the consumer and part of the organisation, and that value is created through these interactions. Therefore, customer experience is deemed the enabler of value creation. With regards to the types of interactions and experiences that enable value co-creation, the finding indicated that these were often associated to:

- Students' sharing experiences practical applications of theory to real business scenarios, mostly in smaller group setting such as syndicate groups, contributing to the validation of key academic concepts portrayed in theory presented by lecturers. In this case, the level of knowledge and experience of peers is a key driver of value as it allows them to collaborate and contribute to richer insights, bridging the confidence gap of peers regarding the lack of knowledge of practical application in different industry contexts.
- Students' in-depth discussions, driven by the different views of participants regarding academic themes, where diversity in terms of cultural backgrounds and industry experiences were the key drivers enabling students to create value through the insights shared. Conflict originated from the different perspectives and diverse backgrounds, was also mentioned by participants as a driver of value creation as it resulted in personal growth, leading to more effective ways of engaging with their teams in their corporate settings.

These findings on credence goods, in this case the MBA degree, are aligned to Ramaswamy's (2011) view that value is a product of human interactions, where the providers are the facilitators of such interactions. As presented in the previous discussion (question 1), the MBA providers control the mechanisms that enable value creation as they govern the selection process of students as well as placement in classes and in syndicates. These elements directly influence the quality of the peer interactions and experiences as they determine the level of peers and their knowledge and industries as well as the diversity

component, stated above as key enablers of value creation during the acquisition process of the MBA qualification.

This research also brought a new insight to contribute to the theory on credence goods, as most participants mentioned syndicate interactions where they had the opportunity to engage with companies and other third parties (not only with the seller or other consumers), as experiences that resulted in value co-creation. Where drivers of value co-creation were:

- Sharing of practical experiences, sometimes in settings outside of the MBA provider's facilities.
- Support in content delivery through teaching based on applied knowledge and industry experience.

An element of credibility, given the third party's experience, status and success in different industries was also mentioned as elements that contribute to value. It is important to note however, that even though these third parties are stakeholders outside of the MBA providers, the interaction was enabled/facilitated by the MBA provider. The capacity of the tertiary institution to create these links and interactions with third parties was cited by participants as a credence element and might become a differentiator for customers' selection of MBA institutions in the future.

The concept of value being delivered by an outside stakeholder or third party in the acquisition process of a credence good would seem improbable, given that a credence good depends immensely on the sellers' expertise (Dullek and Kerschbamers 2006), which in the case of and MBA provider, would be the knowledge and expertise of the faculty. However, the findings of this research show that in the context of the acquisition process for a credence good, value was created by other customers as well as by third parties, thereby adding to the body of theory on value creation for credence goods.

6.2.3.2   *Consumers, in this case students acting in syndicate groups, as enablers of the value creation process.*

Yngfaulk (2013) emphasised that not much focus has been given to generating insights on "how" firms consumers and other stakeholders co-create value. Leveraging the recently proposed customer-dominant logic, where the focus of value creation is shifted from the provider's processes involving the customer to customers creating value amongst themselves and the provider (Heinonen, Strandvik & Voima, 2013, Kuppelwieser, Simpson & Chiummo, 2013), this question focussed on generating such insights, detailing specifically

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"how" interactions between consumers when acting in syndicate groups drive value co-creation. The research findings revealed the following as ways that consumers, acting in syndicate groups, can enable value co-creation:

- By enabling a safe, respectful environment, where people can share their ideas openly.
- By embracing diversity. Diversity was seen as good not only from a learning perspective as it helped to analyse problems with more of a holistic view, but also, from a South African specific context, where some participants mentioned that the syndicate groups provided them with the opportunity to interact with groups that otherwise they would not have, given the history of the country.
- By sharing practical experiences to complement and reinforce theory discussed in class.

These findings to bridging a gap in literature highlighted by Mustak, Jaakola and Halinen (2013) with regards to how customers can be enablers of value co-creation, as it highlights key behavioural drivers such as respect and embracing diversity. Also, as suggested by Bettencourt, Vargo and Lusch (2014), value is not something that things, or even people, possess. Rather, they possess capabilities that give them value potential (p.53). The capabilities in this case, are the industry practical experiences that allow for the students to make the connections between the theory presented in class and real business scenarios. These contributed not only to validating through practical examples the theories presented in class, but also to bridging the confidence gap from lack of practice and industry exposure pointed out by some participants.

The findings derived from the data presented are also particularly important for educators and instructional designers, as emphasised by Popov, Brinkman, Biemans, Mulder, Kuznetsov and Noroozi (2012), as they will help shape the design of group work for multicultural groups, which is the case in South Africa. By doing so, can improve their role as facilitators of value co-creation, by providing and environment where these drivers can emerge and customers can engage in a way to maximise the value created.

For South Africa in particular, the role of the provider in facilitating and environment that is culturally diverse, as pointed out by participants as a key driver of value creation, becomes vital! As this will not only influence the value derived from these multi-cultural experiences in the MBA acquisition process, but in facilitating these experiences, also contribute to post-

acquisition value creation as students return to their multi-cultural teams in their corporate setting and apply the learning from the syndicate interactions.

6.2.4.   Conclusion

In conclusion, despite the nature of credence goods, the data showed strong evidence of value co-creation during the acquisition process of the MBA degree. This finding was in alignment with the most recent theories being explored concerning customer-dominant logic, where value is not only created between the provider and the consumer, but also amongst consumers and even third party stakeholders involved in the acquisition process.

The data also indicated that MBA students in South Africa believe that the syndicate interactions added more value for personal development than academic development. The degree of such development can be improved or impacted by group diversity, their peers' level of knowledge as well as the format provided by the institution to support the interaction.

Therefore the findings of this study contributed to a more comprehensive understanding of customer participation in value creation in the acquisition process of a credence good as well as a view of how other stakeholders interact with customers during the acquisition process and through these interactions, create value. That being said, MBA providers may want to re-evaluate the delivery of their curricula and experiences, if they want to increase the perceived value delivered during the acquisition process.

Lastly, the inclination of participants towards value co-creation, especially co-creation between consumers (consumer-consumer), might be as a generational characteriastic emphasised as a result of the sample of participants selected, since it was observed that participants were from a homogenous age group. Further research is deemed necessary to assess whether the inclination towards value co-creation is a product of a generation or whether it is an element of the acquisition process for the MBA degree.

6.2.5. Research Question 3: What experiences and interactions detract from the experience and consequently reduce the perceived value?

As stated by Gronroos (2012) "value co-creation may have both positive and negative impacts on value formation for customers, and it may be instrumentally created or just emerge from customers' experiences" (p.1521). Therefore, this study considered both aspects when analysing the syndicate interactions and experiences reported by students. Also, considering the specific context of credence goods, where quality and value can be shaped by proxies or surrogates (Armstrong, 2014), how experiences pertaining surrogates impacted the overall value of the good was also an angle explored within the research study.

Through applying the critical incident technique as a qualitative tool of inquiry recommended by Hughes, Williamson and Lloyd (2007), this research revealed two main categories of negative experiences, as recalled by participants. The first was regarding peer interactions in both in the classroom setting as well as in syndicate settings. These were mostly related to team dynamics and conflicts that could not be resolved as well as attitudes and behaviours that were not conducive to learning in a multi-cultural environment, such as disrespect and personality clashes which resulted in limited discussions of practical experiences and knowledge sharing. The second was regarding negative experiences related to the MBA provider, where service failures occurred with some of the surrogates or proxies generally used by students to measure perceived quality or value of the outcomes of higher education, were the drivers of value detraction.

As stated by Diaz-Mendez and Gummesson (2012), value is linked to what students expect from their studies, regardless of the monetary valued paid, as some students might not be paying for their studies but still expect the same value as a full paying student. However, the findings of this research suggested that when there is a service failure or a negative interaction with one of the previously mentioned surrogates, participants tended to link back to the credence elements the institution was supposed to deliver on as well as the monetary value paid. This can be attributed to three elements: The first, the value propositions that set the students' expectation on the quality of the service delivery and the value associated with the MBA diploma. The second could be linked to the nature of credence goods as stated by Howden and Pressey (2008), where the provider is expected to be the key driver of value creations, and therefore value creation derived from interactions with peers and 3rd parties was not a key expectation of students. Thus, also explaining why no negative interactions with 3rd parties were recalled by any of the participants. The third could be linked to a characteristic of the sample, where the sample could have been comprised by students who

are "self-paying" for their education, as opposed to students with bursaries or that have their MBA's paid for by their companies. As this could not be confirmed during the interviews, this is an aspect to be validated in recommended future research.

Lastly, it is important to note that participants were also inclined to discuss in detail the negative experiences related to the MBA provider, as opposed to the interactions with peers, which were usually provided as a short description and where in some cases, discomfort was expressed. A possible reason for this being the researcher bias highlighted in chapter 4, where some of the participants might not be willing to share the details of the negative interactions for fear that they would be exposed to peers or due to the fact that the researcher was himself a peer.   On the other hand, this might also be a result of an emerging culture of sharing of brand/provider experiences, as emphasised by Gensler, et. al (2013) where due to the advent of technology (i.e. social media platforms) customers have been displaying a behaviour of sharing with other customers, their experiences with regards to goods and services provided.

6.2.5.1   *Experiences pertaining to peer interactions in the classroom settings as well as in syndicate groups that impacted the overall value of the credence good, in this case, the MBA diploma:*

Gronroos (2008) stated that "value always has an attitudinal component, such as trust, affection, comfort and easiness of use" (p. 303). This is also true for value detraction, as the findings of this research showed that some behavioural or attitudinal components affected negatively value-co creation in a syndicate setting. What is interesting is that despite the fact that some participants mentioned that these components resulted in conflict in syndicate groups, and therefore detracted from the value of the MBA experience, other participants, as discussed in chapter 6.2.2.1, perceived conflict as an enabler or driver of value creation.

However, participants that perceived the conflict present in some syndicates as a value enabler, not a value detractor, also highlighted that their syndicate members were able to work through the conflict as a group to achieve the desired end result. This is opposed to the participants who reported conflict as being destructive. For these participants the conflict situations were never resolved, leading to the dissolution of the group, individual focus on work as well as reduced collaboration in terms of practical experiences and knowledge sharing.

These opposing views presented by the findings can be attributed to two reasons: The first one being that value is based on the consumers' perspective as stated by Gronroos (2008),

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and as such, can have different interpretations. The second is that the positive value creation view of conflict as driver, could be a product of how South Africans approach diversity. Where the participants in this case, viewed dealing with differences that may arise from those interactions, as beneficial for "real life" situations.

6.2.5.2 Experiences pertaining surrogates that impacted the overall value of the credence good, in this case, the MBA diploma.

Even though most surrogates and proxies were mentioned by participants as "search elements" rather than value enablers during the acquisition process, they impacted the perceived value during the acquisition process if there was a negative experience related to them. For example: If a clock in a classroom is not working, it does not affect the quality of the education provided, but it still impacted the perception of value associated with the MBA qualification as stated by one of the participants.

There was evidence to suggest that negative experiences with surrogates influenced the perceived value more than negative experiences with peers. This is because customers do not have a previously set expectation of the outcome derived from peer interactions, as mentioned by one of the participants. But, they do have expectations regarding the value outcomes from the interactions and experiences with MBA provider.

MBA providers set the expectation regarding the experiences and the value expected from attaining the MBA degree. Sometimes these are created through credence elements associated with the MBA provider and other proxies/surrogates such as price or quality of lecturers, which help define the expectation regarding the quality of the service to be delivered during the acquisition phase. In addition to the credence elements that the institution has associated with its MBA qualification, the value proposition put forward by the MBA provider also shape these expectations, as they are the promise of the institution to the customer.

Value propositions as stated by Ballantyne, Frow, Varey and Payne (2011) are usually a marketing tool to communicate a value "promise" linked to the good or service it aims to sell/provide. In the case of credence goods, value propositions are even more important given that the value outcome is not necessarily tangible to the consumer, and in the case of higher education, also very difficult to assess. However, the findings suggest that in the case of credence goods, the value propositions should not just be addressed as a selling tool, but as suggested by Saarijarvi (2012), it should be looked at as a strategic tool to guide to

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internal processes to deliver on the promised benefits. This includes the processes that will facilitate value co-creation, as discussed above.

Building on Saarijarvi's (2012) argument for internal process delivery, it was evident from the study findings that the credence elements or proxies should be reviewed against the value proposition. For this, special attention should be given to those to ensure that they are aligned not only to the value proposition, but to the market perception, as these directly shape the customer's expectation during acquisition, therefore guiding the perceived value outcomes.

MBA institutions should look at minimising the value detracting experiences presented in this study, to meet expectations and deliver on their value propositions. This implies not only adjusting internal processes, such as programme administration, to the value propositions, but also focus on the proxies and surrogates that will support the value creation and delivery at every touch-point.

6.2.6.   Conclusion

In conclusion, research question three aimed to explore the experiences and interactions that detracted from the experience and consequently reduced the perceived value of the MBA diploma. It was concluded that the experiences regarding credence elements detract from value but experiences with peers, even though negative, seemed to be perceived as value adding in instances where participants transformed these into learnings around people management and personal growth. These participants considered the interactions as being part of the learning process, and reflective of the "real world" as opposed to negative experiences with the credence elements, which many participants confirmed to have detracted from the value of their MBA degree. This can be due to the expectations set by the providers, as the providers build their value proposition based on their credence elements. When those fail, students' linked them to service delivery short-falls which consequently detracted from value.

CHAPTER 7:   CONCLUSION

7.1.   Introduction

Chapter 6 presented a detailed discussion of the results that emerged from the research study. Chapter 7 concludes the study by revisiting the research objectives, briefly summarising the principal findings and emphasising the key implications for academics and business. Because of the limitations of this research, a summary of recommendations for future research has also been presented in this chapter.

7.2.   Review of Research Problem and Objectives

The purpose of this study was to generate insight on how consumers can be enablers of the value creation process, extending the existing literature on drivers of value co-creation in the acquisition process of credence goods. The study addresses the following research questions:

1) What do consumers, in this case students, regard as value in the MBA degree?

2) Is there value co-creation in the acquisition process for credence goods, in this case, the MBA degree?

   2.a). What types of experiences or interactions co-create value in the acquisition process for a credence good, in this case, the MBA degree?

   2.b.) How are consumers, in this case students acting in syndicate groups, enablers of the value creation process?

3) What experiences and interactions detract from the experience and consequently reduce the perceived value?

   3.a) How do experiences pertaining surrogates impact the overall value of a credence good?

This study explored these objectives within the context of MBA student experiences when interacting in syndicate groups. Exploratory research was used, with in depth qualitative

interviews, applying the critical incident technique to analyse positive and negative experiences that occurred during the acquisition of the MBA. The sample of participants included twenty-two students in the process of acquiring their MBA degree, or that have recently completed their MBA studies.

7.3. Principal Findings

The results comprehensively discussed in Chapter 5 and the ensuing analysis presented in Chapter 6 have suggested the following:

- The findings of this study affirmed that most participants regard value in the acquisition phase of the MBA degree as being: Networking, personal growth, enhanced skills, career progression (where 30% of participants had changed jobs during the course of the MBA), and Increased confidence, due to practical application. Where networking, personal growth, and increased confidence were value outcomes associated mostly to peer-to-peer interactions, as opposed to a provider-customer interaction.

- This research concluded that customers, in this case students acting in syndicate groups, have a highly active role to play in the value creation processes in the acquisition of a credence good, as opposed to what is presented in credence goods literature, where the customer is deemed to have a passive role and the provider is the key value creator.

- In the acquisition phase of the MBA degree, the MBA providers have an instrumental role to play as enablers of the value creation experiences, as they control the processes that will allow for the drivers of value creation to thrive. This was illustrated by examples regarding two key drivers of value creation cited by participants: Diversity, both cultural and industry, and participative formats of interaction.

- This research also presented findings that affirm that value was additionally co-created between customers acting in syndicate groups and 3rd parties involved in the acquisition process of the MBA degree, where the key value drivers from these interactions were the 3rd parties' experience, credibility and ability to link the theory to real application cases. The MBA provider, leveraging their networks to create innovative and practical interactions, enabled these experiences and interactions, which resulted in value outcomes during the acquisition process of the MBA degree.

- Also, credence qualities and surrogates were not frequently used as proxies to value outcomes during the acquisition phase of the MBA degree, as suggested by

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literature, but as value enablers, search qualities or expectations of value outcome post-acquisition.

- The findings of this research also concluded that negative experiences regarding surrogates to quality detract from perceived value, as they are often linked to the value proposition of the institution, and therefore to the "promise" of value, or to the credence elements associated to the specific good. Negative experiences regarding peer interactions, however, were sometimes perceived as value when participants transformed these into learnings around people management resulting in personal growth.

## 7.4.	Implications for academics

The findings of this research contributed to bridging the gap in literature highlighted by Gummerus (2013), by exploring the interactions and experiences that both created and detracted from value during the acquisition process of the MBA diploma. The insights generated brought more clarity to the concept of value and to the understanding of what creates value, as it illustrates what customers perceive as value outcomes and value drivers of the MBA acquisition process.

The insights generated also contributed to the discussion on "who" creates value in the acquisition process of a credence good and "how" value is created by outlining the roles of both the customer, as value creator, and the provider as the enabler of value generation. Therefore, challenging the credence goods theories leveraged by Howden and Pressey (2008) that due to the nature of the credence goods, the provider is the sole creator of value and the consumer plays a passive role in value creation. Scholars can leverage these insights to further develop value creation theory on credence goods, further contributing to marketing and consumer research.

This study also addressed an element of future research proposed by Bittencourt, Lusch and Vargo (2014) and Mustak, Jaakola and Halinen (2013) regarding the role of the customer in the value creation process as well as regarding the ways that providers can be enablers of value creation, by improving internal processes that will facilitate the drivers of value creation in peer-to-peer interactions.

7.5. Implications for Business

Contextually, MBA programs are important to higher education institutions, as they are the dominant program type that prospective students consider when pursuing graduate management education (GMAC, 2014). The findings of this study contributed to insights on how MBA providers can improve their internal processes to increase student collaboration, enabling value co-creation and enhancing the customer experience provided. This will also support the achievement of their value propositions through interactions that meet students' expectations. According to Datar, Garvin and Cullen (2011), business schools have reached a crossroads due to competitive pressures. These insights can be used to further relook their value propositions with the objective of creating competitive advantage.

The findings of this research can be also apply in several areas of business. Some of these areas would include:

- Narrowing the gap between value proposition, expectation and value delivered.
- Development of new products, promoting interactive and innovative methods of teaching for example, that focus on the value co-creation between customers, and between customers and other stakeholders.
- Marketing strategies aimed at reinforcing the credence elements, emphasised in this research study as value enablers.
- Institutions can set expectations upfront regarding the objectives of working in syndicate groups, thereby minimising the negative impacts and creating an environment that fosters value co-creation.
- Lastly, business schools and institutions can leverage the insights of this study to re-evaluate how they leverage their networks, with the objective of creating more innovative ways of delivering on their core processes and bringing their customers, in this case students, closer to business.

7.6. Research Limitations

The findings of this study indicated that the customers' perceptions of value are directly related to the product or service, in this case the MBA degree. This affects adequate generalisability to other credence goods. Since the interviewees were asked to consider the context of the MBA degree only, in order to produce generalisations that can be applied to other credence services, research in different sectors and contexts is required.

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Gallarza, Gil-saura and Holbrook (2011) stated that "value is considered a highly individualistic, relativistic, and idiosyncratic aspect of a consumer's behaviour" (p. 184) and therefore, generalisability of the findings may not be adequate across different people. Also, the critical incident technique leverages personal recollection, therefore it affected the generalisability. The research was also limited to students who have completed their MBA degrees in the past 12 months or those who are in the process of completing their MBA degrees.

Given that all the participants in this research have studied at South African universities, more specifically in Johannesburg and Cape Town, the findings of this research may not be relevant to other countries or geographic locations. Also, some MBA types or formats were not represented in this study, like the online MBA for example. Therefore, the generalisability of the findings is also limited to the MBA formats considered in this study.

Also, the study was conducted in three of the top rated schools in South Africa, not including the non-mainstream MBA providers in South Africa. This also affects the generalisability of the findings, as the sample is not representative of the South African MBA student population.

In summary, there are research limitations for particular contexts. However, the research has challenged literature and introduced new findings. Further research is required to test this in additional contexts and quantitative research is required to prove that the findings can be generalised for MBAs in other situations.

7.7. Suggestions for Future Research

During the development of this research study, several opportunities for future research presented themselves. These stemmed from the opportunity to expand to other industries and contexts as well as to explore the generalisability of the findings, given the research limitations.

The suggestions for future research are outlined below:

- As generalisation of the findings has been presented as a limitation due to the focus of the study on one specific credence good, namely the MBA degree, there is opportunity for further exploratory research regarding a broader set of credence goods or services.

- Also, to test the generalisation of the findings, the geographic reach of the study can be extended to include MBA students from other South African cities as well as non-mainstream schools.

- Further research on value co-creation during the acquisition process of MBAs that are delivered through different formats to the ones represented in this study, such as online and distance learning, should also be conducted in the future to test the generalisability of the findings.

- To complement the research, interviews with lecturers and university staff can be conducted to assess the possible gap between value proposition, expectation and value delivered and how these impact the customers' perceptions of value.

- Further investigate the relationship between cultural diversity and the reasons for conflict in syndicate groups and how this type of tension can enable value co-creation. This should be further explored to conclude whether this is effectively a characteristic observed in syndicate groups in South Africa due to the racial tension and history of apartheid, or whether this is common in other countries.

- Further research is deemed necessary to assess whether the inclination towards value co-creation is a product of a generation or whether it is an element of the acquisition process for the MBA degree.

- Future research is recommended to assess the relationship between students' funding mechanisms and value creation or detraction as this topic could not be further explored or validated by this research.

7.8.   Concluding remarks

The findings of this study are important for Marketing practitioners in the higher education industry, emphasising that they need to be aware that the credence elements that support consumer selection and decision are no longer the key to their competitive advantage. What emerged from the study is that value co-creation from interactions with peers and third parties become an integral part of the desired MBA experience. The findings should provoke marketing practitioners to reshape the way that content is delivered, redefining the acquisition process to enable value co-creation, as well as redefining the value propositions that will shape their prospective customers' experiences. This transition would improve the perception of value created during the acquisition process of the MBA degree.

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APPENDIX 1: FINAL DISCUSSION GUIDE

PLEASE SPECIFY THE MBA PROGRAMME FORMAT:

Part-time

Full-time

PLEASE SPECIFY THE TIME SINCE COMPLETION (TO CONFIRM TARGET POPULATION):

Still in progress

Completed less than 6 months ago

Completed less than 1 year ago

Completed more than 1 year ago

OPENING, GENERAL AND NON-DIRECTIVE QUESTIONS (BROAD QUESTIONS):

- Why did you decide to do an MBA?
- Tell me about your MBA journey.
- What does an MBA diploma mean to you?

FIXED PROMPTS (TOPICS I WOULD LIKE TO EXPLORE DURING THE INTERVIEW)

- To what extent are/were the syndicate group interaction important to your overall MBA experience?
- Tell me about some of the interactions with your syndicate members. Were there any negative interactions? How did they impact you?
- Tell me about some interactions that had a positive influence on you and why were they of a positive influence.
- To what extend did the MBA course provider (school/institution) contribute to a positive or negative syndicate experience?

FLOATING PROMPTS (QUESTIONS I WOULD LIKE TO EXPLORE, IF THEY ARE RAISED DURING THE INTERVIEW):

- Where your expectations with the MBA met? Why or why not?
- What does networking mean to you? To what extent is networking important to your overall MBA experience?

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- What was your expectation regarding: level of knowledge of the other students in your class and syndicate, their years of experience and field of expertise? Was that expectation met?
- How did these factors influence your MBA experience?

APPENDIX 2: INFORMED CONSENT LETTER

Dear participant,

I am a student of the Gordon Institute of Business Science, conducting research on value creation through customer experience, to find out more about value co-creation during the acquisition process of a credence good.

Our interview is expected to last about 1 hour, and will help us understand how value is created, co-created or destroyed during the acquisition process of the MBA degree.

Your participation is voluntary and you can withdraw at any time without penalty.

With this letter, you consent to participating in the interview, which will be recorded to allow for more accurate data capturing. All data will be kept confidential.

If you have any concerns, please contact my supervisor or me. Our details are provided below:

Researcher name:	Natalia Barros
Researcher e-mail:	natmbarros@gmail.com
Researcher phone:	081 288 9854
Supervisor name:	Kerry Chipp
Supervisor e-mail:	chippk@gibs.co.za
Supervisor phone:	011 771 4175

Signature of Participant: _____

Date: _____

Signature of researcher: _____

Date: _____

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APPENDIX 3: CODE BOOK

1st Iteration:

Codes: Code Book

Number of Codes: 30

Code
CEX_Negative_Value destroyed
CEX_Positive_Value created
CEX_surrogates and proxies
Consumer - consumer interaction that creates value
Consumer active_co-creation
Consumer and institution co-create value
Consumer passive_created by institution(firm)
Credence_3rd party judgements
Credence_Institution credentials (seller credentials)
Credence_infra and administration
Credence_quality of lecturers
Value as it relates to expectations
Value as it relates to experience
Value as it relates to price (High price, high quality)
Value co-creation_classroom peer interaction
Value co-creation_syndicate interaction
Value created_competitive advantage
Value creation as purely institution generated (firm to customer)
Value creation_Value proposition
Value for Money (what I get vs what I give)
Value from knowledge of peers
Value from networking
Value to Price (Quality vs Price)
Value_Career progression
Value_Created (positive)
Value_Destroyed (negative)
Value_Institution credentials (seller credentials)
Value_Quality of lecturers
Value_Usefulness of MBA diploma
Value_infra and administration

Final Iteration:

Codes: Code Book

Number of Codes: 81

Code Info
*CEX_Incident
*Credence_Brand Name and reputation
*Credence_Rankings
*Credence_Student selection
*Credence_alumni success
*Credibility and respect
*Different personality styles
*Disfunctional syndicate
*Expected VS Aquired analysis
*Inspiration
*Part-time vs full-time
*Suggestion_enable value co-creation
*Too many students
*Value co-creation enabled_Similar interests and life stages
*Value co-creation_3rd party judgements
*Value co-creation_Aligned expectations
*Value co-creation_Consumers building brand stories
*Value co-creation_Different teaching mechanism
*Value co-creation_Interaction with 3rd parties
*Value co-creation_informal group interactions
*Value co-creation_interactive and practical experiences
*Value co-creation_sharing of industry experiences
*Value_Collaboration
*Value_Competitiveness
*Value_Cultural element
*Value_Destroyed_Short timeframes (not enough time)
*Value_Destroyed_distance learning
*Value_Diferentiation
*Value_Global recognition
*Value_Group Dynamic issues
*Value_Innovation and Innovative
*Value_Learning to work with others
*Value_Location
*Value_Peer understanding and support
*Value_Personal growth
*Value_Relevant topics discussed
*Value_Safe space for learning
*Value_Syndicates_Deal with diversity
*Value_Syndicates_exposure to real world

*Value_confidence
*Value_do the job better
*Value_enabled when syndicate works well
*Value_enhance skills
*Value_entrepreneural opportunities
*Value_integrity and transparency
*Value_prestige
*Value_when syndicate did NOT work well
*caracteristic to credence goods
*different backgrounds
*egos
*lack of interest of peers
CEX_Negative_Value destroyed
CEX_Positive_Value created
CEX_surrogates and proxies
Consumer - consumer interaction that creates value
Consumer active_co-creation
Consumer and institution co-create value
Consumer passive_created by institution(firm)
Credence_3rd party judgements
Credence_Institution credentials (seller credentials)
Credence_infra and administration
Credence_quality of lecturers and lectures
Value as it relates to expectations
Value as it relates to experience
Value as it relates to price (High price, high quality)
Value co-creation_classroom peer interaction
Value co-creation_syndicate interaction
Value created_competitive advantage
Value creation as purely institution generated (firm to customer)
Value creation_Value proposition
Value for Money (what I get vs what I give)
Value from knowledge of peers
Value from networking
Value to Price (Quality vs Price)
Value_Career progression
Value_Created (positive)
Value_Destroyed (negative)
Value_Institution credentials (seller credentials)
Value_Quality of lecturers
Value_Usefulness of MBA diploma
Value_infra and administration

APPENDIX 4: ETHICS CLEARANCE APPROVAL

Gordon Institute of Business Science
University of Pretoria

Dear Miss Natalia Mendes de Barros

Protocol Number: Temp2015-01271

Title: Value in acquisition shaped by Customer Experience: A study of syndicate groups' influence on the student experience and overall perceived MBA value.

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,

GIBS Ethics Administrator