

**Sustainable retail value creation through co-creation: A South African
grocery retailer perspective**

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ABSTRACT

Sustainability within the South African grocery retail sector has become a strategic priority, existing practices remain largely compliance-driven and fragmented. Despite increasing commitments to environmental and social goals, limited understanding exists of how sustainability is collaboratively created and institutionalised across retailers, suppliers, and consumers. This study addresses that gap by examining how sustainable value co-creation unfolds within the grocery retail ecosystem and how these interactions evolve toward a shared sustainability logic. Guided by Service-Dominant Logic, Institutional Theory, and Ecosystem Thinking, the research adopts an interpretivist qualitative approach using semi-structured interviews across stakeholder groups. Thematic and interpretive analysis reveal that sustainable value co-creation progresses through trust, transparency, and legitimacy-building processes that transform compliance into collective practice. Institutional pluralism, short-term cost focus, and limited consumer inclusion remain barriers, while shared learning and relational commitment act as enablers. The study contributes theoretically by integrating service and institutional perspectives to explain how sustainability becomes embedded through co-creation. Practically, it provides guidance for embedding co-creation within governance systems, aligning sustainability with affordability and inclusion, and strengthening collaboration across value chain actors to advance systemic sustainability in emerging markets.

KEYWORDS

Service-Dominant Logic

Institutional Theory

Ecosystem Thinking

Co-creation

Sustainability

Legitimacy

PLAGIARISM 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.

Ashnee Pillay

3 November 2025

Contents	
ABSTRACT	i
KEYWORDS	ii
PLAGIARISM DECLARATION	iii
LIST OF FIGURES	viii
LIST OF TABLES	ix
ABBREVIATIONS	x
INTRODUCTION TO THE RESEARCH PROBLEM	11
1.1 Background	11
1.2 Research Problem	12
1.3 Research Purpose	13
1.4 Significance of Research for Business and Theory	14
1.5 Research Scope	16
1.6 Definition of Terms	16
1.7 Assumptions	17
LITERATURE REVIEW	18
2.1 Introduction	18
2.2 Service-Dominant Logic: Co-Creation within Retail Ecosystems	19
2.2.1 Foundations of SDL	19
2.2.2 Evolution of SDL: Institutions, Ecosystems, and Emergence	20
2.2.3 Critiques and Limitations of SDL	21
2.2.4 SDL and Sustainability in Retail	22
2.2.5 Application to South African Grocery Retail	22
2.2.6 Synthesis and Relevance	23
2.3 Institutional Theory: Shaping Legitimacy and Stakeholder Engagement	23
2.3.1 Foundations of Institutional Theory	23
2.3.2 Institutional Complexity and Organisational Responses	24
2.3.3 Legitimacy as a Social Evaluation	25
2.3.4 Dynamic and Emergent Institutions	25
2.3.5 Institutional Theory in the South African Context	26
2.3.6 Synthesis: Institutional Theory and Co-Creation	28
2.4 Co-Creation as an Emergent, Negotiated Process	29
2.4.1 Origins and Conceptual Foundations	29
2.4.2 Consumer Roles in Co-Creation	29
2.4.3 Supplier and Employee Participation	30
2.4.4 Barriers and Constraints to Co-Creation	30
	iv

2.4.5 Co-Creation, Legitimacy, and Institutional Alignment	31
2.4.6 Sustainability Outcomes and Legitimacy Signals	31
2.5 Integration of Theoretical Perspectives	32
RESEARCH QUESTIONS	35
3.1 Research Question 1: Stakeholder Understanding and Engagement in Value Co-Creation	36
3.2 Research Question 2: Enablers and Constraints in Value Co-Creation	37
3.3 Research Question 3: Institutionalising Co-Creation within Sustainability Strategy	37
Now RESEARCH METHODOLOGY	39
4.1 Research Paradigm	39
4.2 Research Design	40
4.3 Population Groups and Sampling Method	40
4.3.1 Population Boundaries	41
4.3.2 Sample Size and Composition	41
4.3.3 Sampling by Stakeholder Group	42
4.4 Data Collection	43
4.4.1 Access to Sample Population	43
4.4.2 Interview Process	43
4.4.3 Interview Guide	44
4.4.4 Reflexivity	44
4.5 Data Analysis and Interpretation	44
4.5.1 Data Preparation and Familiarisation	45
4.5.2 Coding	45
4.5.3 Theme Development	45
4.5.4 Interpretation	45
4.5.5 Reporting Findings	46
4.6 Trustworthiness and Bias	46
4.6.1 Bias Considerations	48
4.7 Ethical Considerations	48
4.8 Limitations	48
4.9 Assumptions	49
4.10 Delimitations	49
5. RESULTS	51
5.1 Introduction	51
5.2 Description of Sample	52
5.3 Data Analysis Approach	54
5.4 Thematic Analysis	57

5.4.1 Theme 1: Shopping Drivers and Consumer Priorities	57
5.4.2 Theme 2: Awareness and Attitudes to Sustainability	61
5.4.3 Theme 3: Institutional Enablers and Barriers to Co-Creation	64
5.4.4 Theme 4: Legitimacy and the Role of Retailers	66
5.4.5 Theme 5: Toward a Shared Sustainability Logic	68
DISCUSSION	73
6.1 Introduction	73
6.2 Overview of Key Findings	73
6.3 Theoretical Interpretation	74
6.3.1 Service-Dominant Logic (SDL): Resource Integration and Collaborative Value Creation	74
6.3.2 Institutional Theory: Legitimacy, Stability, and the Institutionalisation of Co-Creation	75
6.3.3 Ecosystem Thinking: Interdependence, Adaptation, and Systemic Learning	76
6.3.4 Integrative Perspective	76
6.4 Comparison with Existing Literature	77
6.4.1 Affordability and Legitimacy as Co-Dependent Logics	77
6.4.2 Institutional Mechanisms and Power Dynamics	77
6.4.3 Co-Creation and Adaptive Learning within Ecosystems	78
6.4.4 Emergent Institutionalisation of Co-Creation	78
6.5 Emerging Conceptual Model and Theoretical Extensions	79
6.5.1 Conceptual Model Overview	79
6.5.2 Description of Conceptual Model	80
6.5.3 Theoretical Extensions	81
6.5.4 Conceptual Contribution	82
6.6 Managerial and Practical Implications	82
6.6.1 Retailers: From Compliance to Coordination Leadership	83
6.6.2 Suppliers: From Compliance to Collaborative Partnership	83
6.6.3 Consumers and Policymakers: Enabling Participatory Sustainability	83
6.6.4 Cross-Ecosystem Integration	83
6.7 Theoretical Contributions	84
6.7.1 Extending Service-Dominant Logic	84
6.7.2 Deepening Institutional Theory	84
6.7.3 Advancing Ecosystem Thinking	84
6.7.4 Integrative Synthesis	84

6.8 Summary	85
CONCLUSIONS AND RECOMMENDATIONS	86
7.1 Introduction	86
7.2 Summary of Key Findings	86
7.2.1 Stakeholder Understanding and Engagement in Value Co-Creation	86
7.2.2 Enablers and Constraints in Value Co-Creation	86
7.2.3 Institutionalising Co-Creation within Sustainability Strategy	87
7.3 Integrated Theoretical Synthesis	87
7.4 Theoretical Contributions	87
7.5 Managerial and Policy Implications	88
7.6 Limitations of the Study	88
7.7 Suggestions for Future Research	89
7.8 Final Reflection and Conclusion	89
REFERENCES	90
APPENDIX 1: CONSISTENCY MATRIX	95
APPENDIX 2: ETHICAL CLEARANCE	98
APPENDIX 3: INFORMED CONSENT FORM	99
APPENDIX 4: INTERVIEW GUIDE MANAGERS AND EMPLOYEES OF GROCERY RETAIL IN SOUTH AFRICA	100
APPENDIX 5:INTERVIEW GUIDE: SUPPLIERS TO FORMAL RETAILERS (E.G., FMCG OR PRODUCE SUPPLIERS)	102
APPENDIX 6: INTERVIEW GUIDE: CONSUMERS (URBAN AND PERI-URBAN SHOPPERS)	104
APPENDIX 7: REPRESENTATIVE QUOTATIONS SUPPORTING THEME 1 - SHOPPING DRIVERS AND CONSUMER PRIORITIES	106
APPENDIX 8: REPRESENTATIVE QUOTATIONS SUPPORTING THEME 2 - AWARENESS AND ATTITUDES TO SUSTAINABILITY	107
APPENDIX 9: REPRESENTATIVE QUOTATIONS SUPPORTING THEME 3 – INSTITUTIONAL ENABLERS AND BARRIERS TO CO-CREATION	109
APPENDIX 10: REPRESENTATIVE QUOTATIONS SUPPORTING THEME 4 – LEGITIMACY AND THE ROLE OF RETAILERS	112
APPENDIX 11: REPRESENTATIVE QUOTATIONS SUPPORTING THEME 5 – TOWARD A SHARED SUSTAINABILITY LOGIC	114

LIST OF FIGURES

Figure 1: Emergent Conceptual Model of Institutionalised Co-Creation in South African Grocery Retail

LIST OF TABLES

Table 1:	Summary of Participants Profiles
Table 2:	Illustrative Progression from Open to Selective Coding
Table 3:	Theoretical Integration Snapshot – Theme 1: Shopping drivers and consumer Priorities
Table 4:	Theoretical Integration Snapshot – Theme 2: Awareness and Attitudes to Sustainability
Table 5:	Theoretical Integration Snapshot – Theme 3: Institutional Enablers and Barriers to Co-Creation
Table 6:	Theoretical Integration Snapshot – Theme 4: Legitimacy and the Role of Retailers
Table 7:	Theoretical Integration Snapshot – Theme 5: Towards a Shared Sustainability logic

ABBREVIATIONS

EPR	Extended Producer Responsibility Environmental, Social, and
ESG	Governance
JSE	Johannesburg Stock Exchange
NGO's	Non-Governmental Organisations
PPPFA	Preferential Procurement Policy Framework Act (South Africa)
SDL	Service-Dominant Logic
UN	United Nations

INTRODUCTION TO THE RESEARCH PROBLEM

Sustainability has become an operational necessity for South African grocery retailers, however existing approaches remain fragmented, and compliance driven. (Buallay, 2022; Ivanov, 2024). The core problem is that sustainability is pursued through isolated corporate initiatives rather than through collaborative value co-creation with suppliers and consumers ((Gardiazabal & Bianchi, 2020). This study investigates how such collaboration can evolve to create legitimate, inclusive, and affordable sustainability outcomes through sustainable retail value creation through co-creation from a South African grocery retailer's perspective. Despite extensive investment and reporting, current sustainability strategies have limited legitimacy because they are designed top-down and exclude key ecosystem actors such as suppliers and consumers (Gardiazabal & Bianchi, 2020; Massi et al., 2020)

1.1 Background

The retail sector is a cornerstone of the South African economy, serving as both a major employer and the primary channel for consumer access to essential goods. As the second-largest employer after government, it acts as a catalyst for economic growth, social inclusion, and environmental stewardship (Retail Sector Report, 2022). However, the sector operates in a constrained macroeconomic environment characterised by persistent inequality, unemployment of 32.9 percent (Statistics South Africa, 2023), and over a decade of weak growth, with GDP averaging below one percent annually (National Treasury, 2024). This creates a dual challenge for retailers: sustaining affordability for consumers while addressing intensifying sustainability and social responsibility expectations.

South African retailers must also comply with a demanding regulatory landscape. Instruments such as the National Environmental Management Act, the Carbon Tax Act, and Extended Producer Responsibility (EPR) regulations under the Waste Act impose obligations on environmental performance (Department of Forestry, Fisheries, and the Environment, 2020/2024). The Preferential Procurement Policy Framework Act (PPPFA) drives inclusivity and transformation, while King IV and the Johannesburg Stock Exchange's Sustainability and Climate Disclosure Guidance (2022) require integrated reporting on long-term value creation. In response, leading grocery retailers, Shoprite, Pick n Pay, Woolworths, and Spar publish extensive sustainability reports (Shoprite Holdings, 2024; Pick n Pay, 2024; Woolworths

Holdings, 2024; Spar South Africa, 2024). These initiatives remain compliance-driven and internally focused, limiting resonance with consumers and suppliers.

The socio-economic realities of South Africa complicate sustainability adoption. Research shows that sustainability initiatives often rely on customer-driven price premiums, a model that excludes large consumer segments in emerging markets (Koskela-Huotari et al., 2023). Local evidence confirms affordability is the primary barrier to sustainable consumption despite rising awareness (PwC, 2024). International findings demonstrate that collaborative engagement—rather than retailer-led initiatives—produces more authentic and effective outcomes. Studies in Ukraine and Chile highlight that co-creation builds trust, satisfaction, and shared value across suppliers and consumers (Bordian et al., 2022; Gardiazabal & Bianchi, 2020).

In South Africa's dual trading environment of formal and informal retail, a demographically diverse consumer base, and a politically fluid landscape, the urgency of developing inclusive models of value creation is evident. Locally grounded scholarship emphasises that legitimacy cannot be achieved without incorporating indigenous values such as *ubuntu*, which foreground interconnectedness, fairness, and community well-being (Longweni & Mdaka, 2023). Embedding these norms in sustainability strategies allows co-creation to move beyond transactional exchanges, becoming a mechanism for trust-building, equitable benefit distribution, and addressing structural inequities in the grocery retail sector. These dynamics position retailers, suppliers, and consumers as interdependent actors whose collaboration determines whether sustainability becomes legitimate and inclusive.

1.2 Research Problem

Retailers face mounting pressures from regulation, consumers, and global ESG expectations to deliver sustainable value under severe cost constraints. To explain how retailers, suppliers, and consumers respond to these pressures, this study draws on Service-Dominant Logic (SDL), which conceptualises value as co-created through interaction and resource integration within service ecosystems. Institutional Theory complements SDL by explaining how shared rules, norms, and meanings shape legitimacy in such ecosystems. Together, these frameworks provide a basis for understanding how sustainability practices evolve from isolated corporate

initiatives into collaborative and legitimate forms of value creation in the South African grocery retail context.

While value co-creation has been extensively explored in developed economies, little attention has been paid to how it unfolds in emerging markets marked by inequality and institutional fragmentation. Service-Dominant Logic (SDL) conceptualises value as emerging from resource integration and interaction within service ecosystems (Jaakkola et al., 2024). Institutional Theory demonstrates how regulative, normative, and cultural-cognitive structures enable or constrain collaboration by shaping legitimacy (Greenwood et al., 2011). However, limited research integrates these perspectives to explain how co-creation functions under conditions of affordability constraints, low trust, and institutional complexity. Integrating SDL and Institutional Theory offers a richer lens to explore how co-creation becomes both operationally viable and institutionally legitimate in such contexts. Integrating these frameworks allows the study to explain both the micro-level mechanisms of resource integration and the macro-level institutional forces that confer legitimacy on sustainability practices.

In practice, South African grocery retailers operate under mounting pressure to meet environmental, social, and governance (ESG) objectives while maintaining affordability amid persistent economic stagnation and rising inflation (Statistics South Africa, 2023; National Treasury, 2024; PwC, 2024). While major retailers report extensively through frameworks such as King IV and the JSE Sustainability and Climate Disclosure Guidance (2022), these initiatives often remain compliance-driven and internally focused, limiting supplier and consumer participation and thereby weakening trust and legitimacy.

This study therefore addresses a dual problem. Theoretically, it extends SDL and Institutional Theory by examining co-creation in a context shaped by inequality and institutional fragmentation. Practically, it explores how South African retailers, suppliers, and consumers can collaborate to co-create sustainability outcomes that are affordable, legitimate, and inclusive.

1.3 Research Purpose

Stakeholders in this study refer to the principal actor groups within the grocery retail ecosystem, these include retailers, suppliers, and consumers, whose interactions determine how sustainability is enacted. Co-creation describes the collaborative

process through which these actors integrate knowledge, resources, and values to produce mutual benefits. These three groups were selected because they represent the core value-creating triad in South Africa's formal grocery retail environment, where most sustainability decisions, supply-chain negotiations, and consumption choices take place. These stakeholders therefore constitute the principal nodes of the retail service ecosystem through which sustainability is institutionalised. Understanding how they engage and align around shared sustainability goals is essential to uncovering how value is co-created, legitimised, and sustained in practice.

The purpose of this study is to examine how value co-creation can be integrated into grocery retail strategy to drive sustainable value creation in South Africa. As sustainability challenges intensify, the logic of exchange in retail is shifting from transactional to collaborative, with retailers, suppliers, and consumers emerging as co-producers of environmental and social outcomes. The research investigates how these stakeholders understand and practice co-creation, and how such practices can be structured to advance sustainability goals, enhance social responsibility, and foster inclusivity across the value chain.

Consumer research underscores the significance of this shift. Lim et al. (2022) show that scholarship has evolved to reflect global sustainability challenges and complex social dynamics, repositioning consumers as ethical and connected agents rather than purely economic actors. This reconceptualization demands corresponding changes in how retailers and suppliers view themselves: not just as providers, but as strategic partners in sustainability. Recent contributions also stress that value co-creation is systemic and institutionally embedded, requiring alignment between stakeholder interactions and legitimacy conditions (Jaakkola et al., 2024).

Building on these insights, the study will explore how South African retailers, suppliers, and consumers engage in and institutionalise co-creation practices. It will identify the mechanisms and conditions that enable inclusive collaboration under constraints of affordability, inequality, and institutional complexity.

1.4 Significance of Research for Business and Theory

South African grocery retailers operate in a regulatory and socio-economic context that demands sustainable practices across packaging, energy, water, food waste, and inclusive procurement. Compliance requirements under instruments such as the EPR regulations, PPPFA, King IV, and JSE disclosure guidance (2022) have

prompted major retailers like Pick n Pay, Woolworths, Spar, and Shoprite, to align their sustainability strategies with the Sustainable Development Goals (SDGs). While these reports demonstrate alignment, most initiatives remain internally focused, limiting supplier and consumer participation (Shoprite Holdings, 2024; Pick n Pay, 2024; Woolworths Holdings, 2024; Spar South Africa, 2024). This creates an urgent need for more inclusive strategies. By examining co-creation mechanisms, the research can help retailers design sustainability initiatives that actively engage suppliers and consumers, thereby enhancing customer loyalty, brand differentiation, and social licence to operate in a socio-economically diverse market.

Within Service-Dominant Logic (SDL), markets are viewed as dynamic networks of actors exchanging service to co-create value (Vargo & Lusch, 2015). Institutional Theory extends this view by emphasising that such exchanges are embedded within societal norms, shared meanings, and cultural expectations that confer legitimacy (Scott, 2008, Bitektine & Haack, 2015). Applying this combined lens to grocery retail highlights how retailers can transform compliance obligations into collaborative practices that simultaneously strengthen performance, inclusivity, and legitimacy.

The study also advances theory. SDL highlights that value is co-created through resource integration and service exchange among multiple actors (Jaakkola et al., 2024). Institutional Theory adds that cultural values, norms, and systems of meaning shape the legitimacy of these practices (Klafke et al., 2021). Together, these frameworks underscore that sustainable outcomes depend not only on engagement mechanisms but also on alignment with institutional norms. In South Africa, where inequality and social trust are critical, institutional norms around inclusivity and responsibility are central to legitimising sustainability initiatives. By integrating these perspectives, the study contributes theoretically by extending co-creation research into emerging markets under conditions of affordability constraints and institutional complexity. Practically, it provides strategies for retailers to embed inclusivity into sustainability agendas, strengthening legitimacy, compliance, and shared value creation.

For Business:

- Provides retailers with strategies to move beyond compliance-driven sustainability toward inclusive models that actively engage suppliers and consumers.

- Offers insights to strengthen brand differentiation, customer loyalty, and social licence to operate in a socio-economically diverse market.
- Equips retailers with practical mechanisms to balance affordability, competitiveness, and sustainability.

For Theory:

- Extends SDL by examining co-creation under conditions of inequality and dual retail structures in emerging markets.
- Applies Institutional Theory to demonstrate how cultural norms and legitimacy pressures shape sustainability practices.
- Contributes to the literature on multi actor engagement by showing how value creation becomes institutionalised in resource-constrained settings.

1.5 Research Scope

This study is confined to the formal, registered grocery retail sector in South Africa. It focuses on three stakeholder groups, retail managers and employees, suppliers to formal grocery retailers, and consumers who regularly shop in these outlets. Informal traders and non-grocery retail sectors are excluded to ensure comparability in governance and operational contexts. The study aims to generate qualitative insights into how these stakeholders perceive, engage in, and sustain co-creation practices that support sustainable retail value creation. This study adopts the institutional and systems-oriented scope of Service-Dominant Logic (SDL) (Vargo & Lusch, 2015), focusing on how institutional arrangements, legitimacy, and actor interactions within service ecosystems enable or constrain sustainable value co-creation.

1.6 Definition of Terms

The following definitions clarify the central theoretical constructs used throughout this study.

Service Dominant Logic: A perspective that views all economic exchange as service exchange, where value is co-created through resource integration among actors rather than produced unilaterally by firms with the grocery retail ecosystem (Vargo & Lusch, 2004).

Value Co-Creation: A collaborative process where multiple stakeholders integrate resources and interact to create mutual value

	in sustainable retail exchanges. (Prahalad & Ramaswamy, 2004).
Institutional Theory:	Explains how social norms, rules, and beliefs shape organizational behaviour and legitimacy (Scott, 2008).
Institutional Pluralism:	The coexistence of multiple, sometimes conflicting, institutional logics that influence organisational behaviour and stakeholder decision-making within a system (Greenwood et al., 2011).

1.7 Assumptions

The study is guided by several assumptions that shape the research design and interpretation of findings. It is assumed that participants across the three stakeholder groups, retail managers and employees, suppliers, and consumers will provide honest, reflective, and informed responses during interviews. Given the interpretivist paradigm adopted, the richness of insight depends on participants' openness, trust, and authenticity.

It is further assumed that the broader socio-economic and policy environment will remain stable during the research period. Major disruptions such as significant regulatory changes, economic shocks, or national crises could influence stakeholder perceptions and alter the findings.

Finally, it is assumed that a cross-sectional, qualitative design is suitable for capturing the complexity of value co-creation within the grocery retail ecosystem. This design provides a credible snapshot of current practices and perspectives, allowing for an interpretive understanding of how sustainable value co-creation is understood, enacted, and legitimised in the South African context.

These assumptions underpin the credibility, transferability, and dependability of the findings within an interpretivist qualitative framework.

LITERATURE REVIEW

2.1 Introduction

The scope of this research is both strategic and systemic. It examines the micro interactions through which value is co-created, and the institutional forces that shape and legitimise those processes. Two complementary frameworks guide the review. Service Dominant Logic explains value as an emergent outcome of resource integration and service exchange among actors. Institutional Theory explains how regulative, normative, and cultural cognitive structures enable or constrain that co creation and confer legitimacy.

Since 2016, SDL has explicitly integrated institutions and institutional arrangements into its core, framing markets as service ecosystems coordinated by shared rules, norms, and meanings. This institutionalised SDL lens is the basis for the chapter's structure. This chapter examines the evolution of SDL towards an ecosystem and emergence orientation, introduces core institutional concepts and positions legitimacy as the mechanism that connects micro level actor interactions with macro level institutional stability. Co - creation is therefore presented as an emergent, negotiated process within sustainability contexts.

SDL, however, faces barriers in practice. Organisational factors such as limited internal capabilities, weak strategic alignment, and unequal access to resources may inhibit collaboration, particularly in emerging markets characterised by inequality (Blaschke et al., 2019; Tadjewski & Jones, 2020). While SDL focuses on the mechanisms of co-creation, Institutional Theory contributes a deeper understanding of the institutional conditions that enable or constrain such efforts. It highlights how regulative, normative, and cultural-cognitive structures shape collaboration and legitimacy (Scott, 2008; Bitektine & Haack, 2015; Meyer & Tse, 2025). These structures provide foundations for coordination but also establish boundaries that may limit inclusivity or innovation.

By integrating SDL and Institutional Theory, this study examines not only how value is co-created but also under what institutional conditions sustainable co-creation becomes legitimate and scalable. This combined lens enables a holistic analysis of how strategic intent and institutional legitimacy intersect to shape sustainable value creation in grocery retail ecosystems. It positions co-creation as both an operational mechanism and an institutionalised practice, offering insight into how sustainability

strategies can be inclusive, co-designed, and responsive to the socio-economic realities of an emerging market context.

To develop this dual perspective, the next section reviews Service-Dominant Logic (SDL) as the primary lens for understanding the mechanisms of value co-creation. This review traces the evolution of SDL from its foundational shift away from goods-dominant thinking toward a service- and systems-oriented perspective, highlighting its relevance for sustainability and retail ecosystems. It critically examines both the potential of SDL to frame inclusive collaboration and the barriers that can limit its application, thereby laying the groundwork for integrating Institutional Theory as a complementary framework.

2.2 Service-Dominant Logic: Co-Creation within Retail Ecosystems

2.2.1 Foundations of SDL

In the 2016 revision, Service-Dominant Logic (SDL) incorporated institutions and institutional arrangements as coordinating mechanisms of service ecosystems (Vargo & Lusch, 2015). This repositioned SDL from a firm–customer interaction view to a systems view in which shared rules and meaning's structure, enable, and sometimes constrain co-creation ((Jaakkola et al., 2024; Koskela-Huotari et al., 2023).

Service-Dominant Logic (SDL) emerged as a major reorientation of marketing and management thought in the early 2000s. Vargo and Lusch (2004) argued that value is realised in use rather than in exchange, arising through service exchange and the integration of resources among multiple actors. Chandler and Lusch (2014) extend this view by emphasising that products and services hold only potential value, which becomes actualised through interaction within service systems. They broadened this framework by situating value propositions within wider service systems, emphasising that engagement, interaction, and context are crucial in determining outcomes.

Service-Dominant Logic challenges the traditional goods-centred paradigm that assumes producers embed value in tangible goods which consumers then extract. Instead, SDL views value creation as a collaborative and interactive process where consumers, suppliers, and retailers act as co-creators of value. Each party contributes operant resources, such as knowledge, skills, and capabilities that integrate to produce overall value and outcomes. This perspective emphasizes that

value creation is a joint process involving multiple partners across the service provision chain, transcending the traditional notion of value embedded solely in goods.(Vargo & Lusch, 2004; Chandler & Lusch, 2014). In the grocery retail sector, where value depends not just on price and product but on relationships, trust, and sustainability, this reconceptualization is particularly significant.

Over two decades SDL has moved from a focus on value-in-use within dyadic exchange to a systemic view of service ecosystems coordinated by institutions (Vargo & Lusch, 2004; 2016). The early phase established value as co-created through resource integration among actors (Vargo & Lusch, 2008). The next phase shifted attention to service systems and context (Chandler & Lusch, 2014). The most recent phase integrates institutions and institutional arrangements as the coordinating fabric of markets and acknowledges emergence and adaptation at multiple levels (Koskela-Huotari et al, 2023; Jaakkola et al., 2024).

2.2.2 Evolution of SDL: Institutions, Ecosystems, and Emergence

Over time, SDL evolved to address the institutional and systemic contexts in which co-creation occurs. Vargo and Lusch (2015) introduced institutions and institutional arrangements into the SDL framework, recognising that norms, rules, and shared beliefs shape and constrain co-creation. Institutions are not external constraints but enabling structures that guide interactions, reduce uncertainty, and allow coordinated action. For retailers, this means that co-creation is not a free-flowing process but one embedded in formal regulations, social norms, and cultural expectations.

Jaakkola et al. (2024) further extended SDL by framing service ecosystems as complex adaptive systems where emergent outcomes reshape markets and institutions. Within such ecosystems, interactions among heterogeneous actors can produce first-order outcomes (new service practices), second-order outcomes (new norms and routines), and higher-order emergence such as institutional change or new markets. Jaakkola et al. (2024) emphasise that applying systems thinking to SDL helps explain how co-creation unfolds across levels of aggregation from dual exchanges between a consumer and a retailer, to network-level practices across supply chains, to societal-level changes in sustainability norms.

This emergent perspective is vital for sustainability in retail. It highlights that sustainability outcomes are not fixed by design but evolve through the iterative integration of resources across actors. Retailers cannot simply impose sustainability

through compliance programs; they must foster conditions for collaborative experimentation, feedback loops, and institutionalisation of new practices.

2.2.3 Critiques and Limitations of SDL

Despite its influence, SDL has been critiqued for presenting an overly harmonious view of co-creation. Tadajewski and Jones (2020) argue that SDL overlooks structural inequalities, corporate power, and socio-political conflict, thereby offering a somewhat idealised picture of markets. By focusing on collaboration, SDL risks underplaying exploitation, exclusion, and the ways in which some actors dominate co-creation processes. This critique is particularly relevant in contexts such as South Africa, where systemic inequality and affordability constraints mean that not all consumers and suppliers can participate equally in sustainability initiatives.

Blaschke et al. (2019) note that while SDL highlights the potential for resource integration, organisational barriers often obstruct co-creation in practice. Organisations may lack strategic alignment, leadership commitment, or the internal capabilities needed to engage stakeholders meaningfully. Without attention to these constraints, SDL risks remaining a theoretical aspiration rather than a practical framework for retail transformation.

By incorporating institutional theory, SDL research later addressed some of these critiques. The recognition that co-creation is embedded in institutional arrangements means that power dynamics, norms, and values are central to understanding how and why co-creation occurs or fails to occur. This integration strengthens SDL's relevance for contexts characterised by inequality, contested legitimacy, and institutional fragmentation. SDL's move to an institutional and systems orientation responds to critiques that it underplayed context and power. A critical reading of SDL reveals that its rise has been shaped by political and ideological interests rather than being a purely neutral theoretical progression. Tadajewski and Jones (2020) argue that the transition from goods-dominant to service-dominant logic reflected the broader ideology of "service capitalism," promoting collaboration and exchange narratives that align with market-oriented values. This framing risks masking underlying power asymmetries between firms, suppliers, and consumers, where those with greater resources and voice shape the terms of co-creation. Recognising these dynamics is essential in sustainability contexts, as it ensures that co-creation

does not become symbolic rhetoric but a genuinely inclusive practice that distributes influence and benefits more equitably.

2.2.4 SDL and Sustainability in Retail

Recent work has applied SDL to sustainability challenges, highlighting the systemic barriers and enablers of sustainable value creation. Koskela-Huotari et al. (2023) demonstrate that (un)sustainable outcomes emerge from multi actor dynamics in service ecosystems, shaped by both enabling and hindering forces. Ivanov (2024) identifies values-based barriers to sustainability-oriented innovation, showing that organisational and societal values can constrain co-creation. Studies of Brazilian retail practices,(Delai & Takahashi, 2013) illustrate how retailers in emerging markets navigate institutional pressures and resource constraints when embedding sustainability into business models.

These insights are highly relevant to South Africa, where grocery retail operates under multiple pressures, formal regulations such as Extended Producer Responsibility, consumer demands for affordability, and cultural expectations of inclusivity. SDL suggests that addressing these pressures requires collaborative platforms where stakeholders co-create solutions, such as designing affordable eco-friendly packaging or developing supplier development programs that integrate small-scale farmers into formal value chains.

2.2.5 Application to South African Grocery Retail

In South Africa, SDL offers a lens to understand how sustainability initiatives succeed or fail based on their inclusivity and adaptability. The dual retail structure, formal and informal sector creates complexity in resource integration, as consumers across income levels face different constraints and opportunities. SDL implies that retailers must design enabling systems that allow diverse consumers and suppliers to participate, rather than imposing top-down initiatives that resonate only with higher-income groups.

Affordability is central. Eco-friendly products often carry price premiums, excluding large segments of consumers. SDL emphasises that value is co-created in use; thus, retailers must explore models that align sustainability with affordability, such as offering reusable packaging with deposit schemes, sourcing locally to reduce costs, or engaging communities in recycling initiatives. These approaches reflect co-

creation not as a marketing slogan but as a practical strategy for embedding sustainability in everyday practices.

SDL also directs attention to emergent outcomes. For example, when a retailer partners with suppliers to reduce plastic packaging, this can generate second-order outcomes such as shifting consumer norms and third-order outcomes such as influencing national packaging standards. By situating retail practices within service ecosystems, SDL highlights how local actions can cascade into institutional change.

2.2.6 Synthesis and Relevance

SDL provides a theoretical foundation for this study by framing value co-creation as a systemic, institutionalised, and emergent process. It explains why sustainability outcomes in South African grocery retail cannot be achieved through compliance-driven programs alone but require collaborative engagement with consumers and suppliers. It also highlights the need to confront critiques, acknowledging inequality, power, and organisational barriers, if co-creation is to be inclusive and effective.

By integrating SDL with institutional theory, this study will explore how co-creation is both enabled and constrained by institutional arrangements in South Africa. SDL explains the mechanisms of resource integration and emergent adaptation, while institutional theory contextualises these processes within broader frameworks of legitimacy, norms, and cultural values. Together, they offer a comprehensive framework for analysing how sustainable retail value can be co-created in an emerging market setting.

2.3 Institutional Theory: Shaping Legitimacy and Stakeholder Engagement

2.3.1 Foundations of Institutional Theory

Institutions are the enduring rules of the game that stabilise expectations and confer legitimacy. Scott (2008) identifies three interrelated pillars. The regulative pillar comprises formal rules and sanctions; the normative pillar comprises values and obligations that indicate what ought to be done; and the cultural-cognitive pillar comprises shared meanings and taken-for-granted assumptions that make actions seem natural and appropriate. These pillars work together, regulatory compliance may secure permission to operate, but alignment with norms and shared meanings secures acceptance and trust.

These pillars work together to create an institutional environment in which organisations operate. Compliance with regulatory requirements may be necessary for survival, but alignment with societal values and cultural expectations often determines legitimacy. For grocery retailers, this means not only adhering to sustainability regulations but also aligning strategies with consumer expectations of fairness, inclusivity, and community well-being.

2.3.2 Institutional Complexity and Organisational Responses

Greenwood et al. (2011) advanced the concept of institutional complexity to describe the challenges organisations face when navigating multiple, often conflicting institutional logics. In practice, organisations are embedded in fields shaped by diverse stakeholders such as governments, investors, consumers, communities, each promoting different demands and standards. The South African retail environment exemplifies such complexity: regulators demand compliance with Extended Producer Responsibility (EPR) regulations, investors expect ESG reporting aligned with global norms, while consumers prioritise affordability and inclusivity.

Institutional complexity forces organisations to adopt strategic responses such as decoupling, selective coupling, or hybridisation. Most organisations symbolically comply with sustainability demands while maintaining existing practices (decoupling), others selectively integrate elements of competing logics (selective coupling), and still others design hybrid structures that blend competing demands into new organisational forms (Greenwood et al., 2011) In the retail sector, examples include sustainability initiatives that are showcased in reports for legitimacy but limited in scope operationally, or partnerships with suppliers that selectively integrate inclusivity without transforming core procurement systems. The Plastic Carrier Bags and Plastic Flat Bags Regulations (Notice No. 317 of 2021) under the Waste Act require a minimum level of recycled content and restrict the manufacture of non-compliant bags. The Customs and Excise Act (Act 91 of 1964) also impose an environmental levy through Part 3A of Schedule 1 on thicker plastic carrier bags, set at thirty-two cents per bag from 1 April 2024. These regulations show how legal requirements shape the institutional environment but do not automatically create legitimacy or lasting change without alignment with social norms and shared values. The adoption of plastic bag levies has resulted in superficial measure such as charging a fee for plastic bags without investing in broader waste reduction

strategies, whilst some retailers have combined regulatory compliance with authentic innovations like reuseable packaging schemes, they remain fragmented across the sector and the overarching sustainability initiatives of organisations.

2.3.3 Legitimacy as a Social Evaluation

Institutional theory highlights legitimacy as a key mechanism for organisational survival define legitimacy as a generalised perception that an organisation's actions are desirable, proper, or appropriate within a socially constructed system of norms, values, and beliefs. Legitimacy is not a static attribute but a dynamic process of evaluation by diverse audiences.

Bitektine and Haack (2015) built on this view by conceptualising legitimacy as a multilevel social judgment. At the micro level, individuals evaluate appropriateness based on cues and narratives, while at the macro level, collective consensus stabilises legitimacy. This dual perspective explains why sustainability initiatives must resonate with both individual consumers and broader societal discourses. In South Africa, where inequality and distrust of corporate practices are pronounced, legitimacy depends on visible, credible actions that demonstrate fairness and community responsiveness.

Meyer and Tse (2025) extends legitimacy theory to emerging markets, emphasising that organisations in these contexts face unique challenges. Weak formal institutions, resource constraints, and socio-political instability amplify the importance of legitimacy as organisations must align with local cultural norms while adapting global frameworks. For the South African grocery retail sector, this means integrating sustainability practices into local realities, such as affordability and community needs, rather than merely replicating Western ESG models.

2.3.4 Dynamic and Emergent Institutions

Institutions are not fixed constraints, but evolving systems shaped by actor interaction. Organisational and stakeholder practices such as advocacy, theorisation, and framing can recalibrate norms and expectations over time. In SDL's ecosystem view, heterogeneous interactions generate emergent outcomes, new service practices, routines, and higher-order institutional arrangements, so local co-creation can scale into field-level change (Koskela-Huotari et al. 2023) In the grocery retail sector, this means sustainability initiatives can do more than comply; they can help

normalise responsible consumption and embed supplier inclusivity as sectoral expectations, provided they align with the regulative, normative, and cultural-cognitive pillars that underpin legitimacy in context (Scott, 2008; Greenwood et al., 2011; Meyer & Tse, 2025).

2.3.5 Institutional Theory in the South African Context

The South African retail field exhibits institutional complexity with conflicting demands from regulators investors communities and consumers. The regulative pillar features environmental and packaging rules and procurement frameworks which set minimum expectations for compliance. The normative pillar features expectations of inclusion fair dealing and social responsibility. The cultural cognitive pillar features shared meanings anchored in values such as Ubuntu which emphasise interdependence and fairness.

Sustainability Barriers

Sustainability implementation in emerging markets is often constrained by resource scarcity, value conflicts, and limited organisational capabilities. Studies highlight that retailers frequently prioritise short-term cost control and price competitiveness over long-term investment in sustainability-oriented innovation (Khan et al., 2022; Ivanov, 2024). These trade-offs reflect a deeper institutional tension between economic survival and environmental responsibility. Regulatory mechanisms such as plastic bag levies and recycled-content requirements, though important tend to drive surface-level compliance rather than systemic change, as they rarely foster the collaboration and learning required for lasting waste reduction or circular practices (Department of Forestry, Fisheries and the Environment, 2024). Within this context, sustainability becomes fragmented across initiatives, disconnected from everyday retail operations, and vulnerable to perceptions of greenwashing. Addressing these sustainability barriers therefore requires a shift from rule-based compliance toward institutionalised collaboration that aligns commercial incentives with environmental and social legitimacy.

Competing Interests and Power

Power asymmetries within retail ecosystems frequently determine whose interests dominate co-creation and how sustainability is enacted. Research shows that value co-creation achieves meaningful outcomes only when influence and decision-making are distributed among retailers, suppliers, and consumers (Gardiazabal & Bianchi, 2020; Massi et al., 2020). However, in practice, governance structures in grocery

retail often concentrate authority and information within the retailer, marginalising supplier innovation, and restricting consumer input to reactive feedback. Critical readings of SDL caution that the discourse of collaboration can obscure these imbalances, presenting co-creation as mutually beneficial while preserving existing hierarchies (Tadajewski & Jones, 2020). In South Africa, where historical inequality and economic concentration amplify these dynamics, supplier dependence on dominant retail chains limits bargaining power, and affordability constraints restrict consumer participation in sustainability initiatives. These competing interests reveal that co-creation is inherently political it reflects not only shared value generation but also negotiations over whose priorities, resources, and values define sustainability within the retail ecosystem.

Legitimacy Challenges

Legitimacy is central to the institutionalisation of sustainability, as it determines whether stakeholders perceive organisational actions as appropriate and credible within shared systems of norms and values. Bitektine and Haack (2015) conceptualise legitimacy as a multi-level social judgment, formed through individual and collective evaluations that stabilise or contest institutional order. In low-trust environments, stakeholders often interpret sustainability claims as symbolic unless accompanied by transparent action and equitable benefits. Institutional research highlights that organisations frequently respond to competing institutional pressures through decoupling or selective coupling, symbolically complying with sustainability expectations while maintaining conventional practices (Greenwood et al., 2011). Recent sustainability studies show that such symbolic approaches can erode credibility and reinforce value misalignment (Ivanov, 2024). Within the South African grocery retail sector, legitimacy grows when compliance is complemented by inclusive supplier engagement, affordable consumer offerings, and communication that resonates with cultural meanings such as Ubuntu (Longweni & Mdaka, 2023). Conversely, when sustainability initiatives are perceived as elitist or externally imposed, legitimacy erodes, undermining participation and long-term impact. Addressing these legitimacy challenges therefore requires institutional arrangements that align regulation, organisational practice, and social expectation to produce visible, credible, and inclusive outcomes. These interlinked barriers, sustainability constraints, power asymmetries, and legitimacy deficits explain why sustainable co-creation remains uneven. Understanding how institutional conditions can enable inclusive collaboration under affordability pressure and how collaborative practices become legitimate routines directly informs the research questions that follow.

Implication for this Study

The reviewed literature illustrates that sustainable co-creation in emerging markets remains fragmented due to structural barriers, power asymmetries, and legitimacy gaps. Sustainability implementation is often constrained by short-term economic pressures and values-based conflicts (Khan et al., 2022; Ivanov, 2024), while concentrated decision-making power within retail ecosystems limits the voice of suppliers and consumers (Gardiazabal & Bianchi, 2020; Tadajewski & Jones, 2020). Institutional scholarship further shows that competing logics and symbolic compliance undermine the credibility of sustainability initiatives (Greenwood et al., 2011; Bitektine & Haack, 2015). These dynamics reveal that achieving sustainability is not only an operational challenge but also an institutional one requiring alignment between regulatory expectations, organisational practices, and societal norms. Understanding how such alignment emerges through inclusive collaboration under affordability constraints and how these practices gain legitimacy within the South African grocery retail ecosystem forms the basis of the research questions that guide this study.

2.3.6 Synthesis: Institutional Theory and Co-Creation

Institutional theory complements SDL by explaining why co-creation efforts succeed or fail in particular contexts. SDL describes the mechanisms of resource integration and emergent outcomes, while institutional theory explains the conditions under which these processes gain legitimacy. In South African retail, this means that co-creation cannot be analysed without attention to the institutional environment. Sustainability initiatives must be not only operationally viable but also institutionally legitimate.

By aligning co-creation strategies with institutional pillars and cultural values, retailers can embed sustainability in ways that resonate across stakeholders. Conversely, neglecting institutional legitimacy risks rendering initiatives symbolic, contested, or outright rejected. Institutional theory thus provides a framework for understanding the institutional conditions that enable or constrain sustainable value co-creation in the South African grocery retail sector.

2.4 Co-Creation as an Emergent, Negotiated Process

2.4.1 Origins and Conceptual Foundations

Value co-creation has emerged as one of the most influential ideas in contemporary marketing and retail scholarship. Building on the shift introduced by Service-Dominant Logic (Vargo & Lusch, 2004), Prahalad and Ramaswamy (2004) articulated co-creation as the next practice in value creation, driven by dialogue, access, risk-benefit sharing, and transparency. Rather than firms acting as producers of embedded value and consumers as passive recipients, co-creation posits that value emerges from interactive experiences, in which multiple actors integrate resources and shape outcomes collaboratively. This conceptual shift redefined the role of consumers, suppliers, employees, and communities, positioning them as partners in shaping both economic and social value.

In retail ecosystems, this perspective challenges linear supply chains and transactional logic by emphasising interdependence and mutual adaptation. Chandler and Lusch (2014) highlighted that operant resources, knowledge, skills, and relational capacities are as important as operational capacity such as products and technologies. They view co-creation as a continuous process of exchange of resources, innovating together, and institutionalising practices across interconnected service and retail systems.

2.4.2 Consumer Roles in Co-Creation

The transformation of the consumer from a passive buyer to an active participant is central to co-creation. Consumers influence not only the consumption of goods but also their design, distribution, and even governance. Retail research increasingly demonstrates that consumers co-shape retail offerings through feedback mechanisms, digital interactions, and participation in sustainability programs (Prahalad & Ramaswamy, 2004; Khan et al., 2022).

Co-creation empowers consumers to act as operant resources, contributing knowledge and preferences that retailers and suppliers integrate into strategies. For example, consumer participation in waste reduction initiatives or recycling schemes can create new shared practices within ecosystems (Koskela-Huotari et al., 2023). These practices not only reduce environmental footprints but also generate legitimacy by signalling alignment with societal norms of responsibility.

However, consumer participation is uneven across socio-economic contexts. In emerging markets such as South Africa, affordability barriers limit participation in sustainability-oriented co-creation. Research shows that while consumers express interest in sustainable options, price premiums often exclude large market segments (Bilińska-Reformat et al., 2018). This highlights the need for inclusive models of co-creation that embed affordability into design, ensuring that sustainability is not a privilege of higher-income groups. In this study, consumer co creation is therefore examined as conditional on affordability and access, rather than assumed.

2.4.3 Supplier and Employee Participation

Value co-creation extends beyond consumer participation to include suppliers and employees as critical actors. Suppliers bring unique capabilities and resources that influence product design, sourcing, and distribution. Retail ecosystems thrive when suppliers are empowered to contribute knowledge and innovation rather than treated merely as cost centres. A study of Brazilian retailers shows how supplier partnerships in sustainability initiatives create shared value, strengthening resilience and legitimacy in emerging markets ((Delai & Takahashi, 2013).

Employees also play a frontline role in co-creation through their direct interactions with consumers. Service encounters generate value when employees act as mediators of trust, empathy, and problem-solving. Research demonstrates that employee involvement in co-creation enhances customer satisfaction, loyalty, and well-being outcomes (Gardiazabal & Bianchi, 2020). This insight underscores that co-creation processes are relational, requiring investment in human capital alongside systems and technologies.

2.4.4 Barriers and Constraints to Co-Creation

Despite its potential, value co-creation often faces barriers. Organisational misalignment, lack of leadership support, and resource constraints can undermine co-creation strategies. Organisations may adopt the rhetoric of co-creation without embedding the practices necessary to enable meaningful stakeholder engagement, leading to symbolic rather than substantive outcomes.

Systemic barriers are equally significant. Unsustainable patterns, such as food waste in retail, reveal how feedback loops at the retailer and consumer interface can produce unintended negative outcomes (Koskela-Huotari et al., 2023). In such

cases, co-creation without institutional alignment risks perpetuating inefficiency or exclusion. Tadajewski and Jones (2020) caution that SDL and co-creation frameworks sometimes underplay structural inequalities and power dynamics, creating overly harmonious accounts of collaboration. This critique is crucial in the South African context, where structural inequality and historical mistrust shape stakeholder interactions. These barriers translate directly into legitimacy gaps, where stakeholders perceive sustainability as costly, exclusive, or symbolic.

2.4.5 Co-Creation, Legitimacy, and Institutional Alignment

From an institutional perspective, co-creation functions not only as an operational process but also as a legitimising one. Massi et al (2020) demonstrate that within business ecosystems, only co-created value attains legitimacy because it embodies shared institutional logics and aligns with normative, regulative, and cultural-cognitive expectations. This perspective strengthens the argument that sustainability initiatives must reflect collaborative engagement and social inclusivity to be perceived as legitimate within retail ecosystems.

Legitimacy in co-creation requires alignment with the regulative, normative, and cultural-cognitive pillars described by Scott (2008). For South African retailers, this includes compliance with regulatory frameworks such as EPR, adherence to normative expectations of inclusivity, and resonance with cultural values such as Ubuntu (Longweni & Mdaka, 2023). Without such alignment, co-creation risks being dismissed as superficial or failing to gain traction among stakeholders. In institutionalised SDL terms, institutionalisation of co-creation means that collaborative practices move from pilot activities to taken-for-granted routines that align with rules, norms, and shared meanings across the ecosystem (Vargo & Lusch, 2016; Scott, 2008; Bitektine & Haack, 2015).

2.4.6 Sustainability Outcomes and Legitimacy Signals

Recent literature highlights the central role of co-creation in generating sustainability outcomes that extend beyond environmental or economic performance. Within retail ecosystems, sustainability is increasingly viewed as an emergent outcome of collaborative practices among retailers, suppliers, and consumers, where legitimacy plays a vital coordinating role. Studies show that co-creation fosters shared accountability and trust, enabling the alignment of sustainability initiatives with

stakeholder expectations and institutional norms (Bitektine & Haack, 2015; Massi et al., 2020).

An integrative review of sustainable retailing research reveals that consumer participation, supported by digital technologies, has become a critical mechanism for achieving sustainability objectives (Singh et al., 2024). Similarly, Khan et al., (2022) demonstrates that co-creation capabilities, including information exchange and collaborative innovation, enhance triple bottom line performance by integrating environmental, social, and financial value. These outcomes demonstrate that co-created initiatives not only generate measurable performance improvements but also strengthen legitimacy through transparency and inclusion.

Research further indicates that trust, satisfaction, and perceived fairness operate as legitimacy signals that validate sustainability efforts in the eyes of stakeholders (Scott, 2008; Vargo & Lusch, 2015). When stakeholders recognise equitable benefits and credible performance, collaborative practices become institutionalised, that is, accepted as appropriate and enduring forms of value creation within the service ecosystem (Bitektine & Haack, 2015; Scott, 2008). By embedding co-creation into sustainability initiatives, grocery retailers can therefore achieve systemic and legitimate outcomes across social, environmental, and economic dimensions.

2.5 Integration of Theoretical Perspectives

The review of the integrated Service-Dominant Logic (SDL), Institutional Theory framework demonstrates that each contributes distinct but complementary insights to understanding sustainable value co-creation (Vargo & Lusch, 2015). SDL explains the mechanisms of value creation by emphasising resource integration, service exchange, and emergent outcomes within ecosystems. It highlights the interactive and adaptive nature of co-creation, stressing the importance of engaging multiple stakeholders to generate shared value. Institutional Theory, by contrast, illuminates the structural and cultural conditions that enable or constrain these mechanisms. It shows how regulative, normative, and cultural-cognitive forces shape organisational behaviour and determine the legitimacy of sustainability initiatives.

Value co-creation research bridges these perspectives by grounding the processes of interaction and legitimacy within concrete retail ecosystems. It demonstrates how consumers, suppliers, employees, and communities co-shape outcomes, not only through operational participation but also by conferring or withholding legitimacy. The

literature further establishes that in contexts such as South Africa, where affordability, inequality, and cultural values are central, legitimacy cannot be separated from inclusivity. This integration reflects SDL's post-2016 recognition that institutions coordinate service ecosystems and positions legitimacy as the bridge between micro-level co-creation and macro-level system stability (Vargo & Lusch, 2015; Koskela-Huotari et al., 2023).

Taken together, these perspectives provide a holistic framework for analysing sustainable value creation in grocery retail. SDL supplies the operational lens through which co-creation unfolds, Institutional Theory provides the legitimacy lens through which it is evaluated, and co-creation literature illustrates the outcomes in terms of economic, social, and environmental value. Their integration underscores the golden thread of this study: sustainable retail strategies cannot be designed as compliance exercises or isolated organisational initiatives but must be collaborative, institutionally embedded, and responsive to the socio-economic realities of an emerging market.

Building on this synthesis, five interrelated constructs emerge as central to the study: affordability, legitimacy, trust, power, and institutional complexity. These constructs reflect how value co-creation unfolds within South African grocery retail ecosystems. Affordability captures the economic constraints that shape participation; legitimacy concerns the social acceptance of sustainability initiatives; trust reflects the relational confidence required for collaboration; power highlights the asymmetries that influence whose voices are included in co-creation; and institutional complexity recognises the multiple, and at times conflicting, logics that retailers must navigate. Together, these constructs form the analytical foundation that guides the empirical investigation in the next chapter, informing how sustainable value is co-created and institutionalised in practice.

The literature review established the theoretical foundations of Service-Dominant Logic and Institutional Theory and examined value co-creation processes within retail ecosystems. Together, these perspectives highlight how stakeholder interactions are shaped by institutional conditions and how co-creation can generate economic, social, and environmental value. Building on this integrated theoretical foundation, the next chapter applies these insights to the South African grocery retail sector by outlining the research questions that guide the study and situating them within the broader goal of developing sustainability strategies that are both inclusive and viable.

The literature highlights three interrelated areas that remain insufficiently understood. First, there is a need to explore how retailers, suppliers, and consumers within the South African grocery sector conceptualise and practise value co-creation. Second, research must identify the institutional enablers and constraints that influence these collaborative processes. Third, greater insight is required into how such collaborations become institutionalised as legitimate, enduring routines within the retail ecosystem. Together, these knowledge gaps directly shape the research questions presented in the next chapter.

RESEARCH QUESTIONS

This chapter presents the theoretical foundation that guides the study, integrating Service-Dominant Logic (SDL), Institutional Theory, and literature on value co-creation. The theoretical foundation positions retailers, suppliers, and consumers as central actors whose engagement are shaped by institutional enablers and constraints which contributes to sustainable value creation across economic, social, and environmental dimensions.

Based on this theoretical foundation and the gaps identified in the literature review, the following research questions guide the investigation into sustainable retail value creation through co-creation. While multiple factors influence sustainability, this study focuses on those that directly intersect with co-creation. The first question examines how retailers, consumers, and suppliers conceptualise and participate in co-creation, addressing the SDL literature gap. The second focuses on the enablers and constraints shaped by institutional pressures, responding to tensions within the Institutional Theory literature. The third explores how co-creation can be institutionalised, bridging the two frameworks to address sustainability outcomes in practice. Together, these questions ensure alignment between the theoretical foundations, the research problem, and the methodology.

The integrated theoretical foundation illustrates how Service-Dominant Logic (SDL) and Institutional Theory together provide the basis for understanding value co-creation in the South African grocery-retail sector. SDL highlights how value emerges from stakeholder interactions and the integration of resources (Prahalad & Ramaswamy, 2004; Vargo & Lusch, 2004), while Institutional Theory explains how regulative, normative, and cultural-cognitive structures shape legitimacy and influence stakeholder behaviour (Massi et al., 2020; Scott, 2008). Within this theoretical foundation, retailers, suppliers, and consumers are positioned as central stakeholders whose engagement determines the effectiveness of co-creation and the legitimacy of sustainability initiatives. Their interactions are analysed through three research questions that collectively explore how value is co-created, enabled or constrained by institutional conditions, and ultimately embedded within sustainability strategy.

- **Research Question 1:** Stakeholder understanding and engagement in value co-creation.
- **Research Question 2:** Enablers and constraints in value co-creation

- **Research Question 3:** Institutionalising co-creation within sustainability strategy.

These dynamics are particularly relevant in the South African context, where affordability pressures and institutional complexity constrain participation (Buallay, 2022; Khan et al., 2022). This theoretical integration underscores that sustainable retail value creation requires both micro-level collaboration among actors and macro-level alignment with institutional expectations, contributing to economic, social, and environmental outcomes (Cassidy & Resnick, 2020; Gardiazabal & Bianchi, 2020).

3.1 Research Question 1: Stakeholder Understanding and Engagement in Value Co-Creation

How do retailers, consumers, and suppliers in South Africa understand and engage in value co-creation for sustainability?

This question addresses how the three main stakeholder groups perceive and enact their roles in co-creation. SDL conceptualises value as emerging from interactive processes of resource integration and service exchange (Jaakkola et al., 2024). Retailers, consumers, and suppliers each bring operant resources, knowledge, skills, and capabilities that can shape sustainability outcomes. Evidence suggests that co-creation enhances trust and satisfaction (Gardiazabal & Bianchi, 2020), but in South Africa, affordability constraints exclude large consumer segments (Koskela-Huotari et al., 2023). This creates a tension: while consumers are increasingly eco-conscious, economic barriers prevent widespread adoption of sustainable practices. Similarly, retailers like Pick n Pay, SPAR, Checkers and Woolworths have introduced sustainability initiatives, but these often remain top-down, limiting inclusivity. Suppliers, although critical in sourcing and ethical practices, are frequently marginalised in decision-making.

By exploring how these groups understand and engage in co-creation, this question examines the conditions under which economic viability, environmental stewardship, and social inclusion can be achieved simultaneously. It builds on SDL to analyse the collaborative dynamics that either advance or constrain sustainability outcomes in the South African grocery retail sector.

3.2 Research Question 2: Enablers and Constraints in Value Co-Creation

What are the enabling and constraining factors affecting sustainable value creation through co-creation in South African grocery retail?

Institutional Theory highlights that co-creation is shaped by regulative, normative, and cultural-cognitive structures (Scott, 2008). Enablers include policy instruments such as ESG reporting, King IV requirements and EPR regulations, which promote accountability, as well as cultural norms such as ubuntu, which foster collaboration and inclusivity (Longweni & Mdaka, 2023). However, several constraints remain, these include economic inequality and high unemployment limit consumer access to sustainable products (Bilińska-Reformat et al., 2018), while organisational misalignment and weak leadership support undermine co-creation efforts. There is also a tension in the literature: some scholars argue that digital platforms and innovation intermediaries enhance participation and transparency (Blaschke et al., 2019) while others caution that low consumer awareness and superficial ESG initiatives create distrust and disengagement (Tadajewski & Jones, 2020).

This question therefore interrogates the enabling and constraining conditions for co-creation across environmental (e.g., waste reduction), social (e.g., inclusivity and trust), and economic (e.g., affordability) dimensions. These opposing forces highlight how structural pressures and cultural expectations jointly determine the perceived legitimacy of co-creation practices (Greenwood et al, 2011). It uses Institutional Theory to assess how structural and cultural contexts influence the legitimacy and effectiveness of sustainability-oriented co-creation.

3.3 Research Question 3: Institutionalising Co-Creation within Sustainability Strategy

How can co-creation strategies be institutionalised within retailers' sustainability efforts?

The third question investigates how co-creation can evolve from isolated projects into embedded, systemic practices. Institutional Theory explains that organisations gain

legitimacy by aligning with societal expectations and embedding practices into formal systems (Greenwood et al., 2011; Meyer & Tse, 2025). The SDL framework contributes significantly by highlighting how resource integration among multiple actors, such as consumers, suppliers, retailers, and other partners, drives adaptive and innovative outcomes. Unlike traditional models that treat value creation as a linear process centred on the producer and tangible goods, SDL presents value creation as a dynamic, interactive, and ongoing process of resource integration. This implies that competitive advantage and innovation arise from the coordinated mobilization and integration of these operant resources across networks and relationships (Vargo & Lusch, 2004). Institutionalising co-creation, therefore, requires mechanisms such as participatory product development, supplier collaboration frameworks, employee training, and sustainability-linked performance metrics.

Literature points to tensions here as well. Some studies highlight co-creation's transformative potential in embedding sustainability into long-term retail strategies (Massi et al., 2020; Khan et al., 2022), while others caution that firms often adopt symbolic measures, such as sustainability reporting, without changing core practices (Ivanov, 2024). This research question directly addresses these competing perspectives by exploring how retailers can move from symbolic to substantive integration. The research question considers how co-creation can advance environmental outcomes (e.g., reduced emissions and waste), social outcomes (e.g., empowerment of consumers and suppliers), and economic outcomes (e.g., affordability and competitiveness), ensuring that sustainability strategies are legitimate, inclusive, and enduring. This question integrates insights from both SDL and Institutional Theory (Jaakkola et al. 2024; Massi et al., 2020), with a focus on embedding co-creation into formal strategy and practice. It explores how co-creation can evolve from isolated initiatives to systemic inclusion.

4.1 Research Paradigm

This study adopts an interpretivist research paradigm, which views reality as socially constructed, context dependent, and shaped by the meanings that individuals attach to their experiences. Interpretivism seeks to understand phenomena from the perspective of those directly involved, recognising multiple realities rather than a single objective truth (Nassaji, 2020). In contrast, positivism assumes that reality is objective and can be measured independently of social context, favouring quantification, hypothesis testing, and generalisation (Fischer & Guzel, 2023). While positivist approaches are appropriate for testing causal relationships, they are less suitable for capturing the socially embedded and contested nature of co-creation.

Interpretivism is particularly relevant when exploring complex, relational practices such as value co-creation for sustainability, where meanings and practices vary across stakeholder groups. It allows the researcher to capture how retailers, suppliers, and consumers make sense of and engage with co-creation within the South African grocery retail context. This paradigm also aligns with the study's theoretical foundation of Service-Dominant Logic, which emphasises interaction and resource integration as the basis of value creation (Vargo & Lusch, 2004), and Institutional Theory, which highlights the regulative, normative, and cultural-cognitive forces that enable or constrain these practices (Scott, 2008).

The interpretivist stance supports the use of inductive reasoning and qualitative research design, where insights emerge from data rather than being imposed by predefined hypotheses (Corley et al., 2021; Howard-Grenville et al., 2021). This makes it possible to explore stakeholder perspectives in depth and to generate findings that are both contextually rich and theoretically meaningful. In sum, interpretivism provides the most appropriate lens for addressing the study's research questions, enabling an inquiry that is sensitive to stakeholder meanings, institutional complexity, and the realities of an emerging market retail environment. This paradigm guided both data collection and analysis, ensuring that the coding and interpretation processes in Chapter 5 reflected participant meanings rather than pre-determined categories. While insights were primarily derived inductively, interpretation followed an abductive approach that iterated between emerging data

and theoretical lenses, specifically Service-Dominant Logic and Institutional Theory (Howard-Grenville et al., 2021). This ensured that findings were both grounded in participant experience and analytically aligned with established concepts of value co-creation and institutional legitimacy.

4.2 Research Design

This study adopts a qualitative, exploratory research design. Qualitative research enables the collection of rich, detailed accounts of participants' perspectives, behaviours, and motivations in their own words, providing depth that cannot be captured through quantitative approaches (Nassaji, 2020; Fischer & Guzel, 2023). An exploratory orientation is appropriate because limited research exists on how value co-creation for sustainability is understood and enacted in the South African grocery retail sector. In such contexts, exploratory designs are effective for "opening up" phenomena and learning directly from lived experiences, rather than restricting responses to predefined categories (McCracken, 2011; Taherdoost, 2022).

This design is well suited to the research questions. RQ1 examines how stakeholders engage in co-creation, RQ2 focuses on the enablers and constraints shaping these practices, and RQ3 considers how co-creation can be institutionalised in sustainability strategies. A flexible qualitative design allows these questions to be addressed in an integrated manner, enabling the researcher to probe emerging issues and follow up on unexpected but relevant themes.

The exploratory design is further justified by gaps in the literature. Prior research indicates that sustainability initiatives in retail are often compliance-driven and organisation-led, with limited insight into how such initiatives are experienced and shaped by diverse stakeholders (Buallay, 2022). This study responds to this gap by gathering perspectives from three key groups: suppliers, retail employees, and consumers and examining how their interactions contribute to sustainable value creation. By adopting a qualitative exploratory design, the study ensures that stakeholder voices are central, while also enabling inductive insights that extend the application of Service-Dominant Logic and Institutional Theory to an emerging market context. This design was implemented exactly as outlined, with interviews conducted and coded according to the procedures detailed in Section 4.5 and reflected in the results in Chapter 5.

4.3 Population Groups and Sampling Method

The study population consists of three key groups within South Africa's formal grocery retail sector:

1. Managers and employees of formal grocery retailers
2. Suppliers to formal grocery retailers
3. Consumers who engage with these retailers

4.3.1 Population Boundaries

To ensure focus and comparability, the following boundaries are applied:

- Only formal grocery retailers are included. Informal or small-scale retailers (e.g., spaza shops, street vendors, independent corner stores) are excluded.
- The focus is on large retail chains (supermarkets, hypermarkets, and large-format stores) with an annual turnover above R50 billion and operating under corporate governance structures (e.g., Pick n Pay, Shoprite, Woolworths, Spar).
- All participants must be 18 years or older.
- Participants must have at least 12 months of direct involvement with the formal grocery retail sector, either as:
 - A supplier,
 - An employee, or
 - A customer who shops at least twice a month at one of the identified retailers.

4.3.2 Sample Size and Composition

A total of 15–20 participants will be targeted across the three stakeholder groups. This range aligns with qualitative research guidance recommending smaller, focused samples to allow for in-depth exploration while ensuring data saturation (Nassaji, 2020).

Anticipated distribution:

- Retail employees: 5–7 participants
- Suppliers: 5–7 participants
- Consumers: 5–6 participants

The final distribution may vary depending on participant availability and willingness. The final participation included eighteen respondents: six suppliers, six retail employees, and six consumers (as reported in Chapter 5).

4.3.3 Sampling by Stakeholder Group

Suppliers

- **Description:** Formal companies supplying FMCG, perishable items, or fresh produce to the identified large grocery chains, including producers, co-packers, and manufacturers.
- **Sampling Method:** Purposive sampling will be applied to select participants with direct and ongoing supply relationships. This approach ensures inclusion of participants with specialised knowledge relevant to the research questions (Ahmad & Wilkins, 2024).
- **Targeted roles:** Commercial managers, supply chain managers, operations managers, quality assurance managers, and founders/CEOs (especially in SMEs).
- **Inclusion criteria:** Must have an ongoing, formal supply relationship with one or more of the identified retailers.
- **Exclusion criteria:** Informal or once-off suppliers.

Retail Employees

- **Description:** Individuals employed in store-level or support office roles, including store managers, buyers, category managers, sustainability managers, and operational heads.
- **Sampling Method:** Convenience sampling, a non-probability technique, will be used due to reliance on availability and willingness of participants at the time of data collection (Taherdoost, 2022).
- **Inclusion criteria:** Minimum of 12 months continuous employment in a relevant role.
- **Exclusion criteria:**
 - Employees with less than 12 months continuous employment.
 - Employees on casual, seasonal, or temporary contracts.
 - Entry-level staff without exposure to decision-making or collaboration processes.

- Employees of informal or independent retailers.

Consumers

- **Description:** Individuals who shop at least twice a month at one or more of the identified formal grocery retailers.
- **Sampling Method:** Convenience sampling, based on accessibility, willingness to participate, and fulfilment of inclusion criteria (Taherdoost, 2022). Efforts will be made to capture demographic diversity (age, gender, income, and location).
- **Inclusion criteria:** Must be a regular customer of a formal grocery retailer.
- **Exclusion criteria:** Consumers who shop exclusively at informal retailers.

4.4 Data Collection

4.4.1 Access to Sample Population

Participants will be accessed through the researcher's established professional and personal networks in the South African grocery retail sector. This approach is particularly suitable given the exploratory nature of the study and the focus on hard-to-reach stakeholder groups such as suppliers and managers. To ensure integrity, all recruitment will emphasise voluntary participation, with clear communication that individuals may decline without consequence. Potential participants will receive an information sheet outlining the study's purpose, confidentiality provisions, and their rights, including the right to withdraw at any point. By maintaining transparency and ensuring separation between personal/professional relationships and research participation, undue pressure will be avoided.

4.4.2 Interview Process

Data will be collected through semi-structured interviews conducted via Microsoft Teams. Each session will last approximately 30–60 minutes and will be audio- and/or video-recorded with informed consent. Field notes will be used to capture contextual and non-verbal cues. All recordings will be transcribed verbatim, anonymised during transcription, and stored securely on a password-protected drive accessible only to the researcher.

The semi-structured format allows for consistency across interviews while maintaining flexibility to explore unanticipated but relevant issues (McCracken, 2011;

Corley et al., 2021). This approach is well suited to the research questions, enabling exploration of:

- **RQ1:** Stakeholder perceptions and engagement in co-creation.
- **RQ2:** Enablers and constraints shaped by institutional and socio-economic contexts.
- **RQ3:** How co-creation can be institutionalised within sustainability strategies.

4.4.3 Interview Guide

The interview guide will include open-ended, non-leading questions linked to the conceptual framework (Service-Dominant Logic and Institutional Theory). Key themes include:

- Stakeholder understanding of co-creation.
- Mechanisms of engagement (interactions, collaboration, decision-making).
- Barriers and enablers in the South African context (e.g., affordability, governance, cultural values).
- Perceptions of legitimacy and institutionalisation of sustainability practices.

This design ensures that data collection remains aligned with both the literature review gaps and the research objectives.

4.4.4 Reflexivity

To minimise researcher influence, interviews will be guided by open-ended questions, with the researcher consciously reflecting on assumptions before and after each session. Reflexive memos will be maintained to document positionality and evolving interpretations, enhancing transparency and credibility (Howard-Grenville et al., 2021). Reflexivity will therefore be applied as a practical tool during data collection, while its role in ensuring credibility and trustworthiness is expanded in Section 4.6.

4.5 Data Analysis and Interpretation

This study will use thematic analysis to examine interview data. Thematic analysis is a flexible and widely used method for identifying patterns, developing themes, and interpreting meanings in qualitative data (Corley et al., 2021). Both inductive coding (emerging directly from the data) and deductive coding (informed by Service-

Dominant Logic and Institutional Theory) will be applied. Coding followed the stages of open, axial, and selective analysis to move from descriptive codes to higher-order themes linked to each research question (Corley et al., 2021). This dual strategy ensures that findings reflect participant perspectives while remaining grounded in the conceptual framework and research questions. The analytical process was therefore abductive, moving iteratively between the data and the theoretical concepts to refine emerging insights (Howard-Grenville et al., 2021). Triangulation occurred across the three stakeholder groups, retail employees, suppliers, and consumers, to identify convergent and divergent institutional patterns rather than relying solely on within-group comparisons (Taherdoost, 2022).

4.5.1 Data Preparation and Familiarisation

Interviews will be audio-recorded with consent and transcribed verbatim. The researcher will read and re-read the transcripts, making notes on initial impressions and potential patterns. This process supports immersion in the data and helps ensure that emerging insights are grounded in participants lived experiences.

4.5.2 Coding

Data will be imported into Atlas.ti software, which facilitates systematic organisation, coding, and retrieval of evidence. Segments of text relevant to the research questions will be labelled with descriptive codes. Initial coding will remain broad to capture diversity in stakeholder perspectives before moving toward more interpretive categorisation.

4.5.3 Theme Development

Codes will be grouped into broader categories and themes, reflecting recurring patterns across the dataset. Themes will be reviewed for internal coherence and distinctiveness, ensuring that each theme tells a clear story about the data. Both visual tools (e.g., network views, word clouds) and audit trails in Atlas.ti will support transparency. The resulting themes presented in Chapter 5 correspond directly to the constructs identified in Chapter 2 (affordability, legitimacy, trust, power, and institutional complexity).

4.5.4 Interpretation

Themes will be analysed in relation to the research questions and theoretical frameworks. For example, themes on stakeholder collaboration will be interpreted through the lens of SDL, while themes on legitimacy and constraints will be examined using Institutional Theory. This step ensures a direct link between data, theory, and the study's conceptual model. Interpretive memos will be used to capture the researcher's reflections and support analytical depth. This ensures that the analysis directly addressed RQ1 by exploring stakeholder engagement, RQ2 by identifying enablers and constraints and RQ3 by examining the institutionalisation of co-creation.

4.5.5 Reporting Findings

Findings will be presented thematically, supported by direct participant quotes. Each theme will be linked back to the research questions and situated within the existing literature. This ensures that analysis contributes both empirically and theoretically, demonstrating how co-creation is understood, enacted, and legitimised in South African grocery retail.

4.6 Trustworthiness and Bias

Data were analysed using an interpretivist thematic approach, consistent with the theoretical framing in Service-Dominant Logic (SDL) and Institutional Theory. The interpretivist paradigm assumes that reality is socially constructed through participants' experiences and the researcher's interpretation of meaning, rather than through objective measurement (Howard-Grenville et al., 2021, Nassaji, 2020). This approach was appropriate for exploring how actors within the South African grocery retail ecosystem understand and enact sustainable value co-creation. Thematic analysis was selected because it offers a flexible and systematic means of identifying and interpreting recurring patterns across qualitative data, allowing new insights to emerge inductively from participant narratives (Taherdoost, 2022 Fischer & Guzel, 2022).

The analytical framework drew on SDL's conceptualisation of markets as service ecosystems, where value emerges through interaction and resource integration among multiple actors (Vargo & Lusch, 2016; Jaakkola et al., 2024). This guided the interpretation of how retailers, suppliers, and consumers co-constructed shared meanings of sustainability through collaboration and exchange. Institutional Theory complements this view by explaining how behaviour and interpretation are structured

by regulative, normative, and cultural-cognitive pillars that stabilise legitimacy within ecosystems (Scott, 2008). The integration of these frameworks justified an iterative thematic process that examined both micro-level experiences and macro-level institutional influences shaping co-creation and legitimacy.

The analysis followed a structured, recursive process informed by interpretivist principles (Howard-Grenville et al., 2021; Nassaji, 2020) and inductive reasoning (Taherdoost, 2022; Fischer & Guzel, 2022). Interview transcripts were read repeatedly to achieve familiarity and identify initial patterns related to collaboration, inclusion, affordability, and legitimacy. Descriptive open coding was then used to capture participants' words and ideas, focusing on how they described sustainability and value creation in practice. These codes were compared and clustered into broader categories that revealed connections between lived experience and institutional structures, for instance, how affordability pressures linked to normative expectations of fairness and compliance (Scott, 2008). Through iterative refinement, these categories were integrated into higher-order themes such as institutional enablers and barriers, trust and legitimacy, and shared sustainability logic, capturing the systemic and emergent nature of value co-creation across the retail ecosystem (Koskela-Huotari et al., 2023). The final stage involved theoretical interpretation, where themes were viewed through the dual lenses of SDL and Institutional Theory to explain how stakeholder interactions generate co-created value (Vargo & Lusch, 2015) and how legitimacy is constructed, negotiated, or contested within institutional boundaries (Bitektine & Haack, 2015). Throughout this process, reflexive awareness was maintained to acknowledge researcher positionality and interpretive influence, recognising that meaning making is shaped by both participant context and the researcher's own institutional frame (Nassaji, 2020).

Rigour was ensured through triangulation across the three stakeholder groups, detailed documentation of coding decisions, and iterative comparison between raw data and emerging interpretations. Credibility was strengthened by verifying thematic consistency using representative quotations, while dependability and confirmability were supported through reflective journaling and transparent reporting of analytical procedures (Fischer & Guzel, 2022). This process reflects the emergent and systemic orientation of SDL and the multi-level legitimacy perspective of Institutional Theory, treating themes not as static findings but as institutionalised meanings negotiated among actors within the grocery retail ecosystem. The analysis therefore remained coherent with the theoretical stance established in Chapter 2, where

sustainability, co-creation, and legitimacy were conceptualised as interdependent, socially constructed phenomena.

4.6.1 Bias Considerations

Convenience sampling bias may arise, particularly among employees and consumers, as those more willing to participate could be over-represented. Researcher bias is also a potential concern given the interpretivist paradigm and the researcher's professional background in the retail sector. These risks will be mitigated through triangulation, reflexive memos, member checking where feasible, and the maintenance of an audit trail. The audit trail and transparent coding procedures will further support confirmability and credibility (Nassaji, 2020). These safeguards were implemented during the analysis stage described in Chapter 5, ensuring consistency between planned and executed validation procedures.

4.7 Ethical Considerations

The research will be conducted in accordance with the Gordon Institute of Business Science (GIBS) ethical guidelines. Ethical clearance will be sought prior to data collection. Participation will be voluntary, with informed consent required from all participants (Appendix 3). Individuals will have the right to withdraw at any time without penalty. Personal and professional contacts used for recruitment will be managed with care to avoid coercion, ensuring that existing relationships do not compromise autonomy or integrity. Confidentiality and anonymity will be guaranteed, with all identifying details removed from reporting. All completed consent forms, transcriptions, and recordings from interviews will be stored securely on a password protected cloud-based drive accessible only to the researcher for the prescribed period.

4.8 Limitations

This research has several limitations. These include the sample size of 15–20 participants, while adequate for thematic depth, limits statistical generalisability. The focus instead is on analytical generalisation. The sampling approach, the use of purposive sampling methods for suppliers and convenience for employees and consumers, introduces the risk of bias, as participants may not fully represent the broader population. The cross-sectional design provides a snapshot in time and

cannot capture how co-creation practices evolve. The researcher's professional background, while offering insider knowledge, may introduce subjectivity. Reflexivity and audit trails are employed to mitigate this. Sampling and researcher bias may limit representativeness; however, mitigation strategies have been implemented, as outlined in Section 4.6. These methodological constraints are revisited in Chapter 6 when reflecting on the scope of the findings.

4.9 Assumptions

The study proceeds on the following assumptions:

- **Honest Participation:** Participants will provide honest, reflective, and informed responses.
- **Stakeholder Relevance:** The perspectives gathered from the selected sample will generate insights that are analytically transferable to similar contexts, even if not statistically representative.
- **Stability of Context:** The socio-economic and policy environment will remain relatively stable during the research period; sudden changes could influence findings.
- **Theoretical Fit:** Service-Dominant Logic and Institutional Theory are assumed to be appropriate lenses for examining value co-creation, given their strong grounding in interaction, legitimacy, and institutional dynamics (Vargo & Lusch, 2004; Scott, 2008)

4.10 Delimitations

This study is intentionally bounded in scope. It focuses on:

- **Sector:** The formal grocery retail sector only, excluding informal traders such as spaza shops or street vendors, and excluding non-grocery retail.
- **Stakeholders:** Three groups, suppliers, employees of formal retailers, and consumers with other actors such as regulators or NGOs excluded.
- **Retailers:** Large corporate retailers with annual turnover above R50 billion (e.g., Pick n Pay, Shoprite, Woolworths, Spar).
- **Method:** Semi-structured interviews as the sole method of primary data collection; other qualitative approaches such as focus groups or ethnography were not employed.

- **Geographic scope:** Findings are interpreted at the level of the South African retail environment rather than regional or provincial differences.

This chapter has outlined the methodological approach adopted for the study, positioning it within an interpretivist paradigm and a qualitative, exploratory design. It detailed the selection of stakeholder groups, sampling strategies, and data collection procedures, while justifying the use of semi-structured interviews to capture the complexity of value co-creation in the South African grocery retail sector. Thematic analysis, supported by Atlas.ti, was identified as the analytic strategy, ensuring systematic coding and interpretation guided by Service-Dominant Logic and Institutional Theory. Considerations of trustworthiness, reflexivity, and bias mitigation were addressed, alongside the study's limitations, assumptions, and delimitations. Collectively, these methodological choices provide a coherent and rigorous foundation for answering the research questions and advancing understanding of sustainable value co-creation in emerging market retail contexts. The next chapter presents the findings from the interviews, organised thematically to reflect stakeholder perspectives, and linked directly to the conceptual framework and research questions.

5. RESULTS

5.1 Introduction

This chapter presents and interprets the findings of the study on sustainable retail value creation through co-creation within the South African grocery sector. Its purpose is to explore how consumers, employees, and suppliers understand, enact, and institutionalise value co-creation, and how these interactions collectively shape sustainability outcomes within the retail ecosystem.

The findings draw from eighteen in-depth, semi-structured interviews with six consumers, six retail employees, and six suppliers who are actively engaged in the grocery retail value chain. The data was coded and analysed in Atlas.ti using a three-stage inductive process open, axial, and selective coding to capture patterns of meaning and shared institutional realities.

The analysis was guided by three theoretical lenses: Service-Dominant Logic (Vargo & Lusch, 2004), Institutional Theory (Scott, 2008), and Ecosystem Thinking (Chandler & Lusch, 2014). Service-Dominant Logic positions value as co-created through interaction and resource integration; Institutional Theory explains how regulative, normative, and cognitive forces influence legitimacy; and Ecosystem Thinking situates these interactions within an interconnected system of actors.

Triangulation was achieved through comparative analysis across participant groups. Rather than serving solely as a verification tool, this approach revealed how different actors interpret similar sustainability goals through distinct institutional logics: consumers through affordability and everyday practice, employees through organisational systems, and suppliers through compliance and market pressures. Reflexivity was maintained throughout, acknowledging the researcher's professional background in retail, which provided contextual insight while requiring conscious separation between practitioner experience and participant narratives. These measures enhanced credibility and confirmability, ensuring that findings reflected participant perspectives rather than researcher assumptions (Taherdoost, 2022). The results are presented thematically and aligned with the study's three research questions:

- **RQ1:** How do retailers, consumers, and suppliers in South Africa understand and engage in value co-creation for sustainability?

- **RQ2:** What are the enabling and constraining factors affecting sustainable value creation through co-creation in South African grocery retail?
- **RQ3:** How can co-creation strategies be institutionalised within retailers' sustainability efforts?

Each question is addressed through the themes identified, maintaining a coherent link between methodology and analysis. The themes integrate insights from all three stakeholder groups, illustrating both convergence and divergence in how value and sustainability are perceived and enacted.

5.2 Description of Sample

The study included eighteen participants representing three interdependent groups within the South African grocery retail ecosystem: six consumers, six retail employees, and six suppliers, consistent with the population boundaries and sampling strategy outlined in Chapter 4. Participants were purposively selected to capture diverse perspectives across the value chain and enable interpretive triangulation of findings.

Consumers were chosen based on their active engagement in grocery shopping, representing varied household income levels and shopping patterns across major retailers such as Pick n Pay, Checkers, Woolworths, and Spar. Their perspectives provided insight into purchasing behaviour, perceived value, and attitudes toward sustainability practices, aligning with RQ1 on stakeholder understanding and engagement.

Retail employees occupied operational, technical, and managerial roles within large retail chains. Their insights reflected organisational priorities, internal sustainability initiatives, supplier relationships, and consumer engagement dynamics, directly addressing RQ2 by highlighting organisational enablers and constraints in value co-creation.

Suppliers comprised a mix of local and multinational producers and service providers, offering perspectives on retailer–supplier collaboration, innovation processes, sustainability initiatives, and the challenges of balancing compliance requirements with cost pressures and market demands. Their inclusion enabled triangulation across the value chain, ensuring that multiple institutional realities were represented.

Interviews were conducted over a four-week period, each lasting between 30 and 45 minutes. All sessions were recorded and transcribed verbatim with participant consent. Ethical clearance was granted by the Gordon Institute of Business Science (GIBS) prior to data collection (Appendix 2), and participants were assured of anonymity and confidentiality.

Data saturation was reached when no new insights emerged, and patterns recurred across stakeholder groups. The diversity of participants strengthened the credibility and transferability of findings through triangulation, ensuring that the study reflected multiple institutional realities rather than a single organisational narrative. This enhanced analytic depth and supports the study's trustworthiness, as consistent themes emerged across all stakeholder categories (Taherdoost, 2022; Corley et al., 2021).

Table 1: Summary of Participant Profiles

Population Group	No. of Participants	Gender Mix	Typical Role / Description	Average Experience / Context	Total Interview Duration
Consumers	6	5 Female / 1 Male	Active grocery shoppers from varied income levels and regions	Regular customers at Pick n Pay, Checkers, Woolworths, Spar	±3.5 hrs combined
Retail Employees	6	4 Female / 2 Male	Operational, technical, and managerial staff across national retail chains	8 to 25 years retail experience	±4 hrs combined
Suppliers	6	3 Female / 3 Male	Mix of local and multinational producers and service providers	6 to 30 years industry experience	±3.8 hrs combined
Total	18				

The diversity and balance within the sample strengthened the interpretive depth of the study by ensuring representation of all primary ecosystem actors. This distribution enabled comparative triangulation, allowing an examination of how consumers, employees, and suppliers differently interpret and enact co-creation and

sustainability across the value chain. This diverse sample provides the empirical foundation for the thematic analysis described in Section 5.3, where patterns of meaning across stakeholder groups are explored.

Following the participant summary, Table 2 illustrates how interview data progressed through open, axial, and selective coding. This example demonstrates the analytic transparency described in Chapter 4 and shows how participant statements were systematically connected to higher order categories and themes. The examples are indicative rather than exhaustive, highlighting the movement from descriptive codes to the integrative themes that underpin the discussion which follows.

Table 2: Illustrative Progression from Open to Selective Coding

Open Code (verbatim extract)	Axial Category	Selective Theme	Linked RQ
"All these audits add no value, but you have to do them."	Coercive compliance pressure	Institutional constraint	RQ2
"When we plan together, we find cost savings and new ideas."	Joint planning and shared learning	Collaborative opportunity	RQ1
"Retailers explained why they changed the packaging."	Transparency and communication	Trust and legitimacy	RQ1
"We shouldn't just follow what Europe is doing."	Local adaptation vs. global norms	Institutional pluralism	RQ2
"Sustainability is how we do things now."	Shared understanding across actors	Toward shared sustainability logic and legitimacy	RQ3

5.3 Data Analysis Approach

The data were analysed through an inductive thematic process supported by Atlas.ti, which enabled systematic identification, categorisation, and interpretation of patterns across the eighteen transcripts. This approach aligned with the study's interpretivist paradigm, allowing meaning to emerge from participants lived experiences rather than from pre-defined constructs (Taherdoost, 2022), consistent with the methodological approach outlined in Chapter 4.

Stage 1: Open Coding

Each transcript was read line by line, with descriptive codes assigned to meaningful statements. This stage surfaced early conceptual patterns related to value, collaboration, sustainability, and institutional pressures, producing over two hundred initial codes. Reflexive memos were recorded during this stage to capture early insights and researcher reflections, supporting transparency and analytical depth (Corley et al., 2021).

Stage 2: Axial Coding

Codes were then grouped into broader categories to reflect relationships between concepts. For example, 'price sensitivity,' 'convenience,' and 'loyalty' clustered under shopping drivers, while 'recycling,' 'packaging,' and 'ESG reporting' were grouped under sustainability awareness. These relationships reflected connections aligned to Service-Dominant Logic (Vargo & Lusch, 2004) and Institutional Theory (Scott, 2008).

Stage 3: Selective Coding

The analysis produced four primary themes and one integrative theme that together capture the multi-level dynamics of value co-creation and institutionalisation within South Africa's grocery retail ecosystem. The five themes mirror the three research questions, progressing from stakeholder understanding (RQ1) to enablers and constraints (RQ2) and institutionalisation (RQ3).

1. Shopping Drivers and Consumer Priorities
2. Awareness and Attitudes to Sustainability
3. Institutional Enablers and Barriers to Co-creation
4. Legitimacy and the Role of Retailers
5. Toward a Shared Sustainability Logic (Integrative Theme)

While the first four themes present distinct but interconnected perspectives from across the ecosystem, the final theme synthesises these insights into an integrative model of how co-creation evolves into a shared sustainability logic.

These themes directly address the research questions as follows:

- **RQ1:** Exploring how value is understood and co-created across the retail ecosystem.
- **RQ2:** Identifying enabling and constraining factors that shape sustainable co-creation.
- **RQ3:** Examining how institutional and ecosystem conditions influence how retailers, consumers, and suppliers engage in value co-creation for sustainability.

Atlas.ti was used to organise and visualise data relationships, allowing for systematic comparison of codes, themes, and frequencies across the three stakeholder groups. Analytical memos were maintained throughout the process to capture evolving interpretations and ensure transparency. Triangulation across consumers, employees, and suppliers enhanced the credibility of insights, while reflexive awareness of the researcher's professional background helped maintain interpretive balance and minimise bias. This combination of methodological rigour and reflexivity strengthened the dependability and confirmability of the analysis, ensuring that themes emerged authentically from participants lived experiences (Corley et al., 2021).

This interpretive process was grounded in three theoretical perspectives:

- **Service-Dominant Logic** (Vargo & Lusch, 2004), which conceptualises value as co-created through resource integration.
- **Institutional Theory** (Scott, 2008), which explains how coercive, normative, and cognitive mechanisms confer legitimacy.
- **Ecosystem Thinking** (Chandler & Lusch, 2014), which positions value creation within an interconnected web of actors and systems.

Together, these frameworks provided a foundation for analysing how sustainable value is constructed, constrained, and institutionalised across the South African grocery retail ecosystem.

Building on the interpretive process outlined above, the following section presents the thematic findings emerging from the analysis of participant narratives. Each theme responds directly to one or more of the study's research questions and is grounded in the voices of consumers, employees, and suppliers as interdependent

actors within the retail ecosystem. The analysis interprets these perspectives through the lenses of Service-Dominant Logic, Institutional Theory, and Ecosystem Thinking to reveal how value is co-created, what institutional and contextual factors enable or constrain this process, and how co-creation becomes embedded or remains symbolic within organisational and societal systems.

The presentation of themes therefore moves from the micro level practices of value co-creation (RQ1) to the meso level conditions that enable or restrict it (RQ2), and finally to the macro level processes through which it is institutionalised (RQ3). This multi-level analysis captures the complex, layered nature of sustainable value creation in the South African grocery retail sector.

5.4 Thematic Analysis

Thematic analysis was used to identify, interpret, and integrate key patterns across the interview data. Guided by the interpretive principles outlined by Howard Grenville et al. (2021), the process moved systematically from initial codes to broader themes that captured shared meanings across the three stakeholder groups. Themes were developed through iterative comparison, constant reference to the research questions, and theoretical triangulation using Service Dominant Logic (Vargo & Lusch, 2004), Institutional Theory (Scott, 2008), and Ecosystem Thinking (Chandler & Lusch, 2014).

The five themes presented below represent progressive levels of analysis, from micro level understandings of value (Theme 1), through meso level awareness and institutional mechanisms (Themes 2 and 3), to macro level legitimacy and integration (Themes 4 and 5). Each theme synthesises evidence from all three stakeholder groups, consumers, employees, and suppliers to illustrate how sustainability is co-created, enabled, and institutionalised within the South African grocery retail ecosystem.

5.4.1 Theme 1: Shopping Drivers and Consumer Priorities

Overview

This first theme addresses Research Question 1, How do retailers, consumers, and suppliers understand and engage in value co-creation for sustainability? by examining how value is defined and prioritised within the South African grocery retail

ecosystem. It also links to Research Question 2 by revealing how affordability and convenience function as both enablers and constraints in co-creation. Across all three stakeholder groups, the findings show that value is primarily constructed through economic pragmatism, sustainability gains acceptance when it aligns with affordability, accessibility, and everyday convenience. This theme draws on insights from consumers, employees, and suppliers, representative quotations are provided in Appendix 7, to reveal how affordability and convenience shape value perceptions and sustainability behaviour.”

Integrated Findings and Cross-Stakeholder Perspectives

Consumers define value in practical and relational terms. Cost, quality, and time efficiency dominate purchasing decisions, while sustainability is supported only when it complements these priorities. As one participant noted,

“When a retailer makes it possible for you to contribute to society in a meaningful way during your normal shopping, I appreciate it.”

This illustrates that convenience can enhance moral satisfaction, but it is rarely pursued independently of affordability. Consumers recognise that collective purchasing choices could influence retailer behaviour, but rising prices and unemployment limit participation, reinforcing inequality in sustainable consumption. However, socio-economic constraints, high unemployment, and rising prices restrict participation in sustainability initiatives, reinforcing inequality within the consumption experience.

Employees echo these tensions from an operational perspective. They translate consumer affordability expectations into strategic and marketing practices that legitimise cost-driven decisions. Campaigns built around savings and bulk promotions reflect the institutionalised belief that.

“Value equals price advantage.”

As one employee explained,

“The customer just wants safe, quality food at an affordable price.”

Profit pressures and competition intensify this focus, shaping internal routines and limiting innovation. While employees acknowledge that sustainability matters, they describe it as secondary to commercial imperatives. Some express moral discomfort, suggesting that dropping margins could make healthy, sustainable products more accessible, but they lack decision-making authority to enact such change.

For suppliers, affordability pressures cascade through the value chain, narrowing their capacity for innovation and sustainability investment. Suppliers emphasise that compliance and pricing demand often erode profitability:

“That cost needs to be added somewhere along the line, and at the end of the day, in a price-sensitive market, it comes at a price.”

This reflects the coercive influence of dominant retailers and the uneven distribution of value within the ecosystem. Sustainability, while desirable, competes with economic survival.

Interpretation Through Theory

From a Service-Dominant Logic (Vargo & Lusch, 2004) perspective, value is co-created through the continuous integration of resources, financial, social, and operational, across the ecosystem. Affordability served as the dominant shared resource that aligns stakeholders. Institutional Theory (Scott, 2008) explains how affordability becomes a taken-for-granted legitimacy logic, regulative mechanisms (pricing frameworks), normative expectations (cost efficiency), and cognitive beliefs (“South Africans buy what they can afford”) reinforce this equilibrium. Ecosystem Thinking (Chandler & Lusch, 2014) highlights how these interdependencies create systemic stability but also inertia, a feedback loop where consumers demand affordability, retailers operationalise it, and suppliers absorb its cost. This cycle sustains legitimacy but limits transformative change. These affordability-led value perceptions set the context for understanding how awareness and attitudes toward sustainability develop, explored next in Theme 2.

Table 3: Theoretical Integration Snapshot – Theme 1: Shopping Drivers and Consumer Priorities

Theoretical Lens	Interpretive Insight from Theme 1
Service-Dominant Logic (Vargo & Lusch, 2004)	Value co-creation occurs through the integration of consumer, employee, and supplier resources, but remains bounded by affordability and convenience. Value-in-use is realised when sustainable choices align with everyday efficiency and cost-saving behaviour.
Institutional Theory (Scott, 2008)	Affordability functions as a dominant institutional logic. Regulative (price systems), normative (cost-conscious culture), and cognitive (belief that “value equals low cost”) mechanisms reinforce economic legitimacy while constraining transformative sustainability.
Ecosystem Thinking (Chandler & Lusch, 2014)	Interdependencies across the retail ecosystem sustain equilibrium: consumers demand affordability, retailers institutionalise it through pricing systems, and suppliers absorb its impact. This creates systemic stability but limits innovation and transformative change.

Together, these insights illustrate how affordability functions as both a shared resource and a legitimacy logic across the retail ecosystem, setting the stage for Theme 2.

Synthesis and Thematic Progression

Theme 1 reveals a retail system anchored in economic rationality, where sustainability is accepted only when it reinforces affordability and convenience. Co-creation therefore occurs continuously but within narrow economic boundaries. The following theme builds on this foundation by exploring how sustainability awareness and attitudes evolve within these constraints, and how actors begin to interpret environmental and social value alongside economic value.

5.4.2 Theme 2: Awareness and Attitudes to Sustainability

Overview

This theme responds to Research Questions 1 and 2 by exploring how consumers, employees, and suppliers perceive and interpret sustainability. It examines the factors that shape awareness, the degree of personal and organisational engagement, and the tensions between moral intent and practical feasibility. Representative quotations supporting this theme are provided in Appendix 8, illustrating how sustainability awareness manifests differently across the retail ecosystem.

Integrated Findings and Cross-Stakeholder Perspectives

Consumers show an emerging but conditional awareness of sustainability. Their concern is strongest when retailers make sustainable practices visible and convenient, such as reusable bags or recyclable packaging, or when those practices align with affordability. As one participant reflected,

“Woolworths stopped providing plastic packets and made us start using those little woven bags, which makes us realise the kind of impact we were having on something as small.”

However, while consumers express willingness to support sustainability, their moral intent is moderated by cost. One consumer admitted being

“Willing to pay a small premium,”

indicating that awareness exists but is filtered through affordability constraints.

Employees interpret sustainability through the lens of organisational systems and incentives. They describe awareness as embedded in corporate reporting and performance structures rather than intrinsic motivation. As one explained,

“Sustainability goals are included in bonus performance targets... if you are out of line, you lose marks.”

This reflects an institutionalised form of awareness driven by accountability rather than shared belief.

For suppliers, sustainability awareness is expressed as both aspiration and frustration. They recognise the importance of long-term environmental stewardship.

“We want to ensure our kids still have a great green planet to live on.”

However, note that operational realities limit follow-through. As one supplier observed,

“People are so focused on just reaching their KPIs that not all of it gets thought through properly.”

Many suppliers also question the relevance of international standards in local contexts, arguing that,

“We must implement solutions that are workable for us and not just try to say we’re following Europe.”

This demonstrates both awareness and agency, tempered by the need for contextual adaptation.

Interpretation Through Theory

From a Service-Dominant Logic perspective, awareness is a co-created resource shaped by interactions between retailers, employees, suppliers, and consumers. Each group brings its own meaning of value-in-use, consumers integrate sustainability when it adds practical benefit; employees operationalise it through systems; suppliers adapt it to survive within economic and structural constraints.

Institutional Theory provides insight into how awareness becomes formalised but unevenly distributed. Regulative mechanisms (audits, policies, performance systems) reinforce compliance, while normative pressures (consumer expectations,

corporate image) push sustainability into everyday routines. Cognitive awareness, however, remains fragmented, sustainability is understood intellectually but not internalised as a shared norm.

Through Ecosystem Thinking, awareness is seen as a networked process that spreads through relationships, marketing, and policy influence. However, its depth depends on each actor's ability to participate, it thrives where resources and communication are strong but weakens under financial or structural pressure (Chandler & Lusch, 2014). Table 4 summarises how the findings of Theme 2 integrate across the three theoretical lenses underpinning this study.

Table 4: Theoretical Integration Snapshot – Theme 2: Awareness and Attitudes to Sustainability

Theoretical Lens	Interpretive Insight from Theme 2
Service-Dominant Logic (Vargo & Lusch, 2004)	Sustainability awareness is co-created through communication, participation, and everyday routines. Value emerges when awareness is embedded in interactions that balance moral intent and affordability.
Institutional Theory (Scott, 2008)	Awareness is institutionalised through regulative (policy), normative (societal expectation), and cognitive (shared understanding) mechanisms, but it remains fragmented between compliance and conviction.
Ecosystem Thinking (Chandler & Lusch, 2014)	Awareness operates as a relational process that diffuses through network connections. It strengthens when coordination occurs across ecosystem actors but weakens when financial or structural constraints dominate.

The uneven spread of sustainability awareness highlights how institutional structures shape collaboration and coordination, leading into Theme 3, which explores these enablers and barriers in greater depth.

Synthesis and Thematic Progression

Theme 2 reveals that while sustainability awareness is rising, it remains conditional and uneven across the ecosystem. Consumers' moral intent depends on affordability; employees' awareness is driven by compliance metrics; suppliers balance intent with feasibility. This layered awareness sets the stage for Theme 3, which examines the institutional forces that either enable or constrain co-creation,

showing how awareness becomes formalised within organisational systems and industry structures.

5.4.3 Theme 3: Institutional Enablers and Barriers to Co-Creation

Overview

This theme addresses Research Questions 2 and 3 by examining the institutional conditions that either enable or restrict value co-creation for sustainability within South African grocery retail. It identifies how regulatory, normative, and cognitive mechanisms influence collaboration, innovation, and the diffusion of sustainable practices. Representative quotations supporting this theme are provided in Appendix 9, showing how coercive pressures, structural barriers, and emerging forms of coordination shape ecosystem behaviour.

Integrated Findings and Cross-Stakeholder Perspectives

Across the retail ecosystem, participants described co-creation as a desirable strategic objective, contrasted by the difficulties in operationalising the goal. Consumers expressed limited influence over institutional decisions, acknowledging that meaningful change requires cross-sectoral collaboration.

“The private sector and the government should come together to look into pricing and promote sustainability in these products.”

Employees described retail organisations as operationally fragmented and competitively driven. As one noted,

“Retail is more silo-focused; as long as my targets are met.”

Such silo behaviour undermines systemic collaboration and reinforces individualistic performance logic.

The absence of unified coordination among retailers was widely acknowledged. While employees recognise that collaboration could reduce costs and strengthen sustainability, the prevailing market culture discourages information sharing. One participant explained,

“Because retail by nature is highly competitive, I will not collaborate; that’s why there’s no sectorial collaboration.”

This reveals how normative and coercive mechanisms, designed to preserve competition, inadvertently stifle collective learning.

Suppliers echoed these constraints. They view audits and compliance protocols as legitimising but burdensome.

“There’s lots of losses in supplying retail and all these audits are good, but sometimes there’s things in audits that add no value.”

This demonstrates coercive legitimacy, where formal accountability sustains structure but limits creative problem-solving. Suppliers further highlighted geographic and communication divides that impede ecosystem learning:

“With most head offices in Cape Town, I don’t think those people have a full understanding of what happens on the other side of the country.”

Despite these barriers, participants identified potential enablers. Joint business planning, shared goals, and industry bodies such as the Consumer Goods Council of South Africa (CGCSA) were viewed as mechanisms that could mediate competition and coordinate sustainability. As one supplier proposed,

“If the industry body like CGCSA, did it collectively across all manufacturers and retailers, it would work better.”

Interpretation Through Theory

From a Service-Dominant Logic perspective, value co-creation relies on resource integration and shared intent, institutional boundaries restrict these exchanges. Institutional Theory explains this through regulative forces that ensure stability,

normative pressures that reinforce competition, and cognitive patterns that normalise separation and control. Ecosystem Thinking extends this view by showing that while these interdependencies maintain legitimacy and order, they also limit adaptability across the system (Chandler & Lusch, 2014; Vargo & Lusch, 2015). Table 5 summarises how the findings of Theme 3 integrate across the study's theoretical lenses.

Table 5: Theoretical Integration Snapshot – Theme 3: Institutional Enablers and Barriers to Co-Creation

Theoretical Lens	Interpretive Insight from Theme 3
Service-Dominant Logic (Vargo & Lusch, 2004)	Institutional barriers restrict resource integration, undermining the relational foundation of co-creation. Collaboration succeeds when shared intent and reciprocal value are prioritised.
Institutional Theory (Scott, 2008)	Coercive and normative mechanisms stabilise legitimacy but suppress innovation. Decoupling between formal compliance and authentic collaboration is evident.
Ecosystem Thinking (Chandler & Lusch, 2014)	The ecosystem operates as a semi-closed system: coordination occurs within silos, not across them. Structural linkages must evolve toward shared governance to support sustainability transformation.

Synthesis and Thematic Progression

Theme 3 reveals that institutional rules create order and predictability but at the cost of collaboration and innovation. Early signs of joint industry coordination suggest the system is beginning to learn and adapt. This transition sets the stage for Theme 4, which examines how legitimacy is maintained and negotiated by dominant retailers.

5.4.4 Theme 4: Legitimacy and the Role of Retailers

Overview

This theme responds to Research Question 3 by examining how legitimacy functions as a stabilising force within the grocery retail ecosystem. It explores how retailers establish and maintain legitimacy through compliance, affordability, and moral positioning, and how these practices influence supplier and consumer behaviour. Representative quotations supporting this theme are provided in Appendix 10,

highlighting the intersection between regulatory conformity, public trust, and moral responsibility.

Integrated Findings and Cross-Stakeholder Perspectives

Retailers emerge as central actors in shaping what is perceived as “legitimate” sustainability. Consumers often equate visible retailer-led initiatives with moral credibility. As one participant noted,

“Woolworths stopped providing plastic packets and made us start using those little woven bags; it makes us realise our impact.”

Retailers’ actions therefore frame social norms and consumer perceptions.

Employees view legitimacy through compliance and performance systems. They describe internal structures that link sustainability goals to measurable outcomes:

This quantification of legitimacy reinforces accountability but risks reducing sustainability to procedural box-ticking. Others highlighted tension between commercial performance and social responsibility, acknowledging that.

“We are chasing profits more than taking care of our environment.”

Suppliers position legitimacy as externally imposed. They perceive audits and certifications as necessary for continued market access.

Retailers’ dominance in setting standards creates dependency and power asymmetry. At the same time, suppliers emphasise the need for contextual legitimacy. Suppliers emphasised the importance of adapting sustainability standards to the South African context rather than copying international models. This highlights a push toward localised moral legitimacy aligned with national development priorities.

Interpretation Through Theory

Legitimacy within the grocery retail ecosystem is co-created through relational trust, transparency, and performance accountability. Service-Dominant Logic highlights

this as a shared value perception shaped by ongoing interactions. Institutional Theory interprets it as adherence to regulative, normative, and cognitive rules that sustain order, while Ecosystem Thinking shows that legitimacy maintains systemic balance but also centralises influence within dominant actors, primarily large retailers (Vargo & Lusch, 2004; Scott, 2008; Chandler & Lusch, 2014). Table 6 summarises how the findings of Theme 4 integrate across the study's theoretical lenses.

Table 6: Theoretical Integration Snapshot – Theme 4: Legitimacy and the Role of Retailers

Theoretical Lens	Interpretive Insight from Theme 4
Service-Dominant Logic (Vargo & Lusch, 2004)	Legitimacy is co-created through trust, transparency, and shared value perception but remains shaped by retailer dominance.
Institutional Theory (Scott, 2008)	Legitimacy is institutionalised through compliance and affordability norms; procedural adherence sustains reputation but limits learning.
Ecosystem Thinking (Chandler & Lusch, 2014)	Retailers act as central nodes defining acceptable sustainability behaviour; their legitimacy structures stabilise the ecosystem but restrict distributed influence.

Synthesis and Thematic Progression

As retailers consolidate their legitimacy through compliance and moral positioning, the ecosystem begins to shift from fragmented sustainability practices toward shared understanding and coordination. This evolution is explored further in Theme 5, which examines how a shared sustainability logic is emerging.

5.4.5 Theme 5: Toward a Shared Sustainability Logic

Overview

This integrative theme captures the evolution of co-creation from isolated actions into a systemic orientation that embeds sustainability within the shared norms, routines, and meanings of the South African grocery retail ecosystem. It responds directly to Research Question 3 by examining how co-creation strategies become institutionalised through converging expectations, reciprocal legitimacy, and adaptive learning among consumers, retailers, and suppliers.

Integrated Findings and Cross-Stakeholder Perspectives

Across the ecosystem, participants described a gradual move from fragmented compliance toward collective commitment. Retailers increasingly frame sustainability as part of everyday business practice, suppliers adapt to shared standards, and consumers begin to recognise their influence within these joint efforts. This shared sustainability logic emerges as actors integrate moral, relational, and operational resources into common norms and routines that guide how sustainability is practiced.

Employees emphasised that sustainability has become.

“Part of how we work now,”

signalling an internal cultural shift from obligation to ownership. Suppliers noted improved coordination and mutual learning through joint planning and transparent feedback processes, while consumers perceived retailer-led initiatives as evidence of genuine progress. Together, these perspectives reveal a system learning to balance commercial performance with environmental and social well-being.

Interpretation Through Theory

From a Service-Dominant Logic perspective, this theme illustrates the maturation of value co-creation, where resources, knowledge, and intent are continually integrated to create value-in-use for all actors (Vargo & Lusch, 2004). Institutional Theory helps explain how sustainability becomes a taken-for-granted practice, norms and routines shift from external pressure to internal acceptance, signalling cognitive alignment and moral legitimacy (Scott, 2008). From an Ecosystem Thinking perspective, this convergence reflects adaptive learning as stakeholders interact, feedback loops enable the system to reorganise toward collective stability and shared legitimacy (Chandler & Lusch, 2014; Vargo & Lusch, 2015).

Table 7: Theoretical Integration Snapshot – Theme 5: Toward a Shared Sustainability Logic

Theoretical Lens	Interpretive Insight from Theme 5
Service-Dominant Logic (Vargo & Lusch, 2004)	Value co-creation evolves through continuous resource integration and shared intent across ecosystem actors.
Institutional Theory (Scott, 2008)	Sustainability becomes institutionalised as a cognitive and normative logic guiding behaviour and legitimacy.
Ecosystem Thinking (Chandler & Lusch, 2014; Vargo & Lusch, 2015)	Adaptive learning processes connect diverse actors, reinforcing systemic coherence and shared legitimacy.

Synthesis and Thematic Progression

Together, these five themes illustrate how value co-creation for sustainability evolves from transactional compliance to shared, adaptive collaboration within the South African grocery retail ecosystem. The collective movement toward a shared sustainability logic demonstrates not only institutional alignment but also the emergence of an ecosystem capable of learning, adapting, and co-creating value that benefits multiple stakeholders.

Building on these empirical insights, Chapter 6 integrates the findings with theoretical frameworks and existing literature to explain how sustainable value co-creation is institutionalised, the implications for retail practice, and the broader contributions to theory and management.

The final theme addresses Research Question 3 by examining how sustainability practices evolve from fragmented, compliance-driven initiatives into a shared institutional logic. It captures the early signs of convergence among consumers, employees, and suppliers toward collective understanding and coordination. Representative quotations supporting this theme are provided in Appendix 11, illustrating how cooperation, moral alignment, and adaptive learning contribute to systemic change.

Integrated Findings and Cross-Stakeholder Perspectives

Across the ecosystem, participants expressed growing recognition of shared responsibility for sustainability. Consumers advocated collective action.

“Why don’t the private sector and government come together to look into pricing and promote sustainability?”

framing sustainability as a joint moral enterprise. Employees envisioned new governance structures that could facilitate cooperation:

“If we had a council that regulated retail behaviour to be more positive, it would work, especially in sustainability.”

Suppliers, often positioned at the periphery, articulated a pragmatic vision for systemic integration. They called for joint business planning and collaborative innovation:

“We have to commit to shared objectives and mutually plan who’s going to do what; it should be a proper joint initiative, not token.”

Others highlighted the importance of contextual relevance, noting that sustainability models must reflect local realities rather than imported frameworks. These insights collectively signal an evolution toward an institutional equilibrium where sustainability is understood as relational, contextual, and shared.

Interpretation Through Theory

From a Service-Dominant Logic perspective, this theme represents a maturation of co-creation, where value transcends transactional boundaries and becomes anchored in shared meaning. Institutional Theory frames this as the emergence of a new cognitive pillar: sustainability as “how things are done,” not merely “what must be done.” Through Ecosystem Thinking, this transition reflects the system’s adaptive capacity: as actors align around shared norms and goals, the ecosystem evolves

toward collaborative resilience. Table 7 summarises how the findings of Theme 5 integrate across the three theoretical lenses.

Synthesis and Thematic Progression

Theme 5 demonstrates that sustainability is beginning to function as a unifying logic within the grocery retail ecosystem. While affordability and compliance still shape practice, increasing collaboration and shared purpose signal a paradigm shift toward institutional coherence. This integrative logic marks the transition from fragmented sustainability to collective transformation, paving the way for Chapter 6, which consolidates these insights into a systemic interpretation of sustainable value co-creation in South African grocery retail.

DISCUSSION

6.1 Introduction

This chapter interprets the study's findings within the broader theoretical and empirical context established in Chapter 2. It explores how sustainable retail value co-creation unfolds in the South African grocery ecosystem by linking the emergent themes from Chapter 5 to the foundational theories of Service-Dominant Logic (SDL), Institutional Theory, and Ecosystem Thinking. Where Chapter 5 presented *what* participants revealed about their experiences, Chapter 6 explains *why* these patterns matter, connecting empirical insights to theoretical meaning and prior scholarship.

The chapter is structured to:

1. Provide an overview of the key findings across the five themes.
 2. Interpret these findings through the study's three theoretical lenses.
 3. Position the results within existing literature to highlight areas of convergence and divergence.
 4. Outline the study's theoretical, practical, and managerial implications.
- Through this discussion, the chapter responds directly to the three research questions and demonstrates how co-creation evolves from transactional engagement to an institutionalised, adaptive sustainability logic.

6.2 Overview of Key Findings

The findings reveal that sustainable value co-creation in South African grocery retail is shaped by intertwined economic, institutional, and relational forces that influence how retailers, suppliers, and consumers define and enact sustainability. Five interconnected themes emerged:

Shopping Drivers and Consumer Priorities highlighted that affordability, convenience, and trust dominate consumer decision-making. Sustainability is valued but remains secondary to price and access, reflecting how legitimacy is linked to economic stability rather than environmental or social alignment.

Awareness and Attitudes to Sustainability showed that while sustainability discourse has diffused across the ecosystem, it is driven by compliance and communication

rather than shared conviction. Awareness exists, but its depth varies according to role, resources, and proximity to decision-making power.

Institutional Enablers and Barriers to Co-Creation demonstrated that regulatory frameworks, audits, and retailer-driven policies promote stability but also constrain innovation and supplier autonomy. Institutional mechanisms ensure predictability but often reinforce dependency rather than collaboration.

Legitimacy and the Role of Retailers illustrated how retailers shape moral and operational legitimacy by setting sustainability standards and using compliance to reinforce their influence. Retailers act as both catalysts and gatekeepers of co-creation, legitimising sustainable practices through alignment with brand reputation, trust, and market authority.

Toward a Shared Sustainability Logic reflected a gradual shift from fragmented, compliance-based engagement to collaborative learning and shared purpose. This evolution suggests that sustainability is becoming embedded in the ecosystem's cognitive and normative structures, signalling early institutionalisation of co-creation and adaptive learning among stakeholders.

Collectively, these findings suggest that while sustainability has not achieved full parity with commercial priorities, the foundations for an institutionalised co-creation logic are emerging. This logic is sustained by reciprocal legitimacy, evolving norms, and interdependent learning across the retail ecosystem.

6.3 Theoretical Interpretation

The study's findings demonstrate that sustainable value co-creation within South Africa's grocery retail ecosystem emerges as an institutionalised, adaptive process rather than a linear transactional exchange. This section interprets these findings through the integrated theoretical lenses of Service-Dominant Logic (SDL), Institutional Theory, and Ecosystem Thinking, which collectively explain how co-creation becomes embedded within organisational and societal systems.

6.3.1 Service-Dominant Logic (SDL): Resource Integration and Collaborative Value Creation

From the perspective of Service-Dominant Logic, value is co-created through the integration of operant resources, knowledge, relationships, and capabilities among multiple actors (Vargo & Lusch, 2004; 2015). Chapter 5 illustrated that consumers,

suppliers, and retailers each act as resource integrators within a shared service ecosystem, however the balance of influence remains asymmetrical.

Findings under Theme 1 and Theme 2 show that affordability and awareness drive consumers' perceptions of value-in-use, while retailers and suppliers co-create value primarily through efficiency, compliance, and quality assurance. This dynamic supports Vargo and Lusch's (2015) view that value emerges through contextual integration but extends it by demonstrating that institutional legitimacy rather than consumer utility alone defines value in developing-market ecosystems.

The research therefore deepens SDL by positioning legitimacy as a core dimension of value co-creation in resource-constrained contexts. Where prior studies emphasise relational exchange, this study shows that sustainability is co-created through institutionally mediated relationships, where trust, affordability, and moral alignment shape both participation and perceived fairness. The study also affirms that when communication channels are transparent and collaborative, resource integration evolves from compliance to learning, demonstrating a more mature form of co-creation aligned with SDL's evolutionary intent (Vargo & Lusch, 2015).

6.3.2 Institutional Theory: Legitimacy, Stability, and the Institutionalisation of Co-Creation

Institutional Theory explains how shared norms, values, and rule's structure behaviour and confer legitimacy (Scott, 2008; Greenwood et al., 2011). Within the retail ecosystem, legitimacy operates through coercive, normative, and cognitive mechanisms that stabilise sustainability practices but can also entrench existing power asymmetries.

Findings from Themes 3 and 4 illustrate this duality: retailers use audits, policy frameworks, and incentive systems to enforce compliance, while suppliers and employees interpret legitimacy through alignment with organisational expectations. This reflects coercive and normative pressures characteristic of institutional environments. However, Theme 5 revealed the beginnings of cognitive legitimacy sustainability becoming accepted as "how things are done," signalling early institutionalisation of co-creation.

Within the context of this research, institutionalisation of co-creation describes how sustainability evolves from regulatory compliance to a collectively accepted norm. It denotes the stage at which sustainability practices are internalised, guiding everyday decision-making and shared understanding across the ecosystem.

Institutionalisation occurs when sustainability becomes embedded in daily decision-making, role expectations, and collective sense-making.

This interpretation advances Institutional Theory by framing co-creation as an institutional outcome, not merely an organisational behaviour. It extends Greenwood et al. (2011) by showing that legitimacy within developing retail contexts evolves from regulative compliance toward cognitive alignment, a process catalysed by collaboration, moral trust, and adaptive learning. The findings reveal that as sustainability becomes normalised through repeated interaction, it gains legitimacy not through formal enforcement but through shared meaning and collective practice.

6.3.3 Ecosystem Thinking: Interdependence, Adaptation, and Systemic Learning

Ecosystem Thinking offers a lens for understanding the interdependent and dynamic nature of retail sustainability. Building on Chandler and Lusch (2014), the findings show that the South African grocery sector operates as an evolving system where value is co-created through mutual dependencies and feedback loops.

Evidence from Themes 3 to 5 demonstrates that stability and legitimacy are both functional and limiting: they provide order but constrain rapid innovation. However, as shared sustainability logic emerges, the ecosystem exhibits adaptive learning, stakeholders adjust roles, redistribute resources, and coordinate through shared intent. This aligns with Chandler and Lusch (2014), who describe service ecosystems as adaptive structures sustained through continuous interaction and shared purpose.

By revealing that interdependence both sustains and restricts adaptation, this study contributes to ecosystem scholarship by highlighting the tension between institutional stability and adaptive capacity. It argues that sustainable co-creation in emerging markets requires balancing these two forces, maintaining legitimacy and trust (stability) while enabling experimentation and inclusion (adaptation).

In this way, Ecosystem Thinking provides the connective tissue between SDL's micro-level collaboration and Institutional Theory's macro-level legitimacy processes, illustrating that systemic change is both socially constructed and dynamically maintained.

6.3.4 Integrative Perspective

When viewed together, the three theoretical lenses illuminate how sustainability transitions from a fragmented practice to an institutionalised system of co-creation.

SDL explains how actors engage and integrate resources. Institutional Theory explains why certain practices endure and gain legitimacy; and Ecosystem Thinking explains how the system learns and evolves collectively.

This tri-theoretical interpretation demonstrates that sustainable value co-creation is not a linear outcome, but an emergent, adaptive equilibrium shaped by power, trust, and shared purpose. It extends existing theory by integrating the institutionalisation of co-creation as a distinct phase, where moral legitimacy and collaborative learning reinforce one another to sustain systemic change.

6.4 Comparison with Existing Literature

The findings of this study both reinforce and extend the theoretical foundations presented in Chapter 2. They confirm that value co-creation in retail ecosystems is inherently institutional (Vargo & Lusch, 2015; Scott, 2008) while revealing how such processes manifest in emerging-market contexts where affordability, trust, and power asymmetries dominate. The following discussion synthesises points of convergence and divergence between the current results and the broader body of literature.

6.4.1 Affordability and Legitimacy as Co-Dependent Logics

Chapter 5 showed that South African consumers equate sustainability with affordability and access, illustrating what Dhayal et al. (2023) describe as “value–well-being trade-offs” within sustainable retailing. While global research often assumes environmental awareness precedes behavioural change, this study reveals that economic legitimacy precedes ecological legitimacy. This finding extends Khan et al.,(2022) proposition that triple-bottom-line performance depends on collaborative consumer engagement, showing that in emerging markets, collaboration must first satisfy basic socio-economic stability before environmental outcomes can materialise. It also supports Corley et al.,(2021), who emphasise context-sensitive legitimacy building in complex institutional environments.

6.4.2 Institutional Mechanisms and Power Dynamics

Existing Institutional Theory literature highlights how regulative, normative, and cognitive pillars create stability but can also constrain innovation (Scott, 2008; Bitektine & Haack, 2015). This study empirically demonstrates that dynamic: retailer-driven audits and compliance mechanisms establish predictability but marginalise

smaller suppliers. Unlike Western-based studies that view institutionalisation as efficiency-enhancing (Greenwood et al., 2011), the South African case reveals how coercive pressures sustain dependency rather than reciprocity. This divergence contributes to emerging discussions on institutional pluralism and local adaptation (Greenwood et al., 2011), showing that legitimacy processes in developing economies are negotiated rather than assumed.

6.4.3 Co-Creation and Adaptive Learning within Ecosystems

Consistent with Chandler and Lusch (2014) and Vargo and Lusch (2015), the study finds that retail ecosystems operate as adaptive systems sustained through ongoing interaction and shared meaning. However, the findings extend this view by showing that interdependence functions as both a stabilising and constraining force. Collaboration enhances trust and coordination across the value chain, but excessive formalisation and compliance can suppress experimentation and innovation. This study therefore contributes to Ecosystem Thinking by demonstrating that adaptive learning and flexibility emerge when legitimacy evolves from regulatory compliance to shared moral purpose. In this way, institutional flexibility becomes as critical as institutional control for sustaining co-creation within the South African grocery retail ecosystem.

6.4.4 Emergent Institutionalisation of Co-Creation

The results confirm Vargo & Lusch's (2015) claim that markets operate as service ecosystems governed by shared rules and meanings, but they also highlight a unique mechanism of institutionalised co-creation. Here, sustainability becomes embedded through daily interactions, rather than through formal strategy, a process absent in much prior literature. This aligns with recent calls for research on the micro-foundations of institutionalisation (Koskela-Huotari et al., 2023), where legitimacy arises from relational trust and moral reciprocity. Thus, the South African grocery retail ecosystem contributes an important contextual insight: institutionalisation is not imposed top-down but emerges bottom-up as actors collaboratively construct meaning and shared accountability.

Synthesis of Literature Insights

In summary, this study confirms established theoretical tenets while extending them in three ways:

It integrates affordability as a foundational legitimacy condition for sustainable co-creation in emerging markets. It reframes institutionalisation as a co-creative outcome driven by trust, transparency, and adaptive learning rather than coercive compliance. It positions ecosystem interdependence as both a stabilising and transformative force, advancing the intersection of SDL, Institutional Theory, and Ecosystem Thinking. These contributions collectively deepen understanding of how sustainability evolves from rhetoric to routine in complex retail systems, bridging the gap between theory and the lived realities of emerging-market stakeholders.

6.5 Emerging Conceptual Model and Theoretical Extensions

The integration of findings and literature enables the development of an emergent conceptual model (see Figure 1) that depicts how sustainable value co-creation becomes institutionalised within the South African grocery retail ecosystem. The model synthesises the relationships among stakeholder engagement, institutional mechanisms, and adaptive ecosystem learning, showing the progression from transactional interaction to an embedded sustainability logic.

6.5.1 Conceptual Model Overview

The emergent conceptual model (Figure 1) illustrates how sustainable value co-creation becomes institutionalised within the South African grocery retail ecosystem. It captures the interconnections between stakeholder collaboration, institutional mechanisms, and adaptive ecosystem learning, revealing how sustainability evolves from individual or organisational initiatives into shared social meaning and routine practice.

This model builds on the theoretical foundation outlined in Chapter 2, where Service-Dominant Logic (SDL) and Institutional Theory were identified as complementary perspectives for explaining how value is created, legitimised, and sustained through interaction among ecosystem actors. SDL provides insight into the micro-level processes of resource integration, collaboration, and relational value creation, while Institutional Theory explains the macro-level mechanisms, coercive, normative, and cognitive that stabilise and legitimise these practices across the system. Together, these frameworks highlight the dual dynamics of adaptability and stability that underpin co-creation.

The model extends this theoretical base by incorporating Ecosystem Thinking (Chandler & Lusch, 2014), which positions the grocery retail sector as an interdependent system of relationships. It illustrates that sustainability transitions

occur not through isolated corporate action, but through iterative learning and moral alignment among actors who co-create shared norms and collective accountability.

Through this integration, the conceptual model demonstrates that institutionalised co-creation is both a process and an outcome emerging when sustainability becomes embedded in everyday decision-making and reinforced by trust, legitimacy, and adaptive feedback loops across the ecosystem.

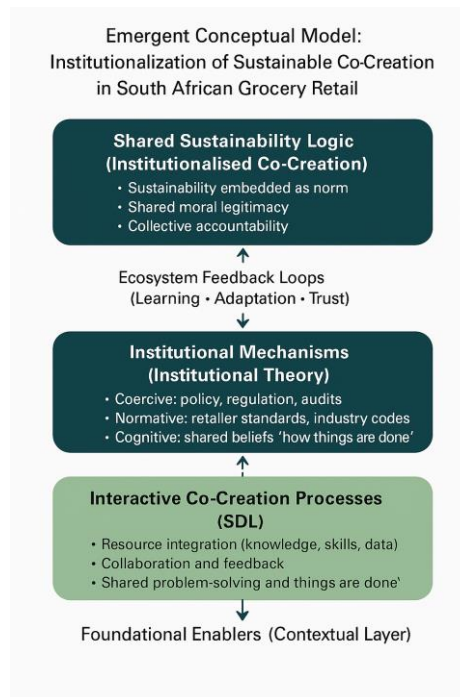


Figure 1: Emergent Conceptual Model of Institutionalised Co-Creation in South African Grocery Retail

6.5.2 Description of Conceptual Model

The model comprises four interconnected layers:

1. Foundational Enablers: affordability, access, trust, and local relevance.
2. Interactive Co-Creation Processes: resource integration, collaboration, shared problem-solving.
3. Institutional Mechanisms : coercive, normative, and cognitive structures that legitimise practice.
4. Shared Sustainability Logic: the institutionalised state where sustainability is embedded as “how things are done.”

Circular feedback loops illustrate the ecosystem's capacity for learning, adaptation, and trust reinforcement.

6.5.3 Theoretical Extensions

Framework	Original Focus	Extension from Findings
Service-Dominant Logic (SDL)	Value is co-created through the integration of resources and relationships (Vargo & Lusch, 2004; 2016).	Extends SDL by positioning legitimacy and trust as central enablers of collaboration. Participants noted that <i>“when we plan together, we find cost savings and new ideas,”</i> illustrating how moral alignment and shared purpose deepen value-in-use.
Institutional Theory	Organisational practices gain legitimacy through regulative, normative, and cognitive mechanisms (Scott, 2008; Greenwood et al., 2011).	Reframes institutionalisation as a co-creative and learning-driven process. As one retailer explained, <i>“All these audits add no value, but you have to do them,”</i> highlighting coercive legitimacy that evolves toward shared understanding through collaboration.
Ecosystem Thinking	Markets function as adaptive systems coordinated by shared meaning (Chandler & Lusch, 2014).	Adds adaptive feedback and trust-building as mechanisms that enable the system to balance stability with innovation. A supplier remarked, <i>“They decide what’s sustainable for us,”</i> capturing the tension between interdependence and limited adaptive capacity.

These extensions demonstrate that sustainable value co-creation is simultaneously relational and institutional: co-creation unfolds through iterative negotiation between legitimacy, capability, and adaptive learning.

6.5.4 Conceptual Contribution

The emergent model advances theoretical understanding in three keyways:

Co-Evolution of Legitimacy and Capability

Sustainable value creation depends on both structural legitimacy and stakeholder capability. Economic and moral legitimacy provide the foundation for collaboration, while transparent engagement enables collective capability development.

Institutionalisation as an Outcome of Co-Creation

The findings show that institutionalisation is not externally imposed but co-constructed. Sustainability becomes routine when shared meaning replaces compliance. One consumer's observation:

"When retailers explain why they change packaging or pricing, it makes you feel part of it."

illustrates how participatory communication fosters cognitive legitimacy.

Ecosystem Learning as a Bridge between Micro and Macro Processes

Continuous feedback and moral alignment connect micro-level collaboration (SDL) with macro-level institutional stability. Adaptive loops ensure that practices remain legitimate and contextually relevant. Sustainable co-creation thus emerges as a living, adaptive system where trust, moral legitimacy, and shared purpose sustain transformation.

6.6 Managerial and Practical Implications

The study's findings translate into actionable guidance for retail leaders, suppliers, consumers, and policymakers committed to embedding sustainability through co-creation.

6.6.1 Retailers: From Compliance to Coordination Leadership

Retailers must shift from enforcing sustainability standards to facilitating coordinated learning by integrating sustainability into strategic planning by aligning KPIs with environmental and social outcomes. Create cross-functional sustainability councils that unite buying, operations, and marketing teams. Establish collaborative forums where suppliers and retailers set mutual goals and review progress. Communicate visibly with consumers, linking affordability and environmental benefits through transparent labelling and storytelling.

6.6.2 Suppliers: From Compliance to Collaborative Partnership

Suppliers should evolve from reactive compliance to proactive partnership by engaging in joint problem-solving and innovation, particularly in packaging and waste reduction. Leverage local expertise to align sustainability practices with community realities. Advocate for co-investment models that reward efficiency and shared risk.

6.6.3 Consumers and Policymakers: Enabling Participatory Sustainability

Consumers seek affordability and meaning, while policymakers shape the enabling environment, the promotion of participatory programmes (e.g., recycling drives, community gardens). Mandate transparent sustainability communication that empowers informed choices. Support incentive schemes that reward retailer, supplier collaboration, and consumer participation.

6.6.4 Cross-Ecosystem Integration

Effective transformation depends on three levels of alignment:

1. Relational: Trust and transparency across actors.
2. Institutional: Consistency between regulation and organisational culture.

3. Systemic: Feedback loops that link micro innovation to macro-outcomes.

These alignments transform sustainability from an obligation into a routine, legitimacy-based system of value creation.

6.7 Theoretical Contributions

This research deepens and integrates Service-Dominant Logic, Institutional Theory, and Ecosystem Thinking, offering a cohesive explanation of how sustainability becomes embedded within retail systems.

6.7.1 Extending Service-Dominant Logic

The study extends SDL by introducing *value-in-trust*, the relational credibility and moral legitimacy that enable actors to integrate resources effectively. Trust emerges as a dynamic operant resource that sustains participation and resilience within partnerships.

6.7.2 Deepening Institutional Theory

Institutional Theory is enriched by conceptualising institutionalised co-creation as a learning-based outcome. Coercive and normative pressures initiate change, but cognitive alignment and moral legitimacy consolidate it. Institutionalisation thus represents a socially co-created equilibrium of values and routines.

6.7.3 Advancing Ecosystem Thinking

Ecosystem Thinking is advanced by identifying adaptive learning as the mechanism linking collaboration and legitimacy. Interdependence both stabilises and constrains the system; sustainability endures when feedback and moral coherence preserve this balance.

6.7.4 Integrative Synthesis

Framework	Traditional Focus	Extension from This Study
SDL	Resource integration and value-in-use	Adds <i>value-in-trust</i> and moral legitimacy as core enabling resources.

Institutional Theory	Compliance, legitimacy, stability	Frames institutionalisation as co-created through learning and shared purpose.
Ecosystem Thinking	System interdependence and coordination	Introduces adaptive feedback as the process sustaining systemic transformation.

Together, these extensions contribute an integrative construct, institutionalised co-creation, which bridges micro-level collaboration and macro-level legitimacy, offering a fresh lens for analysing sustainability in emerging-market retail systems.

6.8 Summary

This chapter linked empirical findings to theory, demonstrating how sustainability in South African grocery retail evolves from transactional compliance to institutionalised co-creation. The emergent conceptual model showed that sustainable value creation depends on balancing legitimacy, trust, and learning through adaptive feedback across the ecosystem. Strategically, the findings call for coordinated action among retailers, suppliers, consumers, and policymakers to embed sustainability as everyday practice. Theoretically, the study advances SDL, Institutional Theory, and Ecosystem Thinking by positioning legitimacy and moral alignment as central to enduring transformation. The next chapter consolidates these insights into overarching conclusions and recommendations, highlighting the study's contributions to knowledge, managerial practice, and future research.

CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

This concluding chapter consolidates the study's key insights and demonstrates how they address the central research problem: understanding how *sustainable retail value* is co-created through collaboration among retailers, suppliers, and consumers in the South African grocery sector. It revisits the study's objectives, summarises findings by research question, presents an integrated synthesis of theoretical and practical contributions, and outlines implications, limitations, and directions for future research.

7.2 Summary of Key Findings

The study was guided by three interrelated research questions.

7.2.1 Stakeholder Understanding and Engagement in Value Co-Creation

Retailers, suppliers, and consumers conceptualise sustainability differently, reflecting their unique positions in the retail ecosystem. Retailers view co-creation through operational efficiency and brand reputation, with sustainability initiatives often driven by compliance rather than shared ownership. Suppliers emphasise the need for trust, transparency, and parity in decision-making but feel constrained by unequal power dynamics. Consumers recognise sustainability's importance but prioritise affordability and convenience.

Together, these findings show that genuine co-creation arises when dialogue and feedback mechanisms are embedded into retailer–stakeholder relationships, translating sustainability from an abstract principle into daily behaviour.

7.2.2 Enablers and Constraints in Value Co-Creation

Co-creation is shaped by a mix of regulative, normative, and cultural-cognitive factors (Scott, 2008). Enablers include policy instruments such as King IV, Extended Producer Responsibility (EPR) regulations, and cultural norms like *Ubuntu*, which encourage inclusivity and collaboration. Constraints include affordability barriers, weak organisational alignment, and limited consumer participation.

These opposing dynamics illustrate that legitimacy and affordability are dual prerequisites for sustainable co-creation. Retailers gain trust not through external audits alone but by ensuring that sustainability initiatives are accessible, transparent, and socially resonant.

7.2.3 Institutionalising Co-Creation within Sustainability Strategy

Co-creation becomes institutionalised when collaboration evolves from isolated projects into embedded organisational practice. This occurs through formal structures (e.g., supplier partnerships, employee training, sustainability-linked KPIs) and cultural alignment (shared meaning and moral legitimacy).

Institutionalisation represents the maturity phase of sustainability, where practices are internalised as norms rather than imposed as requirements. This shift is sustained by adaptive learning, moral legitimacy, and systemic coordination across the retail ecosystem.

7.3 Integrated Theoretical Synthesis

The study bridges Service-Dominant Logic (SDL) and Institutional Theory to show that sustainable value creation is both an interactive and institutional process.

SDL explains how value emerges through resource integration among actors. Institutional Theory explains why such collaboration endures because it aligns with shared norms and legitimacy expectations. By integrating these perspectives, the study demonstrates that sustainability is institutionalised when actors co-create meaning, not just outcomes. Ubuntu (Longweni & Mdaka, 2023) further extends this theoretical bridge, grounding legitimacy in empathy, fairness, and collective well-being.

This synthesis reframes co-creation from a transactional mechanism to a societal process of shared stewardship, where each actor contributes to maintaining the ecosystem's long-term viability.

7.4 Theoretical Contributions

This research contributes to the literature in three important ways:

Extending Service-Dominant Logic (SDL):

By contextualising co-creation in a developing-market environment, the study reveals that value integration depends not only on resource complementarity but also on social legitimacy and affordability.

Advancing Institutional Theory:

The findings highlight how cultural constructs such as Ubuntu (Longweni & Mdaka, 2023) enrich the cultural-cognitive pillar of legitimacy, offering a distinctly African lens for sustainable business practice.

Bridging SDL and Institutional Theory:

The study offers an integrated framework showing that sustainability transitions succeed when micro-level collaboration (resource exchange) aligns with macro-level legitimacy (institutional norms).

7.5 Managerial and Policy Implications

The study's findings hold strong practical relevance for South African retailers and policymakers seeking to embed sustainability within long-term organisational practice. Retailers should institutionalise co-creation within governance structures by systematically incorporating consumer and supplier input into sustainability design, performance metrics, and strategy reviews. Aligning sustainability with affordability is equally critical: eco-friendly products and initiatives must remain accessible to lower-income consumers through pricing innovation and local sourcing. Sustained success also depends on trust and transparency, which can be strengthened through open communication channels and partnerships that reflect shared accountability across the value chain. To support this, retailers should invest in capacity-building, developing employees and suppliers as co-creators by providing the training, skills, and incentives required for enduring collaboration. Finally, organisations are encouraged to leverage cultural legitimacy by drawing on Ubuntu-based values of empathy, fairness, and interconnectedness to embed inclusivity into brand identity and community engagement (Longweni & Mdaka, 2023). Collectively, these managerial actions can transform sustainability from a compliance obligation into an institutionalised, value-creating practice.

7.6 Limitations of the Study

The qualitative approach, while providing depth, limits the generalisability of findings. The study focused on formal retail chains and excluded informal markets where sustainability may manifest differently. Time constraints also limited longitudinal observation of how institutionalisation evolves. Furthermore, while data saturation

was achieved, additional cross-sectoral perspectives (e.g., government or NGO representatives) could further enrich the findings.

7.7 Suggestions for Future Research

Building on the insights of this study, future research should further explore how co-creation can advance sustainability within and beyond South Africa's grocery-retail ecosystem. One promising avenue is the examination of digital co-creation platforms that enable large-scale consumer participation in sustainability initiatives, particularly among younger and lower-income demographics. Comparative research between formal and informal retail sectors could also reveal how inclusive innovation and adaptive practices unfold across different market structures. In addition, longitudinal or mixed-method studies are recommended to trace how institutionalisation processes evolve over time and how legitimacy shifts as co-creation becomes embedded in organisational routines. Finally, quantitative investigations could test relationships between legitimacy, trust, and business performance to empirically validate the qualitative findings presented here. Together, these studies would deepen understanding of how collaborative value creation can drive systemic sustainability transformation across emerging-market contexts.

7.8 Final Reflection and Conclusion

This study concludes that sustainable retail value creation is not achieved through compliance or strategy statements alone, but through the *institutionalisation* of co-creation. When sustainability becomes embedded in everyday practices, driven by trust, affordability, and shared legitimacy, it evolves from a corporate initiative into a collective social commitment.

By linking Service-Dominant Logic and Institutional Theory within the South African retail context, the research contributes both academically and practically to understanding how inclusive, adaptive, and culturally grounded ecosystems can be built. Ultimately, sustainability is strongest when value is co-created with stakeholders, not merely for them.

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APPENDIX 1: CONSISTENCY MATRIX

Research Objective	Research Question	Literature Review Link	Theoretical Framework	Methodology	Expected Contribution
To explore how key stakeholders conceptualise and enact sustainable value co-creation.	RQ1: How do retailers, suppliers, and consumers in the South African grocery retail sector understand and engage in value co-creation for sustainability?	SDL positions value as co-created through interaction, resource integration, and shared meaning within service ecosystems (Vargo & Lusch, 2004, 2016; Prahalad & Ramaswamy, 2004; Chandler & Lusch, 2014). Emerging market gaps highlight affordability and inequality as barriers to inclusive co-creation (Buallay, 2022; Gardiazabal & Bianchi, 2021).	Service-Dominant Logic (SDL)	Interpretivist, qualitative design using semi-structured interviews with retailers, suppliers, and consumers; thematic analysis to interpret shared meanings.	Extends SDL by illustrating how value is co-created under affordability constraints and socio-economic complexity, contextualising service ecosystems in emerging markets.
To identify institutional enablers and barriers influencing sustainable co-creation.	RQ2: What institutional conditions enable or constrain sustainable value co-creation among retailers, suppliers, and consumers?	Institutional Theory explains how regulative, normative, and cultural-cognitive structures shape organisational legitimacy and participation (Scott, 2008; Bitektine & Haack, 2015; Greenwood et al., 2011). Barriers include institutional complexity, power asymmetry, and limited inclusivity (Ivanov, 2024; Tadajewski & Jones, 2020).	Institutional Theory	Semi-structured interviews triangulated across stakeholder groups; thematic coding to identify institutional pressures and legitimacy patterns.	Identifies institutional enablers (trust, shared norms, collaborative alignment) and barriers (regulatory burden, cost pressures, legitimacy gaps) influencing sustainability adoption.
Research Objective	Research Question	Literature Review Link	Theoretical Framework	Methodology	Expected Contribution

To understand how co-creation practices become institutionalised and legitimate within retail ecosystems.	RQ3: How can co-creation strategies be institutionalised to create legitimate, inclusive, and sustainable value in South African grocery retail?	Literature highlights the integration of SDL and Institutional Theory as essential for understanding how co-creation becomes embedded through shared norms and legitimacy (Jaakkola et al., 2024; Koskela-Huotari et al., 2023; Vargo, Wieland & Koskela-Huotari, 2023). Ubuntu-based legitimacy adds cultural grounding to sustainability adoption (Longweni & Mdaka, 2023).	Integrated SDL and Institutional Th		
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APPENDIX 2: ETHICAL CLEARANCE

GIBS ETHICAL CLEARANCE APPLICATION FORM 2025/26

G. APPROVALS FOR/OF THIS APPLICATION

When the applicant is a student of GIBS, the applicant must please ensure that the supervisor and co-supervisor (where relevant) has signed the form before submission

STUDENT RESEARCHER/APPLICANT:

29. I affirm that all relevant information has been provided in this form and its attachments and that all statements made are correct.

Student Researcher's Name in capital letters: ASHNEE PILLAY

Date: 17 Aug 2025

Supervisor Name in capital letters: KERRY CHIPP

Date: 17 Aug 2025

Co-supervisor Name in capital letters:

Date: 17 Aug 2025

Note: GIBS shall do everything in its power to protect the personal information supplied herein, in accordance to its company privacy policies as well the Protection of Personal Information Act, 2013. Access to all of the above provided personal information is restricted, only employees who need the information to perform a specific job are granted access to this information.

Decision:

Approved

REC comments:

Date: 18 Aug 2025

APPENDIX 3: INFORMED CONSENT FORM

Consent form for participation in research study.

Study title: *Sustainable Retail value creation through co-creation – A South African grocery retailer perspective.*

Dear Participant,

I am currently studying at the University of Pretoria's Gordon Institute of Business Science (GIBS), where I am completing my research in partial fulfilment of a Master of Business Administration (MBA). As part of this research, I would like to invite you to participate in an interview by responding to a set of questions aimed at better understanding sustainable retail value creation through co-creation, particularly within the grocery retail sector in South Africa.

The interview will take approximately 60 minutes and may be conducted face-to-face or via online platforms such as Microsoft Teams, Zoom, or Google Meet, depending on your preference and availability. With your permission, the interview will be recorded for transcription and analysis purposes. You will be asked questions based on your experiences, perceptions, and opinions. All data collected will be reported and stored in a way that protects participant identities.

Participation in this interview is entirely voluntary, and you may choose to withdraw at any time without any penalty. All data will be reported without identifiers. By agreeing to participate in this interview and signing the consent form, you acknowledge that you understand the information provided and voluntarily consent to take part in the study. In order to analyse your answers later today, will you allow me to record our conversation (YES / NO)?

If you have any questions or concerns about the study or your participation, please do not hesitate to contact me or my supervisor.

Researcher: Ashnee Pillay

Supervisor: Kerry Chipp

Email: Ashneepillay72@gmail.com

Email: chippk@gibs.co.za

Telephone: +27 82 658 0362

Telephone: +27 82 330 8759

Signature of Researcher:		Signature of Participant:	
Date		Date:	

APPENDIX 4: INTERVIEW GUIDE MANAGERS AND EMPLOYEES OF GROCERY RETAIL IN SOUTH AFRICA

Introductory Script

Thank you for agreeing to take part in this interview. I am interested in your experiences and views on how grocery retailers work with customers and suppliers to create value, particularly in ways that support sustainability. There are no right or wrong answers, I am here to learn from your perspective.

Your participation is voluntary, and you can stop at any time. Everything you share will be kept confidential, and your name will not appear in the report. The interview should take about 30–60 minutes. I would like to record our chat, with your permission, just to make sure I capture your words accurately.

Do you have any questions before we start?

Section A: Background Information	
1.	Can you tell me about your role and how long you have worked in grocery retail? Probe: What does a typical day look like for you?
2.	How much are you involved in planning, strategy, or sustainability work in your store or department? Probe: Can you give an example of a project you have worked on?
Section B: Working together to create value	
3.	When you think about working together with customers or suppliers to improve products and services, what comes to mind? Probe: How would you explain it to someone who does not work in retail?
4.	Can you give an example of how your store or department has worked with customers or suppliers to create value together? Probe: What was the result? What made it work well?
Section C: Sustainability Integration	
5.	How does your organisation bring sustainability into the way it works with customers or suppliers?

	Probe: Is this more about the environment, social issues, or both?
6.	Are there examples where working together with others has helped achieve sustainability goals? Probe: Can you give a specific example?
Section D: Enablers and Constraints	
7.	Inside the organisation, what things (like leadership, training, systems) make it easier to work with customer or suppliers? Probe: Is there a process or culture that supports it?
8.	What challenges or obstacles have you faced when trying to work with customers or suppliers on joint projects? Probe: Are these challenges more internal (within the company) or external (outside factors)?
Section E: Institutional Factors	
9.	How do company policies or industry rules affect the way you work with customers or suppliers? Probe: Can you share an example where a rule helped or made things harder?
10.	At your store or regional level, how much freedom do you have to try new ways of working with customers or suppliers? Probe: Can you give an example?
Section F: Strategic Recommendations	
11.	What changes would make it easier for your store or department to work closely with customers or suppliers? Probe: Would these changes need approval from higher management?
12.	What role do you think grocery retailers should play in driving sustainability through collaboration (working with others)? Probe: Who else should be involved?

APPENDIX 5:INTERVIEW GUIDE: SUPPLIERS TO FORMAL RETAILERS (E.G., FMCG OR PRODUCE SUPPLIERS)

Introductory Script

Thank you for agreeing to this interview. I am looking to understand how suppliers can work with grocery retailers to create value together, especially when it comes to sustainability. Your perspective will help us see what works well, what challenges exist, and what could be improved.

Participation is voluntary; you can skip questions or stop at any time. This conversation will be kept confidential, and your name will not appear in any reports. I would like to record our chat, with your permission, just to make sure I capture your words accurately.

Do you have any questions before we start?

Section A: Business Background	
1.	Can you tell me about your company and how you work with formal grocery retailers in South Africa? Probe: How long have you been supplying them?
2.	What products or services do you supply, and to which types of retailers? Probe: Do you work with more than one retail chain?
Section B: Value Co-Creation Experience	
3.	When you think about working together with retailers to improve products, services, or processes, what comes to mind? Probe: What does a “good partnership” look like to you?
4.	Can you share a story about a time you worked successfully with a retailer? Probe: What were the key factors for success?
Section C: Sustainability and Collaboration	

5.	Have retailers involved you in projects related to sustainability (for example, reducing packaging, managing waste, or improving sourcing)? Probe: How often do these conversations happen?
6.	When you are involved, how do you and the retailer usually work together on these projects? Probe: Who usually leads the process?
Section D: Opportunities and Challenges	
7.	What are the biggest challenges when working with retailers on joint projects? Probe: Are these challenges related to time, resources, or communication?
8.	Are there any systems or processes that make collaboration easier? Or harder? Probe: Can you give an example?
Section E: Institutional and Power Dynamics	
9.	How do retailer policies, buying power, or priorities affect your partnership? Probe: Have you had to change your approach because of retailer demands?
10.	Are there common industry or “the way things are usually done” that help or block collaboration? Probe: Can you give a specific example?
Section F: Recommendations	
11.	What could retailers do to better support suppliers in creating sustainable value together? Probe: Would this require changes in policy, system, or relationships?
12.	What advice would you give to a new supplier who wants to build a strong, long-term partnership with a retailer? Probe: What mistakes should they avoid?

APPENDIX 6: INTERVIEW GUIDE: CONSUMERS (URBAN AND PERI-URBAN SHOPPERS)

Introductory Script

Thank you for taking part in this interview. I am interested in hearing about your shopping habits and how you see your role in helping grocery stores create value, especially when it comes to sustainability. There are no right or wrong answers, I am here to understand your personal views and experiences.

You do not have to answer anything you're not comfortable with, and you can stop at any time. Your responses will stay anonymous. I'd like to record our chat, with your permission, just to make sure I capture your words accurately.

Do you have any questions before we start?

Section A: Shopping Behaviour	
1.	Where do you usually shop for groceries, and why do you choose those stores? Probe: What makes that store better than others for you?
2.	How often do you shop, and what's most important when you decide where to shop (price, location, quality, service, etc.)? Probe: Has this changed over time?
Section B: Understanding and Participation	
3.	What does it mean to you when a store asks customers to get involved in decisions or improvements? Probe: Have you ever taken part in things like surveys, loyalty programmes, or product trials?
4.	Have you ever been asked by a store to share your opinion or take part in a project? Probe: What was that experience like for you?
Section C: Sustainability Perception	
5.	When you choose where to shop, do you think about things like the environment, waste, or fair sourcing?

	Probe: Can you give an example?
6.	Can you share a time when a retailer made you feel you were helping to make a positive change? Probe: How did that affect your opinion of the store?
Section D: Barriers and Expectations	
7.	What makes it easy for you to get involved with a store beyond just buying products? Probe: Can you share an example of a store that makes this easy?
8.	What makes it harder for you to get involved? Probe: Is it time, lack of information, or something else?
Section E: Future Engagement	
9.	What role do you think customers should play in how grocery stores operate or choose suppliers? Probe: How much influence should customers have?
10.	What changes would make you more likely to support a store's sustainability goals? Probe: Would you be willing to pay more, change habits, or join events?

APPENDIX 7: REPRESENTATIVE QUOTATIONS SUPPORTING THEME 1 - SHOPPING DRIVERS AND CONSUMER PRIORITIES

Stakeholder Group	Codes	Representative Quotation (verbatim)	Interpretation	Relevance
Consumer	Convenience	“Unfortunately, that’s the world we live in, where time is of an essence. So, when a retailer makes it possible for you to contribute to society in a meaningful way... I appreciate it.”	Convenience operates as both a time-saving and moral enabler; value arises from ease and embedded social purpose.	Core
Consumer	Affordability Constraints	“Because the moment when we make them on a premium, it means we’re only speaking to the few who can afford. What about the rest?”	Reveals structural inequality restricting inclusive co-creation; affordability functions as an institutional constraint.	Core
Consumer	Economic Context	“High unemployment rate, so meaning that a lot of people can’t afford all these premium products.”	Positions affordability within South Africa’s socio-economic context; adds depth to behavioural explanations.	Supporting
Employee	Price Sensitivity	“Yeah, and from a customer point of view, she just wants safe, quality food at an affordable price.”	Affordability acts as a coercive legitimacy logic guiding retail pricing and operations.	Core
Employee	Moral Equity and Social Fairness	“Retailers should drop margins a bit; everyone deserves to eat healthy products regardless of income.”	Expresses normative awareness of fairness but limited structural power to implement change.	Supporting
Supplier	Affordability and Price Sensitivity	“That cost needs to be added somewhere along the line... in a price-sensitive market where economies are varying and dropping.”	Demonstrates coercive market pressure; sustainability constrained by fluctuating costs.	Core
Supplier	Power and Value Distribution	“Overseas influences have shaped retail in South Africa that they take a lot of profit.”	Reveals structural asymmetry in value distribution across the retail ecosystem.	

APPENDIX 8: REPRESENTATIVE QUOTATIONS SUPPORTING THEME 2 - AWARENESS AND ATTITUDES TO SUSTAINABILITY

Stakeholder Group	Codes	Representative Quotation (verbatim)	Interpretation	Relevance
Consumer	Sustainability Awareness	“Woolworths stopped providing plastic packets and made us start using those little woven bags, which makes us realise the kind of impact we were having on something as small.”	Demonstrates normative influence (Scott, 2008); retailer-led cues embed moral awareness into routine shopping behaviour.	Core
Consumer	Willingness to Pay	“Willing to pay a small premium.”	Reflects conditional moral intent; consumers support sustainability when it aligns with affordability and convenience.	Peripheral
Employee	Performance Incentives	“Inclusion of sustainability goals with bonus performance targets... if you are out of line, you lose marks.”	Indicates how sustainability awareness is operationalised through performance metrics; builds compliance but limits intrinsic motivation.	Supporting
Employee	Legislative Awareness	“That is when there would be a bigger push from Pick n Pay and other retailers to actually comply.”	Shows that sustainability awareness increases when formal regulation or external accountability mechanisms exist.	Supporting
Employee	Education and Influence	“Ensuring that we've got the right products on the market and also ensuring that we are using our platforms to educate. We are a very strong channel for customers.”	Demonstrates retailers' potential to shape consumer awareness through communication and in-store education.	Supporting

Stakeholder Group	Codes	Representative Quotation (verbatim)	Interpretation	Relevance
Supplier	Sustainability Intent vs Feasibility	"The intent to try and do sustainability things is very good... but people are so focused on just reaching their KPIs that not all of it gets thought through properly."	Illustrates the tension between awareness and implementation; sustainability intent is high but constrained by operational priorities.	Core
Supplier	Local vs Global Learning	"International exposure in Africa, America, Europe... we must implement solutions that are workable for us and not just try and say."	Highlights critical awareness that sustainability must reflect local realities rather than global imitation.	Core
Supplier	Moral Motivation	"We have to work for the future, and we want to ensure our kids still have a great green planet to live on."	Represents strong personal-level moral awareness driving sustainability engagement.	Supporting

APPENDIX 9: REPRESENTATIVE QUOTATIONS SUPPORTING THEME 3 – INSTITUTIONAL ENABLERS AND BARRIERS TO CO-CREATION

Stakeholder Group	Codes	Representative Quotation (verbatim)	Interpretation	Relevance
Consumer	Consumer Influence	"I think customers are really the driving force. If customers become responsible and we push back because it's our money... we can have a say in terms of how we spend it and what effect, it has."	Highlights consumers' belief in their ability to influence institutional norms and retail practices; reflects micro-level institutional entrepreneurship.	Core
Consumer	Collaborative Responsibility	"So why don't the private sector and the government come together to look into pricing and promote sustainability in these products?"	Demonstrates perceived need for institutional collaboration between business and government to enable inclusive sustainability.	Supporting
Employee	Compliance and Risk Management	"No, it makes it much harder to do business... but it's ensuring that we comply. From a health and safety risk perspective, it's really important we do comply."	Illustrates coercive institutional pressures that enforce compliance and stabilise legitimacy but inhibit agility.	Core
Employee	Organisational Siloes	"Retail is more silo focused... as long as my targets are met."	Shows how internal fragmentation limits systemic co-creation; demonstrates institutional inertia.	Core

Stakeholder Group	Codes	Representative Quotation (verbatim)	Interpretation	Relevance
Employee	Sector Collaboration	"Absolutely. It would make us much more... one voice talking into suppliers, whereas at the moment everybody's trying to do their own thing."	Identifies potential for institutional cooperation as an enabler of shared value creation.	Supporting
Employee	Competitive Culture	"Because retail by nature is highly competitive... I will not collaborate... that's why there's no sectorial collaboration."	Reveals normative and structural barriers where competition overrides sustainability collaboration.	Core
Employee	Infrastructure Constraints	"I think infrastructure can sometimes be an inhibitor because they don't have the infrastructure that you're looking for... it makes process complicated."	Demonstrates how structural and technological limitations hinder co-creation capacity.	Supporting
Supplier	Audit and Compliance Pressure	"There's a lot of losses in supplying retail and all these audits are good, but sometimes there's things in audits that actually add no value, but you just have to do it because that's the audit."	Reflects coercive legitimacy mechanisms that ensure formal accountability but stifle innovation and collaboration.	Core
Supplier	Communication and Geography Gaps	"Supplier bases are very wide... having most of the head office sitting in Cape Town... I do not think those people have a full understanding of what happens on the other side of the country."	Highlights spatial fragmentation and weak feedback systems as barriers to ecosystem learning.	Supporting

Stakeholder Group	Codes	Representative Quotation (verbatim)	Interpretation	Relevance
Supplier	Collaborative Engagement and Voice	"We seldom get involved... we can work much more closely together to come up with great solutions because we know what we can offer."	Underscores the need for mutual participation; co-creation potential exists but is constrained by power asymmetry.	Supporting
Supplier	Joint Planning and Shared Objectives	"We have to identify what those are. We have to then commit to shared objectives and mutually plan who's going to do what... it should be a proper joint initiative, not token."	Articulates joint business planning as an institutional enabler; demonstrates value of formalised collaboration.	Core
Supplier	Institutional Support	"If the industry body, like CGCSA, tried to build that and they did it collectively across all manufacturers and retailers... it would work better."	Suggests institutional bodies can mediate competition and create sectoral alignment.	

APPENDIX 10: REPRESENTATIVE QUOTATIONS SUPPORTING THEME 4 – LEGITIMACY AND THE ROLE OF RETAILERS

Stakeholder Group	Codes	Representative Quotation (verbatim)	Interpretation	Relevance
Consumer	Sustainability Awareness	“Woolworths stopped providing plastic packets and made us start using those little woven bags, which makes us realise the kind of impact we were having on something as small.”	Demonstrates how retailer-led initiatives shape moral legitimacy; consumers attribute ethical credibility to visible sustainable practices.	Core
Employee	Compliance and Risk Management	“No, it makes it much harder to do business... but it’s ensuring that we comply. From a health and safety risk perspective, it’s really important we do comply.”	Reflects coercive legitimacy; compliance becomes a visible signal of responsibility and risk management.	Supporting
Employee	Profit Orientation	“Constraining factors, I’d say for me, we would be chasing profits more than taking care of our environment.”	Reveals dominance of market logic; financial performance legitimises operations even when environmental priorities are sidelined.	Core
Employee	Performance Incentives	“Inclusion of sustainability goals with bonus performance targets... if you are out of line, you lose marks.”	Shows how legitimacy is operationalised through measurable targets; creates symbolic adherence rather than transformative commitment.	Supporting

Stakeholder Group	Codes	Representative Quotation (verbatim)	Interpretation	Relevance
Employee	Price Sensitivity	"Yeah, and from a customer point of view, she just wants safe, quality food at an affordable price."	Demonstrates how economic legitimacy derives from meeting affordability expectations; reinforces price-led trust.	Core
Employee	Moral Equity and Social Fairness	"Retailers should drop margins a bit; everyone deserves to eat healthy products regardless of income."	Reveals moral awareness among employees; ethical legitimacy remains aspirational and constrained by hierarchy.	Supporting
Supplier	Audit and Compliance Pressure	"There's a lot of losses in supplying retail and all these audits are good, but sometimes there's things in audits that actually add no value, but you just have to do it because that's the audit."	Illustrates legitimacy maintenance through procedural compliance; reinforces symbolic conformity rather than learning.	Core
Supplier	Power and Value Distribution	"Overseas influences have shaped retail in South Africa that they take a lot of profit."	Highlights power asymmetry; legitimacy is centralised among dominant retail actors who shape norms and extract disproportionate value.	Core
Supplier	Local vs Global Adaptation	"We must be careful that we don't just blindly follow what Europe is doing because... it's not necessarily going to serve the best interest of South Africa in our development objectives."	Reflects cognitive legitimacy concerns; global standards gain acceptance only when locally contextualised.	

APPENDIX 11: REPRESENTATIVE QUOTATIONS SUPPORTING THEME 5 – TOWARD A SHARED SUSTAINABILITY LOGIC

Stakeholder Group	Codes	Representative Quotation (verbatim)	Interpretation	Relevance
Consumer	Collaborative Responsibility	“So why don't the private sector and the government come together to look into pricing and promote sustainability in these products?”	Reflects early movement toward collective sustainability logic; consumers recognise co-responsibility between institutions.	Supporting
Employee	Sector Collaboration	“Absolutely. It would make us much more... one voice talking into suppliers, whereas at the moment we are fighting, you know, everybody's trying to do a little bit of their own thing.”	Suggests potential emergence of shared sustainability purpose through coordinated action.	Supporting
Employee	Industry Body Potential	“If it is only in the area of sustainability and we have a council or a body that controls or regulates retail behaviour to be more positive, I think it'll work.”	Demonstrates belief in institutional mechanisms as enablers of shared legitimacy and unified sustainability action.	Supporting
Employee	Moral Equity and Social Fairness	“Retailers should drop margins a bit; everyone deserves to eat healthy products regardless of income.”	Highlights moral awareness evolving into normative alignment — early indication of shared sustainability logic.	Supporting
Supplier	Sustainability Intent vs Feasibility	“The intent to try and do sustainability things is very good... but people are so focused on just reaching their KPIs that not all of it gets thought through properly.”	Shows cognitive awareness of sustainability principles but fragmented operational logic; represents transitional phase toward shared meaning.	Core

Stakeholder Group	Codes	Representative Quotation (verbatim)	Interpretation	Relevance
Supplier	Local vs Global Adaptation	"We must be careful that we don't just blindly follow what Europe is doing because... it's not necessarily going to serve the best interest of South Africa in our development objectives."	Demonstrates contextual sustainability thinking; global ideals are reinterpreted locally, advancing shared institutional understanding.	Core
Supplier	Collaborative Engagement and Voice	"We seldom get involved... we can work much more closely together to come up with great solutions because we know what we can offer."	Highlights the potential of inclusive co-creation and shared problem-solving as building blocks of sustainability logic.	Supporting
Supplier	Joint Planning and Shared Objectives	"We have to identify what those are. We have to then commit to shared objectives and mutually plan who's going to do what... it should be a proper joint initiative, not token."	Exemplifies higher-level integration; illustrates movement from fragmented collaboration to shared institutional purpose.	Core
Supplier	Institutional Support	"If the industry body, like CGCSA, tried to build that and they did it collectively across all manufacturers and retailers... it would work better."	Suggests that coordinated governance and institutional infrastructure can reinforce a shared sustainability logic.	