

Co-creation at the base of the pyramid

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The concept of co-creation has a central role in base of the pyramid (BOP) literature. Already in 2004, Prahalad framed co-creation as a key in unlocking the opportunities at BOP markets. Since then, co-creation between multinational companies, poor people, potential business partners, nonprofit organizations and other actors has been widely called for in shaping products, services, business models, mindsets, business ecosystems and even whole communities at BOP markets. Companies entering BOP markets are given advice to engage in “deep dialogue” and direct personal relationships between nonprofit workers and community leaders.

This paper reviews literature on business initiatives at BOP and on cross-sector partnerships, highlighting the lessons learned and the gaps that still exist. I find relatively solid answers to what and why questions – what co-creation stands for and why it is particularly important at BOP markets. In contrast, the how question – how can MNCs encourage co-creation – is almost unexplored. Further, scholars' are divided over whether MNCs have the capabilities that co-creation requires.

Introduction

Business literature has long celebrated the benefits of stakeholder engagement. In his seminal book *Strategic Management: A Stakeholder Approach* (1984), Edward Freeman highlighted the need for firms to engage with their stakeholders in order to understand their environments and be sensitive to rising challenges and opportunities. His key argument was that engagement should not be limited to groups who can affect the company, but also be extended to those who are affected by its operations. Soon afterwards, Eric Von Hippel (1986) emphasized the role of customer input in product development. Today, product developers are encouraged not only to seek feedback from lead users but actually embrace consumer-created concepts and products (Grassmann, 2006; Von Hippel, 2001).

For multinational corporations that seek entry to poor markets in developing countries, tight collaboration and co-creation with stakeholders may be even more essential. For example Ted London and Stuart L. Hart (2004) have found engagement with non-traditional partners a crucial factor in ensuring the financial sustainability of business initiatives at BOP markets. They see that non-profit organizations, community groups and local governments can offer MNCs vital knowledge, legitimacy and financial resources.

The emphasis of co-creation has indeed gained considerable ground among BOP researchers and practitioners (Nakata, 2011). It is now commonly called for in shaping products, services, business models, mindsets, markets and even the whole innovation ecosystem at BOP markets (Gradl and Jenkins, 2011; Sanches, Ricart and Rodriguez, 2006; Seelos and Mair, 2006; Simanis and Hart, 2008).

However, BOP scholars have often used the concept of co-creation merely in passing. “While authors draw on a wide variety of terms stemming from the fields of strategic management, international business, innovation, and economic development, such as - - 'partnerships', 'business models' [and] 'co-creation' - -, these terms are generally used with little precision and no real theoretical grounding, note Kolk, Rivera-Santos and Rufin (2010: 13) after a general review of BOP literature.

Further, it is not clear that the call for MNC-led co-creation processes at BOP contexts is realistic. Collaboration between organizations that follow different institutional logics is always challenging. “People are talking in different languages. - - The nonprofit sector is based more generally on process and principle, and the profit sector is based on products and profit. ... It's like sleeping with the devil,” one collaborator has described to Berger, Cunningham and Drumwright (2004: 61). In addition, co-creation with poor people is complicated by the inequality of resources and power, which pervades poor communities. Peter Newell (2005: 556) finds that “notions of partnership and the equity between stakeholders they imply make little sense [in BOP settings]. - - Assumptions of bargaining and consensus seem distant and unrealistic in the light of the politics of conflict and clashes of fundamental interests”.

This difference of views among researchers makes co-creation an interesting research topic. What does co-creation actually stand for? Is it essential for doing business at BOP markets? What does it entail in practice? And essentially, is co-creation between MNC's and poor people at BOP markets feasible? In this literature review, I will cover each of these questions in turn. My aim is to clarify and solidify the concept of co-creation at BOP settings by reviewing the brief and disparate references made to it in BOP literature as well as relevant studies on innovation and partnerships.

Co-creation at BOP markets is a topical research question. The vision of profitable and welfare enhancing business at base of the pyramid markets is only a decade old (Prahalad and Hart, 2002). It is gaining increasing attention among MNCs that worry about the slowdown of economic growth at the world's wealthiest markets. The last decade has also seen a considerable “partnership boom” among companies, NGOs and public actors (Kourula and Laasonen, 2010; Rein and Stott, 2008).

Data and methodology

It has not been a straightforward matter to decide which articles to include in this review. Co-creation as a concept is utilized in several fields of academic research. In the end of May 2012, search words "co-creation" and "cocreation" brought up 318 unique and peer-reviewed journal articles from EBSCO databases. A review of the titles and abstracts of these articles suggests, however, that a majority of these articles are not relevant for a study of company – civil society co-creation at poor markets, as a great many of these articles discuss such issues as business-to-business interaction, online communities or brand co-creation. Because many authors have highlighted NGOs as essential partners in co-creation at BOP settings, I limited the search to those articles that also contain the word nonprofit or nongovernmental. This, however, only yielded two relevant peer-reviewed journal articles.

Some prominent authors have suggested that the literature on cross-sector partnerships could yield relevant lessons for BOP literature. "Cross-sector partnerships literature - - which investigates private-nonprofit, private-public, and tripartite partnerships in the development area - - [is] essentially ignored, in spite of the fact that the dynamics, objectives, stages and effectiveness of partnerships investigated in this literature could most importantly inform the BOP literature", deplore Kolk, Rivera-Santos and Rufin (2010: 13). Accordingly, I sought to include relevant articles from the cross-sector partnership literature. Search words cross-sector partnership and nonprofit or nongovernmental bring 17 unique, relevant and peer reviewed journal articles, which I included in the review.

Also, EBSCO databases included 119 articles with both partnership and nonprofit or nongovernmental in their subject terms. A review of the titles and abstracts of these articles suggests that 34 of these articles are relevant for a study of company – civil society co-creation at poor markets, so I also included these 34 articles in the review.

Further, in mid June 2012 search words "base of the pyramid" and "bottom of the pyramid" brought up a total of 194 unique, articles published academic journals or Harvard Business Review and related to doing business at BOP markets. A review of the titles and abstracts of these articles suggests that 14 of these articles are relevant for a study of company – civil society co-creation at poor markets.

In total, this article hence reviews 67 articles published in academic journals or Harvard Business Review.

What co-creation?

The concept of co-creation has its roots in a study of customer participation in production. This research was kicked off by Christopher H. Lovelock and Robert F. Young (1979), who identified customer participation in service production as a potential source of productivity gains. The productivity argument gained support from several authors, and in late 1980s and 1990s other advantages, such as better quality, customer satisfaction and differentiation, were gradually acknowledged as well (Bendapudi and Leone 2003). One of the early definitions of co-production was offered by Solveig Wikström in 1996 (p. 362): "I define co-production (collaboration, consumer co-operation, etc.) as company-consumer interaction (social exchange) and adaptation for the purpose of attaining value". In a widely-cited article, Firat and Venkatesh (1995) argued that modernist thinking creates a distinction between production and consumption, while postmodernism provides a basis for understanding a greater consumer role in production as well as consumption.

The concept of co-creation itself was introduced by C. K. Prahalad and Venkat Ramaswamy in a Harvard Business Review article in 2000 and elaborated further in a 2004 article entitled "Co-creation experiences: the next practice in value creation". They argue that value will be increasingly co-created by a firm and its customers, as customers are empowered by improving communication technology and practices. For them, co-creation implies joint creation of

commodities and also a new understanding of buying as part of an experience rather than a mere transaction.

Also in 2004, Vargo and Lusch published an influential paper on the service-dominant logic of marketing. In their view, the adaptation, use and maintenance of goods by customers is an integral part of value-creation in goods production. As such, they state that "the customer is always a co-creator" (2006: 44). They oppose the goods-dominant logic and its emphasis of "efficiency", which makes little space for customer interaction before the sale.

Since then, literature on co-creation has flourished. New related concepts have also been coined and extensively used, including crowdsourcing, introduced by Jeff Howe in 2006, and open innovation, promoted by Henry Chesbrough (2003) as well as Don Tapscott and Anthony D. Williams's (2006). The principles of co-creation have been widely tested by such companies as Nike, Converse, Nokia, IBM and Linux. Importantly, co-creation is no longer considered an affair between customers and corporations only, but can involve the entire network of current and potential business partners, financiers, officials, researchers, employees, nonprofit organizations and community groups (Ramaswamy and Guillart, 2010; Gradl and Jenkins, 2011).

In today's BOP literature, the concept of co-creation has a rather wide meaning in terms of its objectives and depth. The *objective* of co-creation may be product or service development, but it can equally well be the development of a new business model, corporate mindset, business ecosystem, or the whole community.

The importance of co-creating business models was first noted by London and Hart (2004). They found that successful BOP ventures "often included having the product and business model development co-evolve. Partner organizations co-designed the entry strategy, including the delivery of the product or service" (p. 14). For example CEMEX, a retailer of cement, concrete and aggregates, learned from poor Mexican people that to serve the local DIY home-building market, they would have to financing and construction training as well as materials (Sanchez, Ricart and Rodriguez, 2006). Nike, on the other hand, tried to rely on its traditional distribution channels in selling its World Shoe line to low-income customers in China. These customers, however, very rarely found their way into the large retail stores in major metropolitan areas (Sanchez, Ricart and Rodriguez, 2006).

The need to co-create new corporate mindsets has also been highlighted by London and Hart (2004). Indeed, they describe the traditional mindset of MNCs as an imperialist and impoverished one: MNCs seek to sell their existing products to elites, expecting them to look, act and 'develop' like Westerners. Poor people are very rarely seen as potential co-creators, partners or resourceful entrepreneurs. This mindset, London and Hart believe, can change, when a company engages in co-creation at BOP markets.

Companies may also hope to influence the wider business ecosystem around them. Gradl and Jenkins (2011) suggest that companies can do this by deliberately and strategically engaging with other companies, governments, intermediaries, influential individuals, NGOs, donors and other relevant stakeholders, whose actions determine whether or not the business succeeds. They recommend awareness raising and capacity building to consumers, information-sharing, interaction, public policy dialogue and creation of relevant associations, institutions and companies in order to help ecosystems evolve. For example the telecommunications company Telenor, in partnership with the Grameen bank, has managed to shape the business ecosystem in Bangladesh by negotiating access to publicly constructed infrastructure, raising people's skills in entrepreneurial use of mobile phones and building up the size of the middle class (Seelos and Mair, 2006). Similarly, the packaging and processing systems company Tetra Pak and public actors have implemented a school milk programme in over 25 developing countries, which has acted as a catalyst that creates demand for locally produced, processed and packaged dairy products (Sanchez, Ricart and Rodriguez, 2006).

The widest view of co-creation is offered by Simanis and Hart (2009), who speak about co-creating whole new communities. It is "about cocreating a new community from the ground up,

with the company embedded in its foundation. Such vibrant ventures are built on dialogue and joint action, not data and delivery times” (p. 79).

The *depth* of interaction between the company and local actors has also been discussed by several authors (Ahmed and Ali, 2006; Krämer and Belz, 2008; Prahalad, 2004b; Simanis and Hart, 2009). At its shallowest, companies have talked about co-creation but postponed engagement with local actors to the product testing stages of their innovation process (Krämer and Belz, 2008). At its deepest, co-creation can involve transformational engagement between a company and its stakeholders (Simanis and Hart, 2009). Then interactions are not mere transactions where stakeholders receive compensation, cheaper commodities or income opportunities in exchange for their knowledge, resources and capabilities. Rather, relationships between the company and its stakeholders involve sustained collaboration, dialogue, humility and equality that can foster trust, individual and collective learning as well as joint problem-solving (Uzzi 1996). Eventually, Simanis and Hart believe, such transformational co-creation can engender new behaviour, identities and commitment.

The examples of such transformational co-creation are few, however. Simanis and Hart refer to Grameen Bank, launched by a Bengali professor in 1976. Grameen Bank has been very successful in overcoming the social tensions of supporting women in conservative Muslim villages, in scaling up and in diversifying its services from microfinance to various other fields like energy, telecommunications, textiles and fisheries. Another example they take is Mondragón Corporación Cooperativa, founded by catholic Father in 1956. For example Hindustan Lever Limited, a widely-cited and acclaimed company operating at BOP markets, has not managed to become sufficiently embedded, Simanis and Hart conclude.

Why co-creation?

Is co-creation essential for doing business at BOP markets? Why would co-creation be more important at the bottom than the top of the global income pyramid? We can separate four reasons for this.

Firstly, co-creation with local actors can be a vital source of knowledge and understanding of the local needs and practices. For example the case study by Ray and Ray (2010) reminds of the importance of understanding the local environment: even if the task is to develop such culturally uncontroversial products as telephone switches, companies need to allow for natural environment like dust and monsoons, geographic facts like small villages, social conditions like low educational level of the switch operators and financial scarcity like inability to replace broken switches.

The need to gather customer input and build on customer-created products is also highlighted in innovation literature related to top of the pyramid markets (Grassmann, 2006; Von Hippel, 2001). But the need is still stronger when MNCs enter poor markets, because these companies are commonly very unfamiliar with poor markets and poor consumers. Sanches, Ricart and Rodriguez (2006) show that alliances with local partners tend to be more important, the higher the psychic distance between the new and the previous operational environments of a company. The need may be moderated if the product is simple, low-priced or a mere upgrade of an existing product, but commonly companies do need local allies to understand the markets at BOP.

The market and product characteristics that MNCs should pay attention to have been explored by Viswanathan and Sridharan (2012). They propose that when seeking to enter BOP markets, MNCs should seek to understand the basic needs, key aspirational needs and potential product use situations of their anticipated customers. The latter is important in order to weed out great but unrealistic or insensitive product or service offerings. For example in one student project that Viswanathan supervised, students sought to introduce solar cooking appliances to Indian families, but had to eventually accept that families were not prepared to cook only after daybreak, slowly and abandoning the tradition of opening the pots repeatedly to add spices and flavour. Further, Viswanathan and Sridharan suggest that MNCs seek to understand the condition of human and physical infrastructure, availability of raw materials, cultural sensitivities and consumer habits.

Secondly, co-creation and alliances with reputable local actors can be crucial for MNCs to build legitimacy and trust at BOP markets (Dahan, Doh and Teegen, 2009; Rivera-Santos and Rufin 2010; Webb Kistruck, Ireland and Ketchen, 2009). In numerous poor societies around the world, large foreign corporations are viewed with distrust due to colonial or later misbehaviour like sweatshops, environmental disregard, corruption and dealings with oppressive regimes. With the help of local allies, MNCs can understand the societal context and the reputational challenges and build legitimacy. The gaining of legitimacy is well depicted by one observer of SC Johnson's activities in Kibera slum in Kenya: "I wish you could see people when we started discussing how to work with SC Johnson to build a business. At first they thought maybe this is just another of those organizations that would come to advertise, sell to us, and eventually go home. But with every Idea Generation Workshop with SC Johnson the attitude kept on changing. Their minds were starting to think – as a community – about waking up to do something that is serious, about waking up to build their own business" (Johnson 2007: 16)

Thirdly, alliances and co-creation with local actors can help MNCs operate in developing country contexts where many formal institutions may be weak or missing. In his seminal work, Douglas North (1990) established institutional weaknesses and constraints as one of the key differences between poor and wealthier economies. Webb, Kistruck, Ireland and Ketchen (2009) continue along the same lines, noting considerable differences even between the wealthier and poorer regions of developing countries: while the former often benefit from some enforcement of contracts and property rights, formal capital markets, modern infrastructure and well-educated labour, the latter sees very little of these. At these BOP markets, the transaction costs, uncertainty and risks of doing business on the basis of formal institutions are hence prohibitively high.

To substitute for formal institutions and fill institutional voids, business in underdeveloped markets is strongly based on personal ties and social networks (Khanna and Palepu, 1997). Economic actions are embedded in social networks of relationships where history is important, and which do not respond solely to individual interests but also to collective interests (Uzzi 1996). Hence MNCs can also benefit a great deal, if they manage to become embedded in these informal networks. The key mechanism for a new actor to gain entry to these networks, according to the widely-cited article of Uzzi (1996), is via third-party referral: new actors get introduced to the network by a trusted network member. The go-between uses his or her links, and transfers expectations and establishes trustworthiness between the previously unconnected actors.

In BOP literature, several authors have highlighted local NGOs as good go-betweens (Dahan, Doh, Oetzel and Yaziji, 2010; London and Hart, 2004; Rivera-Santos and Rufin, 2010; Webb, Kistruck, Ireland and Ketchen, 2009). NGOs may be in a position to understand both the institutions within which the MNEs developed and the institutions of the local context. Webb, Kistruck, Ireland and Ketchen note that if the repeated transactions of an NGO have allowed it to become tightly and widely embedded in local networks, it can introduce the MNC to key actors, bring legitimacy to MNC's operations in the eyes of network members, and even influence network members perceptions and beliefs regarding the related products and services. Webb et al raise ABB's operations in Tanzania as an example. ABB formed a partnership with World Wildlife Federation (WWF), whose forestation and health-care projects had inspired long-term thinking and trust among several communities. Together, WWF and ABB got the local communities interested in off-the-grid energy systems and the local community even constructed a shelter for the generator. Further, NGOs may be able to help MNEs gain expertise in stakeholder management (Webb, Kistruck, Ireland and Ketchen, 2009).

Fourthly, tight alliances with international NGOs can facilitate the scaling up of a BOP initiative. The networks, understanding, products, services or business models developed at one BOP context often are not directly applicable at other contexts, but international NGOs can assist in recognizing any aspects that may be – and provide access to social networks at the new location again. ABB, for example, has been expanding its off-the-grid energy systems operations from Tanzania to Senegal and Uganda with the assistance from WWF that operates in each of these locations (Webb, Kistruck, Ireland and Ketchen, 2009).

How to co-create?

Literature on the process and practices of co-creation at BOP markets is very scarce. In the BOP Protocol, Simanis and Hart (2008) make a proposal for how the process could proceed. This proposal is presented in Figure 1. Simanis and Hart see the process evolve via three partially overlapping phases:

1. Opening up: The company immerses itself in the community to develop deep dialogue, local entrepreneurship and a project team. This culminates in business concept co-creation.
2. Building the ecosystem: The new business organization is formalised, capability and commitment strengthened and eventually a business prototype is created.
3. Enterprise creation: The business prototype is tested, with the objective of further strengthening local entrepreneurs, management capacity and markets.

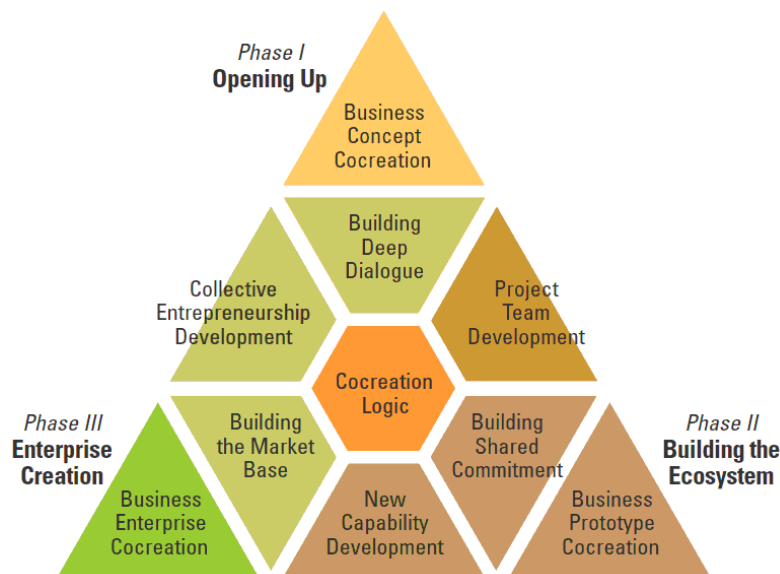


Figure 1. Co-creation process at BOP markets as proposed by Simanis and Hart (2008, 2009)

Yet there are almost no studies on how this co-creation process has played out in practice. Rare glimpses are offered in a study of the BOP initiative of SC Johnson in the Kibera slum in Nairobi (Johnson 2007). A team of six interns from SC Johnson spent 11 weeks in Kenya. Their objective was to implement the first phase of the BOP protocol: gain a deeper understanding of the community, forge relationships and partnerships and come up with a business concept. The interns took part in community cleanup exercises and stayed at local households for part of the time. They also facilitated business-idea generation workshops that brought together local community members and organizations.

Many of their objectives were met. SC Johnson, a local NGO and a coalition of young entrepreneurs launched a partnership and initiated a pilot venture called Community Cleaning Services (CCS). The business idea was for the young entrepreneurs to offer cleaning and pest control services, utilizing the products of SC Johnson. The article also shows that this 11 week period of co-creation was not sufficient for SC Johnson to fully familiarize itself with the local needs, preferences and conditions. It was only after the launch of the service, for example, that the company learned about its customers interest in detergents instead of pest control, and their hesitance of letting young boys and men to their homes. Most details of the co-creation process, practices and interactions, however, are concealed by very general references to “homestays” and “workshops”.

Even the processes of partnership selection and implementation are understudied in BOP contexts. The general partnership literature does offer several conceptualizations of partnership criteria (see for example Berger Cunningham and Drumwright, 2004; and Samii Wassenhove and Bhattacharya, 2002). It is, however, questionable whether these criteria are equally apt at BOP

contexts. Such requirements as converging working cultures, fitting management styles and performance symmetry may be impossible to reach in partnerships of MNCs and civil society organization embedded at BOP communities (Rein and Stott, 2008).

Similarly, general partnership literature outlines the stages of partnership processes: the selection, design and institutionalization of a partnership (Selsky and Parker, 2005) The related micro-processes have been explored by Seitanidi and Crane (2009), on the basis of an indepth study of two partnerships between companies and nonprofit organizations (see Figure 2). Nevertheless, where partners come from such different cultures and have such different values, practices, capabilities and resources as MNCs and BOP-based nonprofits, the process could look considerably different.

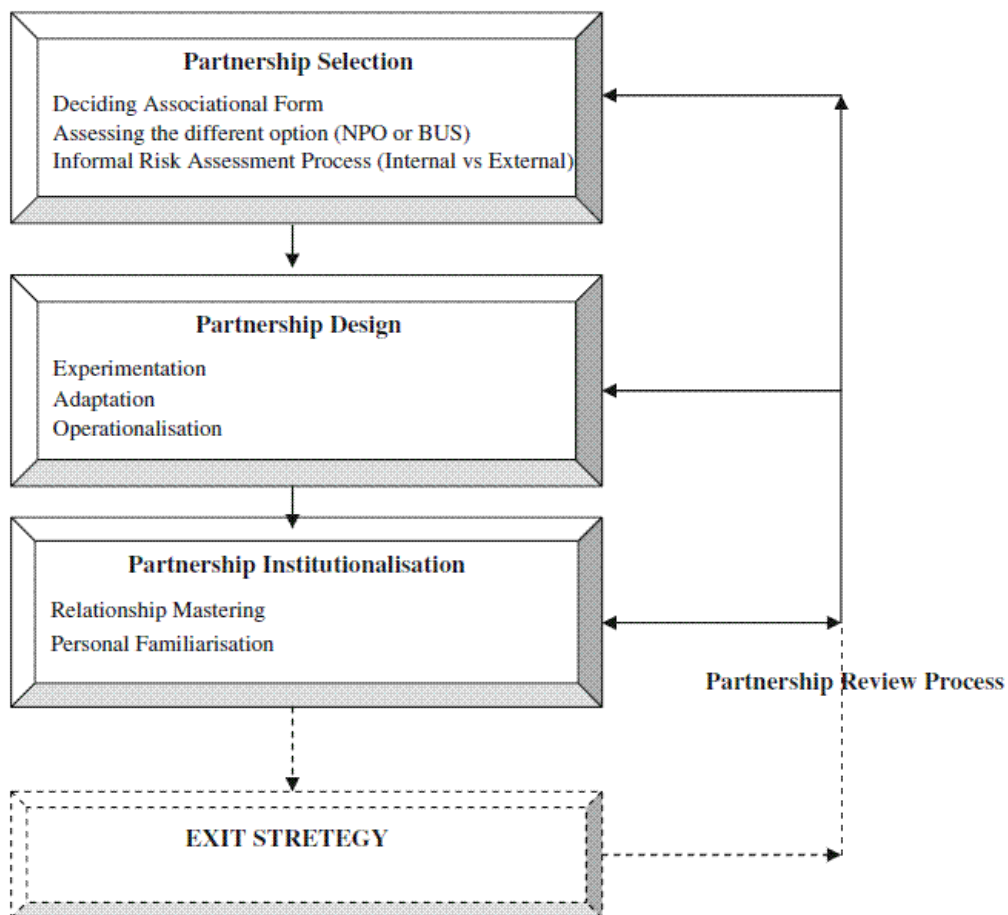


Figure 2. Firm-nonprofit partnership process as defined by Seitanidi and Crane (2009)

In companies collaboration styles, there may still be strong similarities at BOP and TOP contexts. Holmes and Smart (2009), studying innovation in eight firm-nonprofit partnerships, find two styles of collaboration: an exploratory and a focused approach. Where the firm has agreed a broader engagement remit or actually has no agenda, the innovation process can be more exploratory and aim at identifying totally novel innovation opportunities. Rather similarly, Seitanidi (2008) notes that where the strategic intent of a firm-nonprofit partnership is defined prescriptively at an early stage of the partnership, the possibilities for fundamental change are curtailed.

What does co-creation take?

“There are fundamental problems about the capacity of private firms to deliver development”, writes Jedrzej Frynas (2005). Companies’ socially responsible activities are often motivated by a wish to manage external and employee perceptions, which makes them more responsive to the

priorities of the media, officials, their staff and other powerful stakeholders than local communities. Co-creation then takes a new mindset and new capabilities from corporations.

BOP research suggests that the required new capability is social embeddedness. This was first established by London and Hart (2004), who found that global companies' traditional capabilities – global efficiency, national responsiveness and worldwide learning – do not suffice at the BOP context. They define social embeddedness as “the ability to create competitive advantage based on a deep understanding of and integration with the local environment. This capability involves the ability to create a web of trusted connections with a diversity of organizations and institutions, generate bottom-up development, and understand, leverage, and build on the existing social infrastructure” (p.15).

An analysis of networks at BOP contexts offers further understanding of what such creation of a web of trusted connections requires. Rivera-Santos and Rufin (2010) have found that BOP networks tend to be more decentralized, informal, based on personal interaction and shaped by social, political and environmental considerations than networks at TOP. “To create value successfully at the BOP, MNEs must be prepared to share control over their activities with other actors - - [able] to collaborate across organizational boundaries as well as across sectors, - - [and] not only to engage non-market actors, but also to either foster local entrepreneurs or internalize some activities”, Rivera-Santos and Rufin suggest (2010: 136)

The capability of firms to become embedded in their social environments and engage with stakeholders has been further analyzed by Hart and Sharma (2004). Hart and Sharma place special emphasis on the need to interact with so-called “fringe” stakeholders - the poor, weak and non-legitimate stakeholders, who are likelier than key stakeholders to bring forth truly novel and even radical ideas and concerns. They suggest that such a capability is built on two complementary skills:

- the ability to extend the scope of the firm and systematically identify the voices of various fringe stakeholders either via networking from the core to the periphery or by putting the last first.
- the ability to reconcile and integrate diverse and contradictory knowledge and views with their existing know-how. This requires the creation of mechanisms for complex interaction with and empathy for fringe stakeholders.

In sum, co-creation places high demands on companies. They need understanding of the local environment and social infrastructure, ability to systematically identify and integrate the voices of various key and fringe stakeholders, and ability to share control with local actors. Do many MNCs actually have these capabilities? What do we know about the results of co-creation processes?

It is clear that co-creation is a challenge to MNCs. Simanis and Hart (2009) name four corporations that have been particularly active in piloting the BOP protocol: S.C. Johnson, DuPont, TetraPak and Hewlett-Packard. Of these companies, HP's endeavours have probably been closest studied and have also received considerable criticism. It's i-community initiative in South Africa, for example, was strongly steered by business interests, which reduced developmental achievements. Timetables were tight and social development objectives were never properly defined (McFalls, 2007). Further, the project was managed in a non-participatory, top-down approach, though development scholars emphasise the importance of bottom-up management that builds on local people's own priorities and initiative (White 1996).

The challenges of co-creation with poor communities have been aptly discussed by Arora and Romijn (2009). Though BOP literature often romanticizes poor communities as entities where the benefits of wider market access and entrepreneurship flow to everybody, these communities are never homogeneous and seldom harmonious. Even in a poor village, there are rich and poor farmers, inequalities, discrimination and asymmetric power relations. People usually have multiple identities, such as ethnicity, religion, class, caste, home area, occupation, gender, age-group or political party. Grouping people together in one community does not remove other identities, so people continue to have slightly differing allegiances and preferences. This heterogeneity causes considerable challenges for fair co-creation. “Are the voices of those known to have little influence being heard? [Where civil society organizations involved,] are the issues

raised really the priorities of the poor and marginalized, or rather those that have the most resonance with the civil society organizations and their funders?" ask Blowfield and Frynas (2005: 507). Several studies show that elite capture of the decision-making and the resources of development initiatives indeed is common (Jeffrey, Jeffery and Jeffery, 2008; Mansuri and Rao, 2004; Mosse 1995).

Further, it is difficult to achieve two-way transfer of knowledge between local people and outside professionals, as outsiders typically have difficulty in giving due appreciation to local people's knowledge. Instead, "traditional" or "indigenous knowledge" is often seen common sensical and inferior to professionals' own "scientific" knowledge (Agrawal, 1995). This is an impossible basis for fair co-creation.

Arora and Romijn (2009) suggest that for MNCs to ensure the inclusion of marginalized people in co-creation, they need to build an understanding of and deliberately confront the power relations that shape the community. This, however, is untrodden terrain for most TNCs. Unsurprisingly, then, there still are few examples of successful multiparty BoP partnerships in developing countries (Arora and Romijn, 2009).

Conclusion

Literature on doing business at the base of the global income pyramid sees an essential role for co-creation, but mainly refers to it in passing. Co-creation has become such a common concept in BOP discourse, that it is seldom defined, discussed analytically or problematized. This article has sought to advance the understanding of co-creation at BOP settings beyond a programmatic statement by reviewing the references made to it in BOP literature and other closely related literatures.

I have found that the definition of co-creation and the reasons for co-creation at BOP markets are relatively clear. The concept of co-creation has its roots in a study of customer participation in production, and co-creation at BOP contexts can be defined as interaction and collaboration between an MNC as well as potential and current customers, partners, nonprofit organizations and other actors that leads to an adaptation of commodities, business models, mindsets, business ecosystems or communities. For MNCs, co-creation can provide access to vital knowledge and understanding of the local needs and practices, legitimacy, social networks and opportunities for scaling up.

There is, however, very little research on how co-creation at BOP markets proceeds in practice. What are the roles taken by different actors, how do they interact and how do they manage the differences in their cultures, organizational logics and practices? What kind of characteristics are there in successful co-creation partners and does the co-creation process proceed through some stages?

Further, there are different views on whether the call for co-creation is realistic. Co-creation places high demands on the capability of MNCs to become socially embedded. They need to understand the local context, identify and integrate the voices of key and fringe stakeholders, and share control with local actors. Many researchers find these demands too high, because inequalities within BOP communities and expatriate perceptions of "non-scientific" indigenous knowledge make it difficult to hear the voice of marginalized groups of people at BOP settings.

In my future research, I seek to contribute to the filling of the research gap identified in this review. As a member of a small research group, I will analyze and contribute to two co-creation processes via a qualitative, longitudinal case study. We adopt a practice based approach and seek in-depth understanding of the interaction shaped by differences in organizational and cultural practices of the firms and local actors. The cases we study are the co-creation processes of three Finnish companies in Sri Lanka and one Finnish company in Brazil. The latter has been initiated by the company, the former by World Vision Sri Lanka and Finland. Both of these projects are in a planning phase.

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