



Cooperation, Collaboration, and Co-creation: A Review of Existing Literature and Applications

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Abstract

Innovation is a mechanism for entrepreneurs to create a product or service in accordance with company's target market. While creating innovation, the company may not have some of the information or skills that are owned by the other parties or vice versa. As a solution, various approaches of cooperation, collaboration, or co-creation are chosen as the strategy to develop innovation. The purpose of this study is to examine the implementation of cooperation, collaboration, and co-creation as an entrepreneurial strategy. The method used is exploratory analysis by analysing the theory of Drucker (1993). The result of this research is a definitive differentiation of innovation for the four strategies. To conclude, the paper suggests the company to analyse their own ability and condition in order to create an innovation that will increase the productivity.

Keywords: Innovation, Cooperation, Collaboration, Co-creation

1. Introduction

Every individual's idea has their own uniqueness. In today's economic, creative and interesting ideas can be a viable source of income for the creator. This is further known as the creative economy which was first introduced by Howkins (2001). According to Howkins (2001), creative economy is *the transaction of creative products that has economic value as the results from creativity*.

In Indonesia, the contribution of creative economy to Gross Domestic Product (GDP) has begun to be noticed. In 2014, the contribution reached 784.82 Trillion Rupiah. While in 2015, it increased to 852.24 Trillion Rupiah. Within the period, the contribution of creative economy to GDP grew by 4.38 percent. The escalation is dominated by three sub-sectors of creative economy i.e. culinary, fashion, and craft (Ellisa, 2017). In addition, the contribution of the creative economy sectors to the total GDP is also increasing in importance. According to statistics and creative economy survey conducted by Ellisa (2017), the sectors included in the creative economy may contribute to 7.38 percent of the total GDP in 2015.

In the economy, goods and services can be viewed from two considerations, which are the supply side and the demand side. The supply side can be observed through the growth of the total working population compared to the creative economy sector working population. In 2014, the total working population in Indonesia reached 114,628,026 people while the creative economy sector working population reached 15,167,573 people. Whereas in 2015, the total working population increased to 114,819,199 people and creative economy sector working population increased to 15,959,590 people as well (Ellisa, 2017). In conclusion, the creative economy sector working population increased in line with the rising number of total working population in Indonesia. There was an increase of 792,017 people working in the creative economy sector in one year (2014 to 2015).

Demand side can be seen through export as an international demand. Indonesia's exports, from the creative economy sector, increased from USD 18.4 billion in 2014 to USD 19.4 billion in 2015. In addition, according to Indonesian Ministry of Trade (2017), some creative economy sectors have become the 10 most potential commodities for export goods, one of which is craft. Indonesia's creative economy has many opportunities to grow. The contribution of creative economy sectors to economic growth is also very significant. Through this, entrepreneurs in creative economy begin to undertake capacity building plans. This plan can be grouped into 4 strategy, namely: (i) improving business capacity, (ii) product innovation, (iii) enhancing skills, and (iv) strengthening branding (Ellisa, 2017).

Improving business capacity is an effort made to balance the rising consumer demand and supply from creative business people. Product innovation elaborates on how to offer something different to maintain a stable public and consumer appreciation. Improving skills is a development done by creative entrepreneur so that the skills owned can engage increasing demand and time changes. Lastly, strengthening branding is intended to give a strong product character in consumers mind. This research focuses on capacity building strategy through product innovation. In performing innovation, one important consideration is the existence of social movements that are directly related to market changes. Social movement can be seen through three tactical approaches of which is categorized as collaboration initiatives (Balsiger, 2012). Therefore, by considering the social movements, planned and executed product innovation is expected to be in accordance with the market demand and trend.

Based on Global Creativity Index (GCI)¹ in 2015, Indonesia was ranked as the 115th from 139 countries in the world, with the GCI of 0.202. Meanwhile, the first position was occupied by Australia with the GCI of 0.970. The position of Indonesia's GCI was lower compared to, Malaysia, with GCI of 0.455 and occupied the 63rd position (Florida, Mellander, & King, 2015). This report shows that Indonesia had not developed optimally in term of creativity. To optimize Indonesia's creative industry, capacity building is needed. The focus of this research is the capacity building strategy through product innovation by doing collaboration projects.

¹ GCI is a broad-based measure for further economic growth and sustainable prosperity based on The 3Ts: talent, technology, and tolerance (Florida, Mellander, & King, 2015).

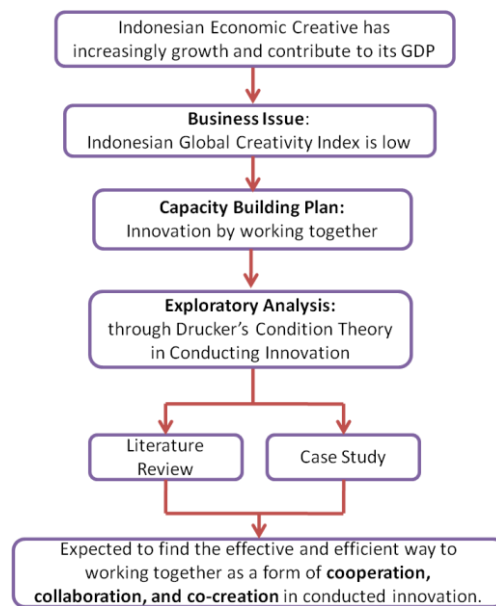


Figure 1. Collaboration Framework Theory

This research is done by exploratory method. Exploratory research is a type of research that focus on understanding more deeply about the research question rather than unfolding a convincing evidence. In addition, the explanatory method is also conducted by in-depth research of existing problems. Thus in conducting exploratory research, the researcher must be willing to change research direction as a result of revealing new data and insights (Saunders, Lewis & Thornhill, 2012). Exploratory research conducted in this research will discuss about cooperation, collaboration, and co-creation studied from Drucker (1993) perspective. Researcher suggests that the company needs to analyze their own ability and condition in order to create an innovation that will increase the productivity.

2. Literature Review

Generally, all companies need innovation in order to grow and compete. To produce an invention, it is not as easy and as fast as desired. The invention usually starts from analysing the opportunity, accompanied by a clear and focus objective. It requires creativity. Not only as a potential source of ideas that can yield economic value, creativity is also a vital asset for individuals and companies operating in the global market that never stop changing (Marcouse, Anderson, Black, Machin, & Watson, 2014).

Innovation is the specific mechanism done by entrepreneurs; they exploit changes as the opportunity for a distinctly new business. It is being presented as a discipline, learned and practiced. Entrepreneurs need to look purposefully for the sources of innovation, in particular the indications and symptoms that indicate opportunities for successful innovation. Furthermore, they need to know and apply the principles of successful innovation (Drucker, 1993). According to Drucker (1993), there are several conditions that innovators have to consider in inventing:

- Purposeful with the analysis of opportunity;
- Conceptual and perceptual;
- Simple and focused;

- Start small; and
- Aim at leadership.

First is opportunity. Opportunity can be viewed from various perspectives such as: (i) compatibility with existing economic reality, and (ii) new knowledge about how to provide satisfaction in the midst of demographic change. Second, innovation must balance conceptions and perceptions. Examining only the figure is not enough (example: sales figure through supporting data), but it is needed to also look from the people's perspective (through customers and users) in order to identify the consumer expectations based on values and needs. Thus, the opportunity is not only seen from the company perspective but also from the perceived opportunity from consumers. If innovation is done by not considering both perspectives (conceptual and perceptual), there will be the risk of having the right innovation in the wrong form.

Third, innovation should be simple and focused. It has to focus in only one thing. It would not work otherwise. The innovation should be directed toward: (i) specific; (ii) clear; and (iii) design application focusing on satisfying a specific need. Fourth, innovation starts small because the time will not be enough to make the adjustments and changes that are needed for an innovation to succeed. Last, innovation aims at leadership. All entrepreneurial strategies aimed at exploiting an innovation are combined with a strong leadership within a given environment. Otherwise they will simply create an opportunity for the competition.

By doing innovation, the company product life cycle is expected to improve to keep the sales figures grow (see graph 2). Based on the innovation theory of profit, when the sales figures of a company reached the maturity, the company needs to innovate by adding attributes to the product, to avoid decline in sales. For example instance, the headsets which are used by most of the people, from children to adults. The current innovation is the wireless headsets. This innovation is meant to create continuously evolving products.

In conclusion, innovation can be one of the strategies to keep a healthy sales figure. In doing innovation to expand a business, sometimes being the only party working is not enough. The company may not have some of the information or skills that are owned by the other parties so approaches such as cooperation, collaboration, or co-creation might be able to develop an effective and efficient innovation.

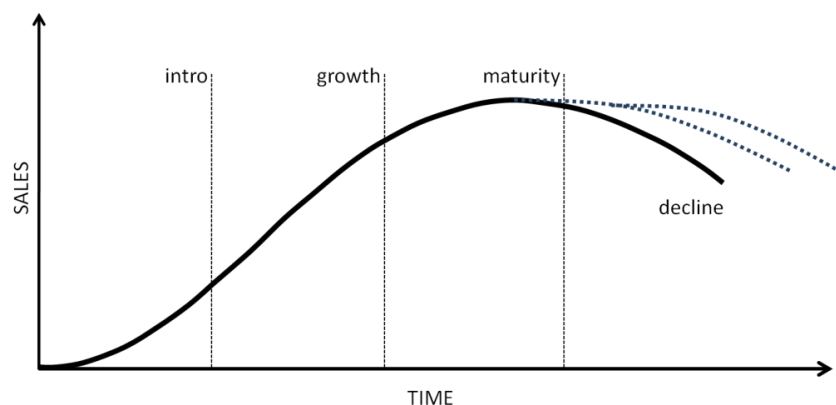


Figure 2. Product Life Cycle

Source: Kotler, P., Keller, K. L., & Brady (2012)

Lopes & Calapez (2011) described that cooperation contribute to the increase uncertainty and interdependence in lieu of interdependence among workers. Lopez and Calapez (2011) described the theory based on interpersonal and social interaction rather than individual utility maximization. This kind of cooperation, linked to organization, is supported by three common goods – a common goal, relational value, and moral value. Doing cooperation has proven to be a tool to promote trade, investment, and economics cooperation in the countries researched. For example is the co-operation between Canada and Slovak Republic under the Memorandum of Understanding (MoU) Minister of Trade in Canada and Minister of Economic in Slovak Republic (Newswire, 2000). This agreement gave skill training in order to promote job creation and reduce unemployment in Slovak. Another example is the agreement between Financial Conduct Authority (FCA) and the Ontario Securities Commission (OSC) in building financial services innovation called FinTech. The cooperation aimed to support Ontario and United Kingdom to enter the market and help them to reduce regulatory and time uncertainty to market (Newswire, 2017). There is another point of view that describes cooperation as an action to create a benefit for the parties involved. In order to make sure that the cooperation can deliver its benefit, lobbies can be an effort to make. Lobbies are active participant in the enforcement stage of cooperation (Chaudoin & Urpelainen, 2013). Keohane (1984) and Urpelainen (2013) mention that, cooperation occurs when governments are mutually beneficial, though unilateral cost, develop policy adjustments that they would not otherwise have made. This beneficial condition is known as ‘internationally benefiting’ and has a potential to increase the possibilities for cooperation. However, if the lobbies seem to make the country interested in their own government’s policy, then it will cause a less beneficial of inter-countries cooperation, known as ‘domestically benefiting’.

Another strategy that leads to an effective and efficient innovation is collaboration. Collaboration is a form of teamwork consists of detailed parts. The purpose of the collaboration is to achieve common goals. To achieve the goal, the stakeholder needs to do their best and trust one another. One of the examples is the collaboration in the organic food chain. Collaboration is found between a small organic manufacturer and a major retail group in the muesli chain (Kottila & Rönni, 2008). According to this research, as organic food is considerably expensive in Finland, collaboration between small organic food supplier and mainstream retailers was inevitable and the collaboration needed to be executed effectively by focusing on two aspects which was communication and trust between both parties. By being heavily based on trust and good communication, it may boost smaller business units to develop their relationship with other business units in the organic food market and to create a healthy competition in the market.

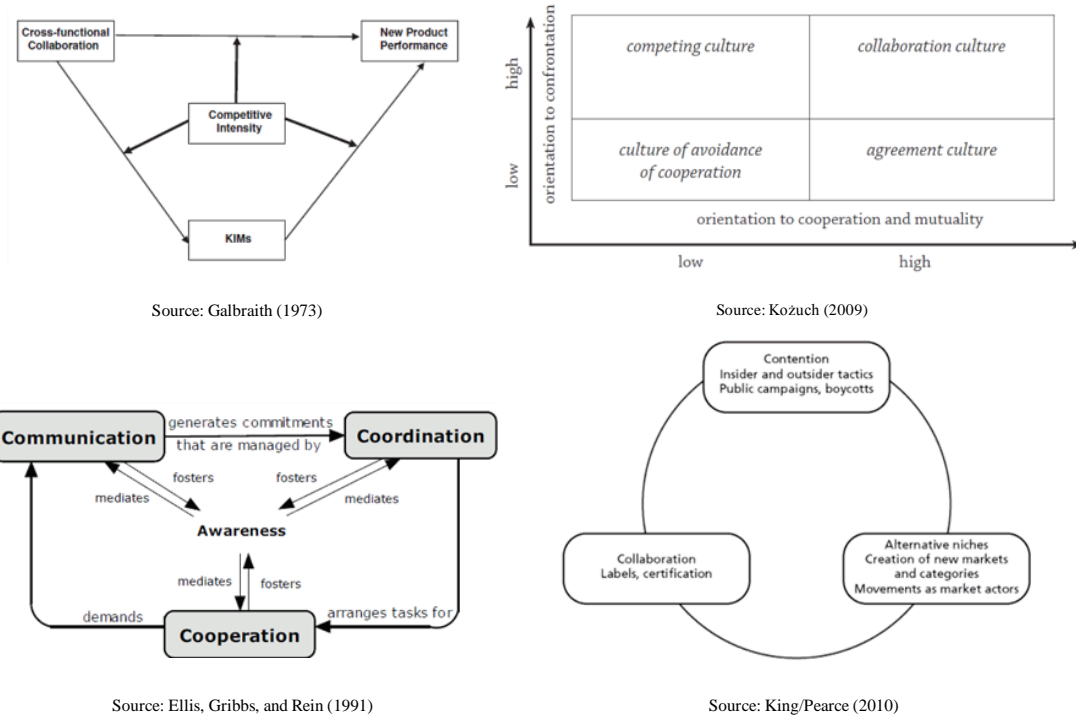


Figure 3. Collaboration Framework Theories

There are some research that tried to develop a framework to simplify the forms of collaboration. According to Ellis, Gribbs, and Rein (1991), the nature of collaboration may be presented as cycles connecting the 3Cs which are communication, coordination, and cooperation. When people communicate, they negotiate and make decisions. Meanwhile, they also coordinate themselves so that the activities carried out do not result in loss of communication and cooperation. Cooperation referred to group members in a shared space, trying to carry out the task, generate and manipulate the object of cooperation. The need to renegotiate and to make decisions about unforeseen situations that arise during cooperation may require a new round of communication, which requires coordination to reorganize the tasks to be carried out during the cooperation (Fuks et al., 2007). Another research was conducted to see the intensity of competition which derived from cross functional organization collaboration in developing new product. This research adopted the Knowledge Integration Mechanism (KIMs) to process the increasing amount of information associated with cross-functional product innovation activities given that KIMs play a pivotal role in translating cross-functional collaboration into product innovation performance (Tsai & Hsu, 2014).

Social movements play various roles in market transformation (Balsiger, 2012). In a review of the burgeoning literature on “contentiousness of markets,” King and Pearce (2010) broadly distinguished between three major approaches related to movements attempt to change markets: contentious actions inside and outside of firms (public campaigns, boycotts), collaboration, and the development of new products and categories that constitute new market niches (King & Pearce, 2010). Those are known as three tactical approaches. Balsiger (2012) used two tactical approaches, campaign and collaboration, to see how campaigning opened up opportunities for movement of workers pursuing collaboration strategies. The

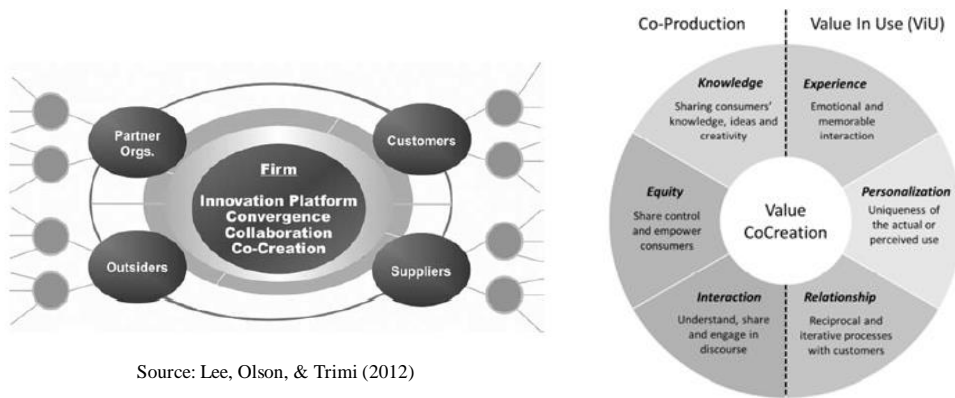
model argued firms way of thinking to be aware of social movement and come out with the market-based solution with a good activity of campaign. However in campaigning, putting the issue on the public agenda, opening up doors for collaboration initiatives. Collaboration allowed firms to sidestep the campaign, which had a hampering effect on the latter. The rise of collaboration initiatives certainly complicated the picture for campaigners and gave firms more possibilities for reacting to campaign demands, so not all firms, use collaboration as a form of sidestepping (Balsiger, 2012).

If the cooperation could be 'internationally benefiting' (Chaudoin & Urpelainen, 2013), collaborative governance, as it has come to be known, brought public and private stakeholders together in collective forums with public agencies to engage in consensus-oriented decision making (Ansell & Gash, 2008). By reviewing 137 cases of collaborative governance across a range of policy sector, they found some variables that brought collaboration successfully. The variables are: (i) prior history of conflict or cooperation, (ii) incentives for stakeholders to participate, (iii) power and resources imbalances, (iv) leadership, and (v) institutional design. The crucial factors are also identified as: (i) face-to-face dialogue, (ii) trust building, and (iii) development of commitment and shared understanding.

According to Pszczołowski (1978), there are three types of collaboration which are positive collaboration (collaboration), competition or rivalry, and negative collaboration (battle). Based on that condition, Kozuch (2009) distinguished collaboration in two types to study the essence of organizational culture in line with the criteria related to inter-organizational cooperation and the competence essential for this cooperation. The inferences are based on theories and concepts of cooperation, in particular the concept of collaborative advantage and an organization's ability to cooperate. Those two types are: (i) collaboration aims at greater efficiency based on the principle of mutuality and (ii) confrontation which assumed that the organization's environment is not friendly and at the same time dynamic and turbulent, which requires continuous strengthening of competitiveness (Kozuch, 2009).

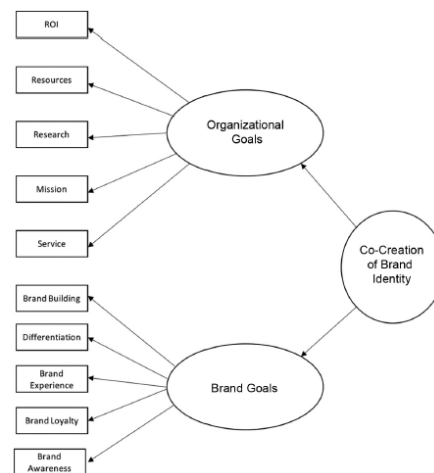
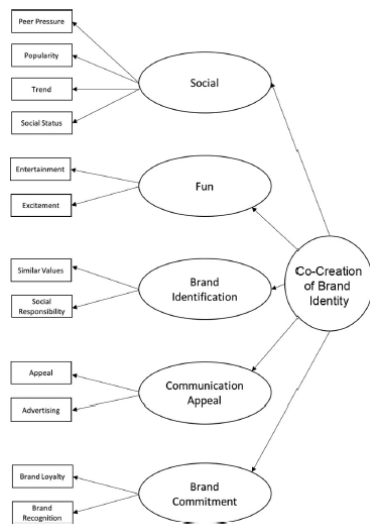
Innovation also can be done by doing co-creation. Co-creation can be defined as the process which involves more than one party and systematically joint forces to interact, learn, and share information to create value (Vargo & Lusch, 2004, 2006). To create value of a product or service, consumers are involved, through feedback they give from using the product or service. Thus, value creation is also related to the role of the customer (Lee, Olson, & Trimi, 2012). For example, there are various literatures that describe co-creation to value creation. Rajan and Read (2016) described its concept and measurement. Consumer and customer co-creation behaviour were described by Yi and Gong (2013). Potts et al. (2008) explained that because co-creation is based on dynamic exchange, consumer co-creation of value can represent the greater access to the 'means of production' through information and communication technologies. In Potts et al. (2008) view, the customers were active participants who co-create value upon the exchange of intangible skills, knowledge, and relationships (Jaworski & Kohli, 2006). Innovation is directly tied to value creation (Lee et al., 2012). To build the value creation of product or service, firms have to make their organization works well through co-innovation as a new approach to create value for competitive advantage. Co-innovation is the new innovation paradigm which can help organization to create value through

convergence of expertise/ideas, collaboration among participating organization, and co-creation of the shared value with customers (Lee et al., 2012).



Source: Lee, Olson, & Trimi (2012)

Source: Ranjan and Read (2017)



Source: Kennedy and Guzmán (2016)

Figure 3. Co-creation Framework Theory

According to Kennedy and Guzmán (2016), allowing involvement between companies and consumers might create a feedback for the company in building a positive brand image for the public. They tried to develop an understanding of the co-creation phenomena and how this practice is was used in shaping brand identities. This research provides answers to questions on both the consumer and industry view of co-creation (Kennedy & Guzmán, 2016). From the company view, there are two existing goals that needs to be accomplished, which are the organizational and brand goals. Company was successful in co-creation once it had a positive outcome in strengthening the brand and customer’s loyalty, as well as strengthening its brand image to the public. From the customers view, there were words that were proven to be effective in motivating consumers in developing *co-creation* of specified brands. The selected words were later classified within five factors label which were social, fun, value compatibility, communication appeal, and brand commitment.

Value co-creation is done through two major processes. First is co-production. At this stage, the firm and customers work together to create things by understanding customers need, developing new products or services, and figuring out the best to produce. Co-production takes three forms: (i) customers share knowledge with the

firm, (ii) interaction between customers with employees and product or services to engage more deeply and understand the value they provide, and (iii) equity that is related to mutualism, openness, and non-command relations. After the product or service has been created, the focus is shifted to the way actors behave, interact, interpret, experience, use, and evaluate product or service. Those stages are also known as "value in use". These values in use have three aspects: (i) customer's evaluation, (ii) relationships with the proposition that enrich customers' lives, and (iii) customers' mental models that attach identity to the usage process that offers personalization (Ranjan & Read, 2017). The literature review about cooperation, collaboration, and co-creation development are summarized in the form of tables and timelines (see Appendix 1).

3. Results and Discussion

Cooperation, collaboration and co-creation can be the effective business strategies to the company that implements them well. After describing cooperation, collaboration and co-creation in the previous section, this section will describe the examples of real companies working with the three approaches. Cooperation will be reviewed through NASA project with community and Go-Food with restaurants case. Collaboration will be reviewed through Puma Rihanna and Fiat Gucci case. The last, co-creation will be reviewed through Pokémon Go case.

3.1. Cooperation

PT. Go-Jek Indonesia is a company which engages in providing online-based transport services through mobile application. Go-Jek application is an innovation in terms of providing public transport services in Indonesia. Currently, Go-Jek's has more than 200,000 drivers that include motorcycles, cars and trucks. They are present in 50 cities in Indonesia and are backed up by major investors including Tencent, JD.com, KKR and Sequoia Capital. With Go-Jek's achievements in operation, the expansion plans will be undertaken by looking at a other markets that have similar consumer character and infrastructure to Indonesia. Those include Thailand, Vietnam, and Philippines (Choudhury, 2017).

According to Choudhury (2017), in terms of spending behaviour, Southeast Asia is dominated by food and transportation. Through their service, Go-Jek provides food delivery by cooperating with various local restaurants. The menus are listed in categories such as snacks, Chinese food, and so on, making it easier for consumers to use. In addition, Go-Food also offers promos for certain purchases. According to Makarim (Go-Jek's Chief Executive Officer), in Freischlad (2017), seen from the size of Go-Jek's operations, it commands 50 percent of Indonesia's ride-hailing market and 95 percent of the online food delivery market.

In addition to Go-Food, Go-Jek also provides other services known as Go-Pay. Go-Pay serves not only to pay for various GO-Jek services but also daily transactions (with additional menu options). So, by doing this, hopefully Go-Pay can make daily payment easier (Go-Jek, 2017). The provision of this service is actually motivated by the phenomenon of the high potential for digital payments in Asia due to greater

mobile penetration and connectivity, and the expected growth of the internet economy over the next several years (Choudhury, 2017).

Another example is National Aeronautics and Space Administration (NASA), an independent agency of United States federal government responsible for the space program, as well as aeronautics and aerospace undertakings. Recently, NASA is involved in the worldwide planning for planetary defence project that seeks to detect and track potential hazardous objects in space that are close to the planet Earth. The fact is, more than 13,500 near-Earth objects of all sizes have been discovered to date – more than 95 percent of them since NASA-funded surveys began in 1998. About 1,500 Near-Earth Objects (NEO)s are now detected each year. NASA has formalized its ongoing program for detecting and tracking NEOs within the Planetary Defence Coordination Office (PDCO). The office also continues to assist with coordination across the U.S. government, participating in the planning for response to an actual threat, working with Federal Emergency Management Agency (FEMA), the Department of Defence, and other U.S. agencies and international counterparts (NASA, 2016).

The examples above are categorized as cooperation because it is done to support each other's goals rather than sharing goals. Something new may be achieved as a result, but it rises from the individual, not from a collective team effort. What is considered as an important point in cooperation is a network to exchange relevant information and resource to support each other's goals (Stoner, n.d.). As described above, Go-Jek cooperated with many restaurants to achieve each party goal. Go-Jek wants more people to use their application while many restaurants want to have more customers which are limited due to location problems. Go-Jek also provides Go-Pay to help people on paying their electricity bills, purchased electricity token, and pay insurance premiums easily, which means people also have their balances on Go-Pay. Seeing from NASA cases, it can be seen that to achieve NASA's goal, they build a network of cooperation with Federal Emergency Management Agency (FEMA), the Department of Defence, other U.S. agencies and international counterparts in order to exchange relevant information.

3.2 Collaboration

Starting from a plan to a major re-branding by Puma in 2014, the sports shoe brand felt that a female face in the brand was necessary. Puma's Global Director of brand and marketing, Adam Petric, in Allen (2016), said that after the research process that Puma did, some names were identified to be the potential female ambassadors. However, the names in the list were considered reasonable. So, the list was expanded to include the entertainment and fashion sector. The company then decided Rihanna because she had a suitable brand value. Apparently, Rihanna agreed. For her, it was nice to have the chance to make a meaningful impact on the brand's success. The process began with meetings in which Rihanna gave her ideas. As a result, they launched their first article called 'Fenty Puma Creepers' in September 2015 that was sold out in three hours. After that, The Creeper had expanded to include a trainer, a faux-fur and two hot-ticket runaway shows. For Puma, the collaboration had been a driving factor behind its rising sales recently. In the third quarter of 2016, footwear was its strongest category, with sales increased by 16.4 percent, as a result of Fenty line contribution. The key success

for this collaboration was Rihanna's celebrity pull, said Petrick(Allen, 2016). After the successful project, Rihanna was chosen as Puma Creative Director which enabled them to develop more type of products other than shoes (Puma, 2018).

Another case of a successful business collaboration which has happened in recent years was business collaboration between Gucci clothing industry and Fiat automotive industry. The collaboration project produced Fiat500 car. A research by Kasztalska in 2016 was conducted to find out the market demand of Fiat500, to find out whether the market or enthusiasts of Gucci brand were interested on the collaboration and whether Gucci acquired more brand recognition through this collaboration. By implementing primary data method, an online survey was later sent through electronic mails to 100 respondents which were Fiat500 owners who were both automotive enthusiasts and Gucci enthusiasts. The research reveals how the collaboration successfully improves awareness of both brands. The Gucci Brand became more recognized by 26 percent of the respondents, where 21 percent respondents were intrigued in purchasing Fiat500. Through this research, it was found that there was a correlation between company's brand image/recognition and company's revenue. This suggests a fact that the more well-known a brand is, the more revenue a company will make (Kasztalska, 2016).

The examples above are categorized as collaboration because brands are working together to create something new to support the shared vision (Stoner, n.d.). Both of examples have mutual vision element, to develop their brand in order to get more brand recognition from their target market. The collaboration is not always done by a brand and another brand, but can also be done between brand and artist and so on. From Puma case, it can be seen that the collaboration creates something new in terms of product design suitable with their brand value. Another example of Fiat and Gucci shows that the collaboration was successful in increasing brand recognition and revenue for both parties by creating new product together.

3.3 Co-creation

Pokémon Go is a built on teamwork between Pokémon Company, Niantic, and Nintendo starting from the phenomenon experienced by Nintendo and Pokémon Company. As a game based on hardware, Nintendo is well known since 1990 and in demand by presenting its popular games known as Mario Bros. However, over the times, the media used to play the game had been transformed to mobile smart phone for both Android and Apple iOS for free. Efforts had been made by Nintendo to keep their revenues and shared revenue for its investors through Nintendo Wii which was launched in 2012s. But it turned out that the target market was still preferred to play games on tablets and smart phones. Based on the phenomenon, Nintendo experienced annual losses during 2011-2013 (The Economist, 2016).

In addition, Pokémon Company experienced a decline in sales from Pocket Monster that had been favoured in previous time (Kesten, 2016). Through that background, Nintendo and Pokémon Company worked with Niantic who is was the developer of smart phones games creating a product known as Pokémon Go (Nazaryan, 2016). Nintendo owned only a third of The Pokémon Company, which licensed the Pokémon franchise, and of Niantic (The Economist, 2016). These games could be downloaded for free by users of Android and iOS so it was easy to be accessed.

The purpose of making this game was to bring Pokémon characters into the real world that gave the impression and engage directly to its users (Kesten, 2016). Kesten also said:

“It's a weird sensation, seeing these familiar characters suddenly inhabiting familiar spaces. But that's about it: You can't really do much with a Pokémon once you catch it. Essentially, Pokémon Go boils down to a worldwide scavenger hunt.”

This game is also considered to have a positive influence for its users. In general, gamers play in places that are not sedentary, for example only in the room. But what was offered by Pokémon go was different. The users play it by looking for Pokémon characters in certain places so this game can be brought outdoors, giving them a reason to explore the places they live. As a summary, it's like walking and collecting (Kesten, 2016). Pokémon Go has something special here, but its strength will depend on the ability of its developers to add some more interesting games so innovations will always be needed.

It is categorized as co-creation because it is based on dynamic exchange. Pokémon Go Plus shows that in building innovation through co-creation, corporate and customer are involved. This means that the customers are involved in creating value with the company. It makes co-creation to be one of the powerful ways to engage customers and deliver unique value that looks like building its own ecosystem with Pokémon Go users.

4. Conclusion

As mentioned about differences and examples between cooperation, collaboration, co-creation, this research develops a table that connects each characteristic to five conditions that fulfil an effective and efficient innovation. Condition one, purposeful with the analysis of opportunity, can be analysed from two variables which are economic reality and new knowledge. Condition two, conceptual and perceptual, can be analysed from two variables which are capability to deliver product value and capability to deliver customers need. Condition three, simple and focused, can be analysed from the products or services satisfaction. Condition four, start small, can be analysed from how many stakeholders involved (better start with a small team) and limited market reached at first. And last, condition five, leadership, can be analysed from two variables which are skill and competition opportunity.

Table 1. The Condition's Variables

The Condition	Variables
1. Purposeful with the analysis of opportunity	- Economic reality - New knowledge
2. Conceptual and perceptual	- Capability to deliver product value base on customers need - Decision synchronization/ Decision making (Prahalad & Ramaswamy, 2004)
3. Simple and focused	- A specific need that is satisfies/ specification
4. Start small	- Small team - Limited market
5. Aim at leadership	- Environment leadership

Those variables are used to examine cooperation, collaboration, co-creation strategies in building an innovation. Through literature review and elaboration of several examples in the analysis of the business situation of cooperation, collaboration, and co-creation, the analysis based on the condition theory by Drucker (1993) are summarized in the form of table as follows (see Table 2).

From the condition one, conformity with economic reality is needed for cooperation because the strategy undertaken tends to answer the issue so that it can provide a solution for the community. Therefore, the existence of cooperation can lead to new knowledge, for example in the field of technology as a platform. Collaboration is not always done to answer a certain economic situation, but rather aims at the develop value of each company so it only touches the segment that it has targeted only. Therefore, the delivery of the new knowledge in collaboration is not necessary. Co-creation is done by maximizing the skills of each party to create a single product or service that meets the economic reality. With this new thing being created, it means that co-creation has given a new form of knowledge.

Innovation is expected to create products that have value in accordance with the target to create a balance of both parties. Cooperation conveys its valuable product in accordance with what consumers want today so that the involvement of the product with the consumer is high. However, decision making tends to be done only by one party while the other party acts as supporter. Collaboration, on the other hand, is aimed at creating products that features the ego or the distinctive features of each company which is not necessarily the thing that consumers are looking. Product value delivers the capability that can be considered as not too strong. In decision making, collaboration involves all parties because each party has its own role. Co-creation creates new things based on certain circumstances so that its product value delivers strong capability. By creating new things together, it means creating ownership for each party, then decision-making involves all parties depends on shareholders and agreements.

Table 2. Element Mapping and Differentiation of the Approaches

	COOPERATION	COLLABORATION	CO-CREATION
Condition 1			
Economic reality	Must	Not necessary	Must
New knowledge	Maybe	Not necessary	Must
Condition 2			
Product value deliver capability	Strong	Not too strong	Quite strong
Decision making	One party	All parties involved	Depend on shareholders and agreements
Condition 3			
A specific need that is satisfies/specification	Strong	Not necessary	Quite strong
Condition 4			
Small team	Not necessary	Must	Not necessary
Limited market at first	Not necessary	Must	Not necessary
Condition 5			
Environment leadership	High enough	Low	High

The third condition, simple and focus, is closely related to the purpose described in condition one. As the purpose of cooperation aims to resolve the economic issues facing society, of course, the specification of product innovation gives satisfaction in general. On the other hand, the collaboration further emphasizes the value to be built as a characteristic of each party, where it is not always directed to answer an economic issue that exists. Therefore, the result of collaboration usually has its own specifications but not necessarily can satisfy the society in general. In co-creation the innovation intends to maximize the skills of each party to create a single product or service that meets the economic reality so that its output ~~also~~ tends to give society satisfaction in general.

Innovation begins with something small. It is expected that innovation adjustment tends to be less so that the process is not too time-consuming. In cooperation, the team involved is not always small. Sometimes when the purpose of the cooperation

is so wide, the team involved can become numerous. The market that is aimed by the cooperation does not start from the limited market because the purpose of cooperation tends to concern with the needs of the public. On the other hand, decision making usually is heavier to one party. In collaboration, innovation begins with small things, and the quantities of its products also tend to be limited for the first time. When the products are welcomed by consumers, they offer other things like the variety of product collaboration and restock. At first, the target market is also limited because collaboration does not always start from something common but also more to the specifications desired by the involved parties who created the product or service. Therefore, the decision-making process tends to be done together. In co-creation, it is based on one simple goal to create a new thing along with considering the existing economic issues. To create a unique new product, in the beginning, the number of teams and the specified market tends to be quite a lot. Decision-making depends on shareholders and agreement.

All entrepreneurial strategies aim at exploiting an innovation must achieve leadership within a given environment. Otherwise they will simply create an opportunity for the competitor. As a strategy, cooperation can create an environment and even become a leader in its environment. This is because the skills built in the cooperation are not as easy to imitate. On the other hand, collaboration as the strategy creates a less new environment because collaboration is easy to be done by anyone with the same segment as proven by various shoe brands that collaborate with a number of artists representing the brand. Therefore, the opportunity in competition is high. While for co-creation the opportunity to be an environment leadership was quite high because co-creation offers a thing that hardly to develop, hardly copied by others and has the quite high unique value to engage with their customers.

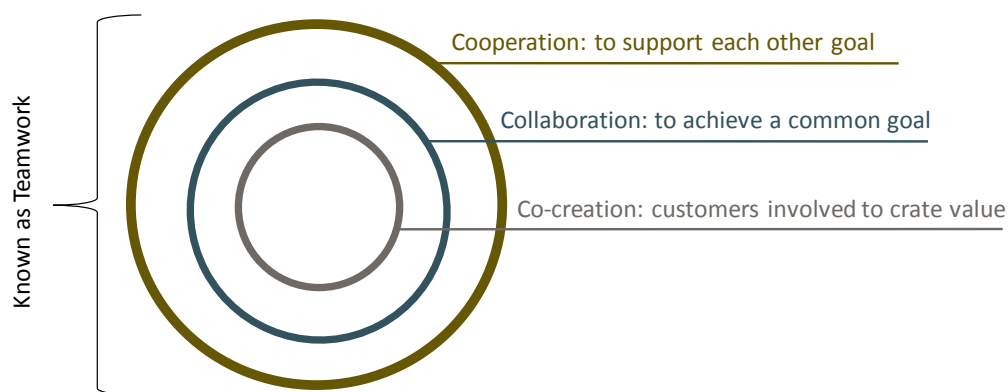


Figure 4. Differences between cooperation, collaboration, and co-creation

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Appendix

Literature review: Summary

Year	Author(s)	Description	Keyword/ Theme
1978	Pszczolowski	Three types of collaboration: Positive, competition, and negative.	Collaboration definition
1991	Ellis, Gribbs, and Rein	3C collaboration model: Communication, coordination, cooperation.	Communication, coordination, cooperation, collaboration
2004	Vargo and Lusch	Co-creation definition	
2006	Jaworski and Kohli	Co-creation the voice of customers	
2007	Fuks et al	Collaborative Governance in Theory and Practice	Communication, coordination
2008	Kottila and Rönni	Collaboration and trust & communication	Food industry, Organic foods, Relationship marketing, Communication, Trust
	Potts et al.	Customers co-creation & situated creativity	
2009	Kožuch	Culture of collaboration	Collaboration, confrontation
2010	King/Pearce	Collaboration: movement approach based on King/Pearce	Collaboration, campaign, niches
2011	Lopes and Calapez	Co-operation based on interpersonal and social interaction rather than individual utility maximization	Cooperation, Relational goods, Moral goods, Working conditions, Civic participation, European comparisons
2012	Balsiger	Campaigning collaboration to create niche	Competing Tactics
	Lee, Olson, and Trimi	Co-innovation: convergenomics, collaboration, and co-creation for organizational values	Innovation imperative, Evolution of innovation, Value creation, Co-innovation, Convergenomics, Collaboration, Co-creation, Innovation, Partnership

2013	Chaudoin and Urpelainen	Lobbies are active participants in the enforcement stage of co-operation	Domestic benefit, international benefit
		Customer value co-creation behavior	
2014	Tsai and Hsu	Cross functional of collaboration: KIM's	Cross-functional collaboration New product performance Knowledge integration mechanisms Competitive intensity
2016	Kennedy and Guzmán	Co-creation of brand identity	Branding, Co-creation, Engagement, Brand identity, Model development
	Rajan and Read	Value of Co-creation: concept and measurement	
2017	Ranjan and Read	The Six Faces of Value Co-creation	Co-production, value in use