

Master's thesis

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Transforming corporate social responsibility into brand equity in the technology industry



Master's Thesis | Abstract

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The purpose of this thesis was to study and document best practices for creating successful corporate social responsibility activities and transforming those activities into brand equity in the technology industry.

This thesis begins by providing an overview of the most relevant frameworks related to corporate social responsibility. It examines companies' responsibilities to society and stakeholders, as well as how corporate social responsibility programs can create strategic benefits to companies. Thesis then explores the concept and different components of brand equity. Research data has been collected through qualitative interviews in four Finnish technology companies that have been active in corporate social responsibility.

Findings of the study showed that there is increasing pressure on tech companies on corporate social responsibility coming from stakeholders like customers and employees. Respondents highlighted that using accurate data and stakeholder interviews are critical to success when creating successful corporate social responsibility activities.

Based on these findings, it can be concluded that reacting to these demands requires proactive and visible actions. Well-chosen corporate social responsibility activities and careful communication are needed to increase the brand equity of the company.

Keywords: Corporate social responsibility, sustainability, brand equity, responsible brand, technology industry, software industry

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Yritysten yhteiskuntavastuuohjelmien kanavoiminen brändin arvoksi teknologia-alan yrityksissä

Tämän opinnäytetyön tarkoituksena oli tutkia, mitkä ovat parhaita käytäntöjä, kun luodaan onnistuneita yritysten yhteiskuntavastuuohjelmia ja kanavoidaan nämä ohjelmat brändin arvoksi teknologia-alan yrityksissä.

Tutkielma alkaa katsauksella yritysten yhteiskuntavastuuseen liittyviin tärkeimpiin viitekehyksiin. Siinä tarkastellaan yritysten vastuuta yhteiskuntaa ja sidosryhmiä kohtaan sekä sitä, miten yritysten yhteiskuntavastuuohjelmat voivat tuottaa strategisia etuja yrityksille. Sen jälkeen tutkielmassa tarkastellaan brändin arvon käsitettä ja sen eri osatekijöitä. Tutkimusaineisto on kerätty laadullisilla haastatteluilla neljässä suomalaisessa teknologiayrityksessä.

Tutkimuksen tulokset osoittavat, että sidosryhmät, kuten asiakkaat ja työntekijät, kohdistavat teknologiayrityksiin yhä enemmän paineita yhteiskuntavastuun osalta. Sidosryhmähaastattelut ja tarkkojen faktojen käyttö ovat kriittisiä onnistumisen kannalta.

Näiden tulosten perusteella voidaan päätellä, että tähän paineeseen vastaaminen edellyttää ennakoivia ja näkyviä toimia. Hyvin valitut yhteiskuntavastuutoimet ja huolellinen viestintä tukevat yritysten brändin arvon kasvattamista.

Asiasanat:

Yhteiskuntavastuu, kestävä kehitys, brändin arvo, teknologia-ala

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List of abbreviations

| | |
|-----|-----------------------------------|
| CSR | Corporate Social Responsibility |
| DEI | Diversity Equality Inclusion |
| ESG | Environmental Social Governmental |
| GDP | Gross Domestic Product |
| NGO | Non-Governmental Organization |
| TBL | Triple Bottom Line |

1 Introduction

Today, business success is not judged by profitability or growth alone, but also based on how company's activity impacts the community, environment and society at large. Customers, employees and investors form their opinions based on all of these factors.

When talking about growth, one sector has stood out over the last few decades. In the global list of the five largest companies by market cap, four are predominantly concerned with technology products and services: Apple, Microsoft, Alphabet and Amazon (CompaniesMarketCap.com, 2022). In Finland alone, the technology industry produces a total of 57 billion euros, which is over 28% of the country's GDP, and holds 65% of private sector R&D investments (Palokangas, 2022). Technology industry is not large only by the market cap, also its global reach and technologies have reshaped our society and economies greatly in the recent years. With great power comes also great responsibility to switch the attention from just connecting, sharing, and growth to committing to having a positive impact on society. (Herweijer & Combes, 2022.)

This thesis will focus on exploring how technology companies can create successful corporate social responsibility activities and how to transform those activities into brand equity. Corporate social responsibility (CSR) is not a new topic as such, but as the role of tech companies is increasing in importance globally, we should expect more from this industry when it comes to its positive impact on society. Encouraging tech companies to get started with CSR is crucial. It can be achieved by providing them concrete best practices for building successful CSR activities, and best practices for transforming the CSR investment to brand equity. Brand equity is one of the factors that increases the financial value of the company. Being able to transform the impact of the CSR investment to company success can be an important factor for tech companies that encourages them to continue with CSR and is a clear business case that can be presented to any executive team.

There are several reasons why the current moment is perfect for every tech company to consider re-focusing their purpose and get started with CSR activities. Success, growth, and power of the tech industry is leading each company to focus on their reputation and switch from short-term plans towards responsible long-term growth. Institutional investors focused on the tech industry are increasingly prioritizing businesses that make a positive contribution to society and lead on these issues. (Herweijer & Combes, 2022.) Moreover, buyers and customers make decisions based on environmental, social, and governance criteria. Furthermore, the best talent gravitates to companies that live their values.

After having worked in the tech industry for almost a decade, only in recent years and months have I heard companies in this industry starting to discuss sustainability and responsibility topics. This thesis will provide me with an important opportunity to study the most relevant frameworks on CSR and start to build expertise on this topic. Potentially, this can open new career paths for me as a marketing expert.

The main objective of this thesis is to create a list of best practices related to the creation of successful CSR activities, that any company in the tech industry can take into active use. On top of this my aim is to find best practices for transforming CSR activities into brand equity.

Research questions:

1. What are the best practices when creating successful CSR activities in the tech industry?
2. What are best practices for transforming CSR activities into brand equity in the tech industry?

This thesis begins by providing an overview of the most relevant frameworks related to CSR. It examines companies' responsibilities to society and stakeholders, as well as how CSR programs can create strategic benefits to companies. The thesis then explores the concept and different components of brand equity. To collect data for this study, representatives of four Finnish tech

companies were interviewed. All featured companies have been active in CSR in the last few years. The thesis presents core findings from these interviews and concludes by providing practical recommendations for the tech industry by combining findings from both the literature review and the interviews.

2 Corporate social responsibility

This chapter presents some of the most relevant theories and concepts related to corporate social responsibility (CSR). Chapter covers how successful and strategic CSR programs should be created and how to build these programs into business case that is worth the investment.

There are several definitions of corporate social responsibility. Different sources highlight the angle of contributing positively to society and achieving balance on economic, environmental and social imperatives. Also, voluntarism is highlighted in many sources and taking actions beyond what is required by the law. (See e.g. UNIDO 2022)

To lay the foundations for this thesis work, definition from Commission of the European Communities has been chosen to clarify the concept of corporate social responsibility.

Corporate social responsibility (CSR) is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. It is about enterprises deciding to go beyond minimum legal requirements and obligations stemming from collective agreements in order to address societal needs.
(Commission of the European Communities, 2006.)

2.1 Business's responsibilities to society and stakeholders

Carroll's pyramid of corporate social responsibility (see figure 1) remains as the best-known model of CSR and one of the most cited models in the literature. Pyramid was officially published in 1991 to illustrate business responsibilities in order of relative importance, with economic responsibilities assumed as primary, followed by legal, ethical and finally philanthropic responsibilities. This set of four responsibilities creates a foundation that helps to frame business's responsibilities to the society. (Carroll 2016.)



Figure 1. Pyramid of corporate social responsibility (Carroll 2016).

All businesses are created as economic entities with the aim to provide goods or services to other members of society. The motive that comes with making profit is the primary incentive for businesses to operate. Businesses create profits when they add value and by doing this they benefit stakeholders connected to the business. Economic responsibility is placed as the base of the pyramid because it is a foundational requirement for each business's existence. (Carroll 2016.) Society requires and expects businesses to be able to sustain themselves, and the only way to do this is to be profitable and attractive enough for owners and shareholders to invest, in order to continue operations. Profits are necessary both to reward owners and stakeholders and, also for business growth when profits are reinvested back into the business. Therefore, the economic responsibility is a baseline requirement that must be met in a competitive business world. (Carroll 2016.)

Society has established laws and regulations under which businesses are expected to operate. Each business is expected to comply with legislation in order to continue its operations. (Carroll 2016.) On top of the general requirements of laws and regulations, there are different standards for

businesses operating in industries that are sensitive, for example when it comes to environmental impacts and privacy.

In addition to what is required by laws and regulations, society expects businesses to operate in an ethical fashion. Ethical responsibilities mean that businesses will act according to norms and standards that are not codified into law but that are expected by society. (Carroll 2016.) Ethical responsibilities might include for example embracing new values in society that are not currently required by law (Carroll 1991, 41). This level of responsibilities gives greater pressure to businesses to operate at a level above what is required by law (Carroll 1991, 41).

Society expects businesses to be good corporate citizens (Carroll 1991, 42). Philanthropic responsibility refers to a business's aims, goals and objectives for actively making society better as a whole. Nature of this responsibility is voluntary and guided by business's desire to participate in social activities that are not mandated, not required by law, and not generally expected of business in an ethical sense. (Carroll 2016.) Societies desire businesses to contribute their resources to humanitarian or environmental programs or purposes, but they do not consider businesses unethical if they do not provide the desired level. (Carroll 1991, 42.)

Businesses might experience tensions between different levels of corporate social responsibilities. These tensions are realities for organizations, and the pyramid should be looked on as an entity to simultaneously fulfill all its responsibilities in different levels. (Carroll 1991, 43.) Business leaders might think that resources spent for legal, ethical and philanthropic purposes necessarily detract profitability and affect businesses economic responsibility. However, according to the "business case" for CSR, this is not a valid assumption or conclusion. There is clear evidence and emerging view that budget spent on three upper levels of the pyramid can and does lead to economic rewards. (Carroll 2016.) Carroll (2016) sees that all businesses should try to create such a favorable situation.

Corporate social responsibilities are especially important for business stakeholders. Stakeholders are societal members who are most important to business and to whom business must demonstrate fulfillment of different layers of responsibilities. The challenge of stakeholder management is to ensure that primary stakeholders achieve their objectives while other stakeholders are also satisfied. Reaching this kind of “win-win” outcome might be difficult or even impossible but it should be the goal of stakeholder management in order to protect long-term interest of all stakeholders. (Carroll 1991, 43.)

Carroll (1991, 44) suggest ask these questions to capture essential information for stakeholder management related to corporate social responsibility:

1. Who are our stakeholders?
2. What are their stakes?
3. What opportunities and challenges are presented by our stakeholders?
4. What corporate social responsibilities (economic, legal, ethical, and philanthropic) do we have to our stakeholders?
5. What strategies, actions, or decisions should we take to best deal with these responsibilities?

Carroll has introduced a Stakeholder Responsibility Matrix (see figure 2) that can be used as a template in order to balance different levels of responsibilities to different stakeholders. The information resulting from the analysis of this Stakeholder Responsibility Matrix can be used when making long-term and short-term decisions related to business' corporate social responsibility.

Figure 4
Stakeholder/Responsibility Matrix

| <i>Stakeholders</i> | <i>Types of CSR</i> | | | |
|------------------------|---------------------|-------|---------|---------------|
| | Economic | Legal | Ethical | Philanthropic |
| Owners | | | | |
| Customers | | | | |
| Employees | | | | |
| Community | | | | |
| Competitors | | | | |
| Suppliers | | | | |
| Social Activist Groups | | | | |
| Public at Large | | | | |
| Others | | | | |

Figure 2. Stakeholder/Responsibility matrix (Carroll 1991, 44).

2.2 Dimensions of strategic CSR programs

With their approach of “5 dimension of strategic CSR”, Burke and Logdson (see figure 3) have examined how CSR programs can create strategic benefits to businesses even when these programs cannot be measured through separate contribution to business’s bottom line. Without a clear understanding of strategic benefits of CSR practices, it is likely that leadership teams will not invest in CSR because they cannot see the contribution to long-term success of their business. (Burke & Logdson 1996, 495.)

Corporate social responsibility is strategic when it results to business-related benefits, especially by supporting core business activities. Burke and Logdson (1996, 496 - 497.) have identified five dimensions that can be used

to identify the relationship between CSR and business's strategic interest, and that create value to the business.

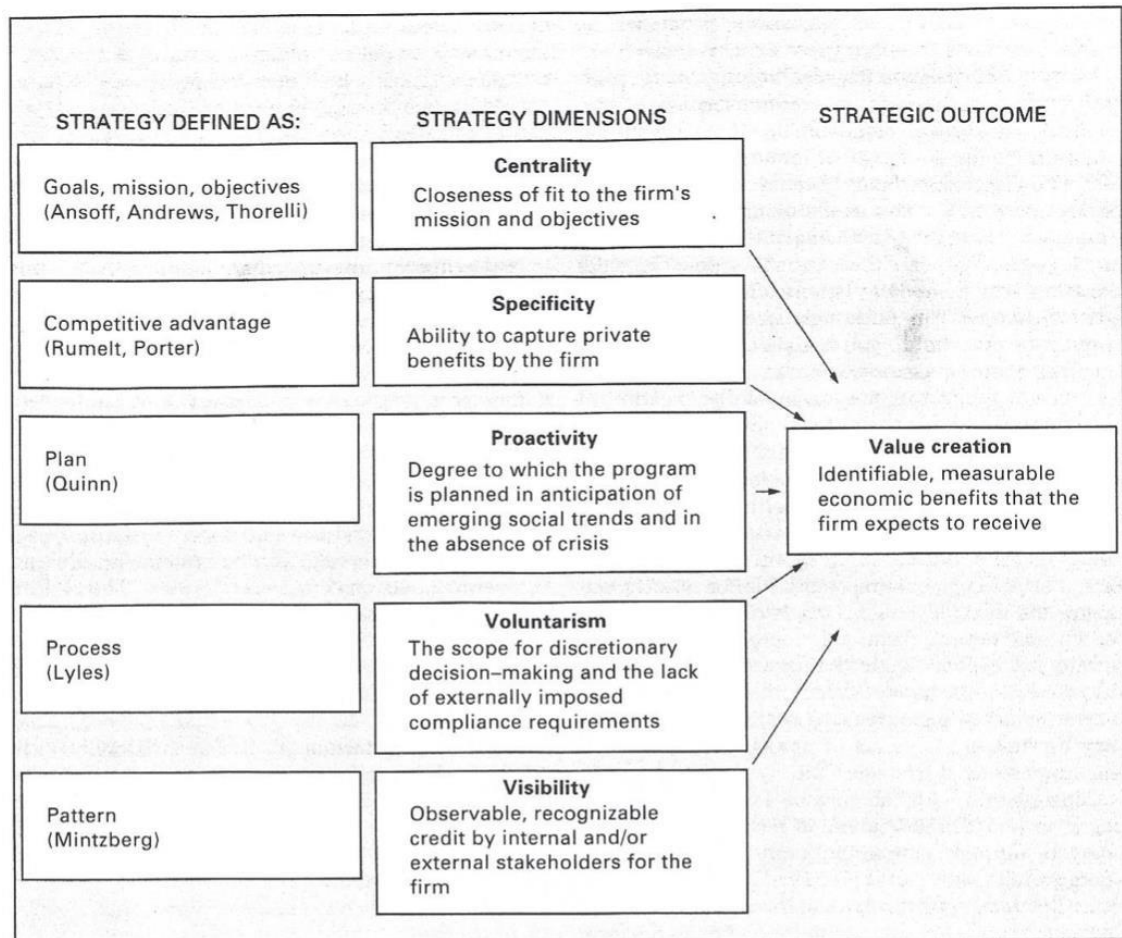


Figure 3. 5 dimensions of strategic CSR (Burke & Logdson 1996, 47).

Centrality is a dimension and measure between closeness of fit to CSR program and business's mission and objectives. Centrality helps to align CSR activities with business missions and objectives. CSR activities that have high centrality are expected to maintain high priority in business organization and yield future benefits that are in long-term transformed to profit. (Burke & Logdson 1996, 496–497.)

Specificity relates to business organizations' ability to capture the private benefits of CSR program. For example, investments in research and development that are lead to patentable products are seen as specific. Many

CSR activities create non-specific public goods that are broadly available to society. For example, many donations are non-specific to the donating company since there is no exclusivity to the company. (Burke & Logdson 1996, 497–498.)

Proactivity is a dimension of strategic CSR that stands for activities that are planned in anticipation, not in crisis conditions. The company that can recognize critical changes in their operating environment early and proactively act on those is better positioned to take advantage of those opportunities. (Burke & Logdson 1996, 498.)

Voluntarism is closely linked to proactivity. It indicates activities done in absence of regulatory or other mandates. Companies that are exceeding minimum standards for quality or safety are practicing voluntarism. This kind of activities can result to strategic and social payoffs. (Burke & Logdson 1996, 498.)

Visibility can have both positive and negative impacts to companies. Positive forms of visibility can include favorable media mentions, stock price run-ups, and successful new product launches. Visibility through CSR activities is more likely to be positive than negative. Positive visibility to CSR activities can be also internal within the company; for example comprehensive health care or educational benefits. These activities can improve productivity and loyalty, making it easier to recruit new talents to the company. (Burke & Logdson 1996, 498.)

The ultimate measure of strategic benefits from CSR activities is the value that they create to the company. CSR investments are among others likely to create demonstrable economic benefits to the company. Figure 4 presents an example of strategic CSR activities and the value that those activities can create to a company.

| | | STRATEGIC DIMENSION | | | | STRATEGIC OUTCOME | |
|---------------|---|--|---|--|------------------------------------|---|---|
| CSR BEHAVIOUR | | Centrality | Specificity | Proactivity | Voluntarism | Visibility | Value created |
| | Philanthropic contributions (\$, product, time) | Computer donations to schools by computer mfrs. Engineering research fellowships | Accustom new users to firm's products vs competitors' | | Community support | | Customer loyalty Future purchasers |
| | Employee benefits (direct or indirect) | | Health/wellness Day care Flex-time | New or uncommon benefits Higher employee loyalty | Employee loyalty and morale | Internal: employee loyalty and morale | Productivity gains |
| | Environment management (health, safety, pollution) | New products e.g. 'green' Process innovation esp. re pollution | Patent or innovation edge in product or process development | Learning curve advantages | Positive relations with regulators | Public relations and/or marketing advantage | New products or markets |
| | Political activity (PAC, lobby or information, independent or industry) | Favourable change in economic or social regulations | New business opportunities if pre-positioned to take advantage of new rules | Pre-positioning for changes in regulations | | | New product or geographic market opportunities |
| | Product or service related characteristics, innovations or processes | Product reformulations e.g. 'green' improved design, e.g. fuel efficiency new products, e.g. airbags | Patent or innovation edge first-to-market brand loyalty | Environmental scanning to create edge in design or product ideas | | First-to-market or leadership benefits | New product on new markets Edge in meeting emergency needs |

Figure 4. Example of strategic CSR activities (Burke & Logsdon 1996, 500).

Burke and Logsdon (1996, 501) have created an analysis tool that a company can use to identify the CSR projects, in which the company should invest in to get highest long-term benefits:

1. Identify stakeholders that are critically important for achieving company's mission, goals and strategic objectives.
2. Define CSR policies, programs and projects which address the needs and interests of these stakeholders.
3. Assess the opportunities rising from these CSR programs to enhance company's strategic objectives or to solve significant problems facing the company. (Centrality)
4. Assess how well these CSR programs can offer benefits that can be captured specifically by the company (vs. all companies and society at large). (Specificity)

5. Anticipate future changes in the operating environment and changes that affect key stakeholders which could be address through CSR policies or activities. (Proactivity)
6. Determine baseline of mandated requirements in order to identify opportunities for voluntary activities. (Voluntarism)
7. Identify CSR opportunities that create positive visibility with internal or external key stakeholders. (Visibility)
8. Measure the potential value expected from CSR programs. (Value creation)

2.3 Reporting on CSR: Triple Bottom Line approach

Common way to structure corporate social responsibility is Triple Bottom Line (TBL) approach, that was invented by John Elkington in 1994 (see figure 5). This approach suggests that businesses should commit to measure their economic, social and environmental impacts equally. Traditionally this approach is broken down into three P's: profit, people and planet. (Farnham 2021.)

Businesses are responsible for the profit that they create to stakeholders. Key business decisions are generally done to maximize profit and reduce costs. In TBL approach this traditional measure of business success has been paired with measures on people and planet. (Miller 2020.)

Creating value for all stakeholders, not just shareholders, is in the core of the second component of TBL approach called "people". This component highlights company's societal impact. All stakeholders that are affected by businesses decision, for example customers, employees, and community members are included in this component. (Miller 2020.)

Final component in TBL approach is the positive impact that business has on the planet. Businesses hold keys to drive positive change to for example climate change. All businesses have possibility to reduce their carbon footprint. (Miller 2020.)

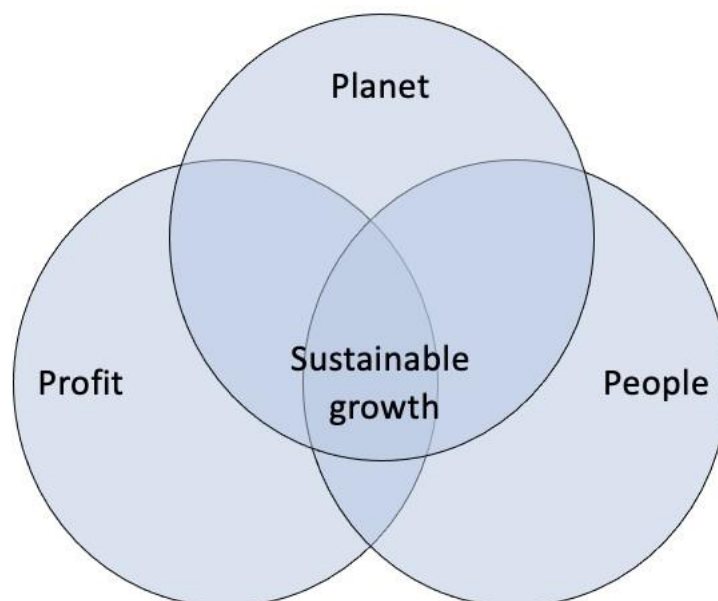


Figure 5. Triple Bottom Line (TBL) approach.

TBL approach is important since today businesses operate in a landscape where stakeholders increasingly value non-financial metrics. TBL supports businesses to recognize, measure and report business performance beyond purely financial success. (Farnham 2021.)

There has been debate on how the components in TBL approach should be measured, especially the people and planet components. There is no single global standard method for calculating TBL. This gives flexibility for each business to use measures that best fit them, but at the same time requires profound and careful preparation work from each business that uses the approach. (Hall & Slaper 2011, 1.) Profit component is of course measured with local currency, but it can also highlight amount of taxes paid to society. Measurements on planet component should indicate the potential influence a business has to natural resources. These measurements can include energy/natural resources consumption or greenhouse gas emissions. Social component could include measurements on how a business affects a

community or region. These could include education, equity, well-being or charitable contributions. (Hall & Slaper 2011, 3–9.)

2.4 Business case for corporate social responsibility

Business case in general refers to investment in a project or initiative that yields back as significant return to justify the expenses. For many businesses a business case behind CSR program is the justification for the leadership team to kick off these activities. Hundreds of studies have examined this topic over the past years. For this thesis, three business cases have been chosen to justify the investment in CSR.

Cost and risk reduction business case refers to strategical approach where a company chooses to engage in CSR activities in order to reduce costs and risks for the company – for example, NGO-driven boycotts related to a company's business operations. Demands from stakeholders can present potential threats to viability of a company, and by mitigating these threats, the company can serve its long-term economic interests. Focusing on building CSR standards and auditing CSR policies is also aiming to build trust among the stakeholder groups. (Kurucz & al 2008, 87–88.) For many brands, environmental pressure is impossible to ignore, and they choose to develop greener business models to make sure that they are compliant, not only with legislation, but also with environmental trends. (Chen 2009, 308.)

Second business case is competitive advantage that refers to the strategy, where CSR initiatives are seen as competitive advantage over industry rivals. Stakeholder demands are not seen as constrains to company but rather as opportunities that can be leveraged for the benefit of the company. (Kurucz & al 2008, 89.)

Building a responsible brand is the third business case, and most relevant to this thesis. This business case is focused on utilizing CSR activities to build value as company reputation and brand. Alignments on company and stakeholders interests can be done by linking corporate philanthropy and

marketing, showcasing socially and environmentally responsible behavior of the company in order to generate reputation gains. A strong brand can be a good marketing differentiation strategy and impact financial performance. This same idea can be seen in responsible investing where a potential investor is reviewing company's social performance. There are also studies that are emphasizing alignment between company's CSR reputation and its ability to attract talent. (Kurucz & al 2008, 90.)

3 Building a responsible brand

This chapter focuses on responsible brand building and brand equity. It goes through why brand equity is a good business case for corporate social responsibility (CSR), what components are in brand equity, how to measure those and how to find an ideal brand-cause fit.

As mentioned already in the last chapter, building a responsible brand is one central business case for investing in CSR activities. In this business case company's ability to communicate about CSR is critical for translating CSR investment into desirable outcomes. Positive outcomes can be for example beneficial investor relations, good stakeholder relations, and successes in recruitment, all of which ultimately support financial performance.

There are recent examples of responsible brand campaigns, for example Finnair's campaign on reducing greenhouse gas emission by 80% (Hurme 2023), that have not been successful and have damaged brand equity rather than increasing it. The Finnair case is an example of "greenwashing". Research done by Helsingin Sanomat proved that Finnair's claim of 80% emission reduction was not correct and, in fact, highly exaggerated. (Hurme 2023.) Building a responsible brand through CSR activities needs precise and detailed planning and knowledge on best practices in order to avoid negative repercussions that subtract, rather than add, brand equity.

Multiple studies during the last decades prove that alignment between social causes and brands to support company's overall business strategy yield positive results for both the company and the cause. Instead, CSR activities on low fit social cause can damage the company brand. More recently, a study identifies sustainability and CSR to be an integral component of brand equity. (Chen 2019, 309.) There has been also a new suggested construct called "green brand" that is defined as "a set of perceptions of a brand in a consumer's mind that is linked to environmental commitments and environmental concerns". (Chen 2019, 309.)

3.1 Components of brand equity

When discussing responsible brands and translating CSR activities to brand equity, it is critical to understand which are the building blocks for brand equity.

David A. Aaker has built a brand equity model (1991), that has been widely used in different industries. He has identified five components that form brand equity (see figure 6).

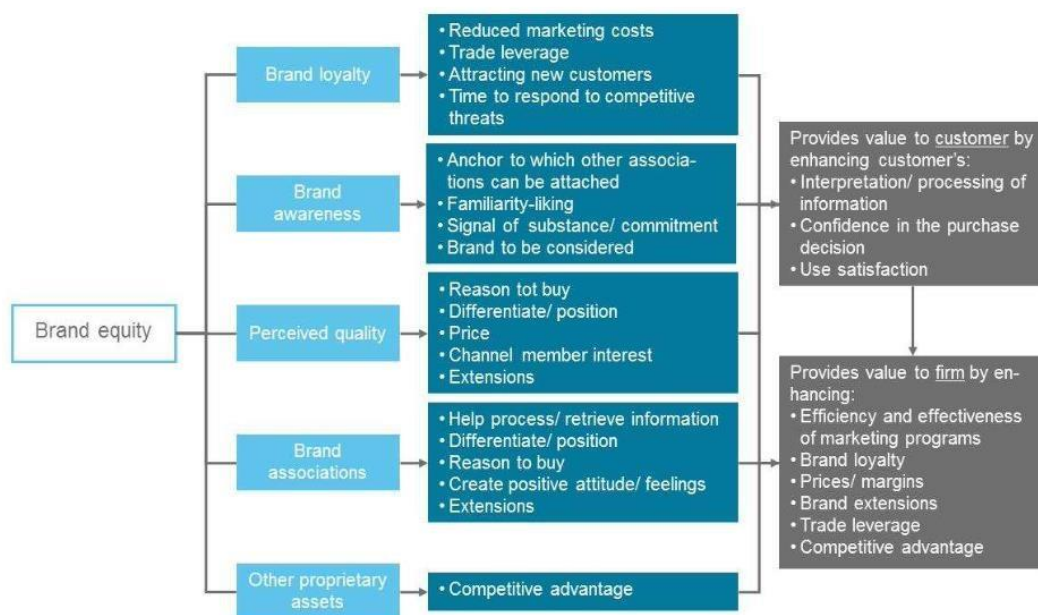


Figure 6. Brand equity model (Aaker 1991, 1).

In this brand equity model, brand loyalty is seen as the component that helps to reduce marketing costs because of loyal customers and trade leverage. It gives a company more time to respond to competitive threats. (Aaker 1991.)

Brand awareness component is measured by how well a brand is known among the public. Measurement can use following parameters: familiarity and liking, brand to be considered during the purchasing process, and signals of commitment to the brand. (Aaker 1991.) Also, other studies highlight the

importance of brand awareness as part of brand equity (Keller 1993, 3). Keller (1993, 3) states that brand awareness plays an important role in customer decision making.

Perceived quality component is measured by how the brand is considered to provide good quality products or services. This can be measured for example by the criteria that the quality of the brand is a reason to buy it. Also position in relation to competing brands, price, and availability in different sales channels can be used as criteria to measure this component. (Aaker 1991.)

Brand equity model mentions brand associations as one of brand equity components. Brand associations are informational confluences that are linked to the brand (Keller 1993, 3). This component can be assessed for example by the extent to which brand associations play a role in the buying process and to which brand associations create positive attitude/feelings. (Aaker 1991.)

Last component of brand equity is so called other proprietary assets, that are for example patents and intellectual property rights. (Aaker 1991.)

3.2 Measuring brand equity

Brand equity can be also measured through the components that were presented on previous chapter. David A. Aaker (1996, 103) has built a measurement set called “The Brand Equity Ten” that is one way to start measuring brand equity components.

Brand loyalty is a core component of brand equity. Basic indicator of brand loyalty is how much customer is willing to pay for the brand, comparing to another similar brands. This measurement is also referred to as price premium. Brand loyalty can be also measured in customer satisfaction. It is important to notice in these two measurements is that they don't apply to non-customers. (Aaker 1996, 108–109.)

Perceived quality is critical component of brand equity. Perceived quality has been associated with price premiums and also stock return. It can be measured for example in comparison to alternative brands offering similar services or products.

Brand awareness can increase confidence towards the company offering its services or products. It can even drive brand choice and loyalty. There are several levels of awareness that can be used in this measurement, for example recognition, recall and top-of-mind. (Aaker 1996, 114–115.) Brand awareness is often measured in brand surveys, conducted by external agencies.

Brand associations component can be challenging to measure. It usually involves image dimensions that are unique to that specific brand. Aaker suggests that measurements are structured around three perspectives: brand-as-product (value), brand-as-person (brand personality) and brand-as-organization (organizational associations). This component helps to measure for example if the brand provides good value for money, if the brand has an interesting and clear brand personality and credibility of organization behind the brand. Brand associations can be also measured through differentiation of the brand. (Aaker 1996, 111–14.)

Aaker's "Brand Equity Ten" also suggests use market price or market share as one of the metrics to measure brand equity. (Aaker 1996, 116.)

These measurements are examples of how to measure brand equity. There are several other options, and measurements should be considered and should be chosen uniquely for each brand to fit the purpose.

3.3 Finding a brand-cause fit

Companies searching for ways to differentiate their offerings through CSR activities frequently use their brands to secondary sources of value. When a brand is associated with a third party with a positive image, preexisting

positive impressions are transferred to the brand. It is important that there are either functional or image-related similarities between the cause and the sponsoring brand. (Davis & Guzman 2016, 436.)

Functional-based fit, also called as brand function-cause fit, occurs when the product or service of the brand helps in a social need. For example, a cyber security company could provide free services for a community in need or under a cyberattack. Good example is F-Secure's free provision of their VPN-product called Freedom for anyone in Ukraine following the 2022 invasion (F-Secure 2022). In this case, the product or service of the brand is used by beneficiaries of the cause. (Davis & Guzman 2017, 436.)

Image-fit occurs when values of the brand are similar to the values of the cause. High brand-cause fit is perceived when a brand supports a cause that reinforces social values of the brand. For example, cyber security company could invest in third sector research related to cyber risks in low-GDP countries. (Davis & Guzman 2017, 436.)

Davis and Guzman (2017, 437) state that the concept of brand-cause fit resonates particularly well with Keller's (2008) concept of brand duality. Based on Keller, strong brands are both emotionally and rationally appealing. Davis and Guzman (2017, 437) write that brand value-cause fit relates to a brand's emotional appeal, related to the value compatibility between the brand and a cause. Whereas brand function-cause fit relates to the brand's rational appeal that is related to the functional compatibility of the brand's product or service and a cause. Although this concept of brand-cause fit is developed for consumer business, it can be also used in B2B business.

4 Research methodology

The major objective of this thesis is to compile a list of best practices related to successful CSR activities and turning CSR investment into brand equity. List of best practices could be taken into active use by any company in technology industry. Best practices are formed through a process of studying general theoretical frameworks through literature review and doing qualitative research on companies operating in tech industry.

This chapter presents the research methodology that has been applied in this thesis. First the research design and chosen research methods are presented more in detail. After that the chapter presents data collection and analyses methods.

4.1 Research design

This thesis has been written in a manner that researcher observes the world through literature and interviews. Researcher interprets the data and knowledge subjectively to form best practices in the chosen topic to the chosen industry. This research philosophy is also called interpretivism. Interpretivism philosophy allows genuine two-way interaction to take place in the data collection phase and allows the researcher to develop understanding of the research topic in more detail. (Nickerson 2023.)

Research for this thesis has been conducted by using qualitative research methods. Qualitative approach allows to understand more in detail the processes, best practices, and metrics used in companies related to the chosen topic. (Cornell 2023.)

To collect the research data and, as mentioned, to develop a more detailed understanding of the research topic in the chosen industry I conducted a set of semi-structured qualitative interviews. I interviewed marketing leads,

sustainability leads and people working with sustainability topics in the tech industry.

4.2 Data collection and analyses

Data for this thesis was collected in a cross-sectional manner in spring 2023 and respondents were chosen in a non-randomized manner by using nonprobability sampling.

The scope of the companies that were interviewed was narrowed down to a category presented below:

Small and midsize businesses from ICT branch in technology industry, that are founded in Finland and operating in Finland (possibility to operate also outside of Finland). This thesis uses Gartner's definition of small and mid-sized business: maximum 1000 employees, maximum \$1 billion in annual revenue (Gartner glossary 2023).

Participating companies present a sample of this category rather than a statistical extract. For this thesis, four companies were chosen as respondents and there were five interviews in total. One person from each company, except for two persons from one company. Sample of participants was selected based on convenience, meaning ease of access through networks of the researcher. Respondent companies are:

- WithSecure (Revenue +125m €, 573 employees)
- Futurice (Revenue +87m €, 660 employees)
- Finnish tech company (Revenue +80m €, 550 employees)
- Finnish tech company (Revenue +37m €, 560 employees)

Interviewees from these companies are working in positions such as: Sustainability Lead, Vice President Communications & Brand, Investor Relations Director and Global Head of Diversity Equity and Inclusion. Later in this thesis when presenting the results, interviewees are referred to:

- Respondent 1
- Respondent 2
- Respondent 3
- Respondent 4
- Respondent 5

All interviews were conducted through online platforms such as Microsoft Teams and recorded. Interviews were done in a semi-structured manner, meaning that a set of open-ended questions was asked of all participants, but no predefined response options were provided. All interviews were discussion-type of meetings on the chosen topic. Interviews were conducted in English.

Interview questions were sent to study respondents before the interview to give them a possibility to go through them and prepare.

For the purpose of data analyses, all interview recordings were transformed into written transcripts. Interview data was analyzed through thematic content analysis to find recurring themes and patterns. Thematic content analysis was chosen as an analysis method because this process allows to categorize data into sections that can be turned into best practices for other companies. (Anuradha 2022.) Interview data was also analyzed by comparing it to theoretical frameworks, presented in the literature review.

4.3 Methodological limitations

There are some limitations in this thesis research that are presented in this chapter. Respondent companies have been chosen by using non-probability sampling. This is a sample of ICT-branch rather than rather than statistical extract.

Research respondents now present a small sample that offers only an example of practical operations and thinking of Finnish tech companies, related to CSR and brand equity, rather than offering a comprehensive sample that can be used to present general conclusions of the whole industry.

For the main objective of this thesis, which is to offer practical best practices, this is enough.

5 Growing importance of CSR

This chapter will present findings of the qualitative interviews that have been done to gather data for this thesis.

The first part of this chapter provides an overview to importance of CSR and how respondents see it in their organizations. Second part will go through how CSR activities are structured in the organizations, and third chapter how respondents choose CSR initiatives in their organizations. The last part of this chapter will focus on communication and marketing of CSR initiatives, that would make it possible to turn the investment into brand equity.

5.1 Arising expectations from stakeholders

It is valuable to identify the most important stakeholders for the company, when defining the best practices for CSR, and especially the origins of both stakeholder pressure and expectations.

All the respondents say CSR is considered important in their organizations. Some feel that this is not the top priority - but still high in the list of priorities. Other respondents say that this is the top priority. Two respondents brought up the fact that the tech or software industry has not traditionally been seen as a pollutant industry but as this sector gains more importance globally and locally, there are expectations on the companies for corporate social responsibility. Particularly when customers evaluate their vendors based on cost coverage, ICT vendors play a big role because sizes of software service purchases can be significant.

One of the key findings of the interviews is that there is a growing pressure from external stakeholders towards tech companies, when it comes to CSR. Sustainability or activity in CSR is more and more often in the pending criteria when choosing a potential vendor, service provider, employer or investment.

More than half of respondents say they have seen a clear change in this during the last one or two years.

Respondents state that their customers are starting to ask about sustainability, CSR or ESG (Environmental, Social and Governance) topics. One of the respondents said that this is the main reason the CEO of the company has emphasized CSR activities. Service companies in tech industry see that in order to serve their customers in CSR topics, they must pursue sustainability in order to be taken seriously and also to learn about it.

I'm hearing from sales that sustainability topics, or even like our own program, is quite often part of a sales tender nowadays. (Respondent 1.)

CEO has a strong belief that there will be immense pressure from the customers coming, and then we need to be able to serve them with their own journeys. (Respondent 3.)

There is also growing pressure from potential employees, as external stakeholders, towards tech companies to be active on CSR topics. Tech industry is dependent on finding suitable employees, and many sub-industries - for example cyber security - are lacking skilled workforce globally. This is potentially one of the main reasons why this external stakeholder group is to be taken seriously.

The most important stakeholders are actually our employees and future employees, so the young people that we want to employ. All the time they are very conscious, so it is happening that they are selecting their employer, and they select the one who's more transparent about their sustainability matters than the other. (Respondent 2.)

The younger generations, like you know millennials and Gen Z, are conquering now the workforce and there is more pressure to have a job that has a meaning than just a salary. (Respondent 5.)

Legislation is also a source of pressure on the companies these interviews represent. New directive from European Union came into force in the beginning of 2023

(European Commission 2023), strengthening the rules concerning corporate social and environmental reporting. This new directive was mentioned by several respondents as they need to prepare for this already now.

Internal pressure towards companies comes mainly from the existing employees. Both environmental and societal topics, like equality, are seen as important.

Our employees have been demanding more action for a while now. (Respondent 3.)

We did a survey and what we found in the survey is that our employees indicated, that access to equal opportunities for career growth and also career support for that growth, those two factors were the most important with regards to employee engagement and retention. (Respondent 4.)

5.2 Starting CSR activities in a tech company

CSR activities are a fairly new topic for all respondent companies. Many respondents say that the activities they are responsible for, whether related to environmental or societal impact, have been launched within a year of the interview. There have been some activities before, related to for example employee wellbeing, but not structured CSR programs. Maturity level of these programs is quite young in respondent organizations.

One main finding, related to the best practices when creating successful CSR activities, is the importance of having this topic as part of company strategy or/and OKR's (objectives and key results). All respondents say that CSR activities are part of the company strategy. When this topic is in the strategy, there is a push also from leadership team to be strategically active in CSR.

Just push it in [to company strategy] you know at whatever price. Because then it's there and you know it just requires some actions to be taken also at the board level. (Respondent 2.)

Common practice among respondents seems to be to get an executive sponsor from the leadership team, who would be advising or supporting this

topic. Many respondents say that the leadership team is at least at some level involved in the decision making, related to CSR activities. There is a different level of interest from the leadership team towards corporate social responsibility in the respondent companies. In some respondent companies executives are pushing this topic; in other companies there is more of a feeling that there is no deep enthusiasm on this topic but there is support when needed.

Based on the interviews, it is clear there is no uniform role, team or unit that would be responsible for corporate social responsibility in tech companies. Respondents are all working in different teams or units within their companies. Only one of the respondent companies has a role that is overlooking all CSR topics. Responsibility seems to be outside of marketing or brand teams and it seems that there are no clear processes, ways of working or structures that would support transformation of CSR investments to brand equity.

We planted the seed last year and now we are starting to develop more structured things that you see across large companies.
(Respondent 5.)

None of the companies that have been interviewed have built a clear business case for CSR. Many respondents say that there are thoughts on why the company wants to invest in CSR but actual business case has not been built. For many respondents socially and environmentally responsible behavior of the company seems to be important in order to generate reputation gains and to be seen as a credible player. But there is no evidence that would back up this “feeling” as a business case. Almost half of the respondents mention competitive advantage over competitors as a reason to start CSR activities but there is not any clear business case for this either. Nearly half of the respondents mention that they have been thinking about building a business case or that this would be the next step.

5.3 Choosing most relevant CSR initiatives

There are different approaches when it comes to choosing the most relevant CSR initiatives for the respondent tech companies. Almost all the respondents say that they are working with “sustainability” and use the term as a wider concept, than just environmental sustainability. For many of the respondents this word entails also social sustainability and for example sustainability in open source code. Sustainability seems to be the roof concept for all the initiatives, instead of using term CSR, and sustainability is the main term many respondents have chosen to use within their organizations. On top of terminology there are two key findings from interviews when it comes to choosing the best CSR initiative on environmental or societal topics.

The first finding is the importance of choosing the initiatives that are close to the core business of the company. Respondents say that it is best to get started with the core competence and skills that the company has. More than half of the respondent companies feel that it is important to share the knowledge the company has to the community and society. This seems to be quite high in priorities for all the companies.

The idea is to pick what we know, and we can actually help with. (Respondent 5.)

...The other one is how we share of what we know about, how we share our knowledge with the world. (Respondent 3.)

Second finding is the importance of using surveys as much as possible to choose or to prioritize the initiatives. Identifying most important stakeholders and asking from them seems to be a popular way to choose the best CSR initiatives for companies. Half of the respondent organizations have done employee surveys to find topics that are important for the existing employees, or gaps on which the company should focus. This method has been seen also as effective way to get the attention from the right people in the company. One company has also taken other important stakeholders like the leadership

team members, customers, and analysts to be part of the survey. Companies that have done surveys among employees or other stakeholders have also been able to define the main themes for CSR initiatives that they focus on.

We did the survey because we needed to figure out how to prioritize. And so we looked to the results from the survey and what are the areas that we are the weakest in. It wasn't until we did our own survey that we really got the attention of the most influential people in the organization, and once you have the attention then you can really start to make the necessary changes.
(Respondent 4.)

We run interviews with everybody in the leadership team, two of our board members and two or three customers. Big customers who are actually very conscious about their suppliers and their sustainability. Then two banks ESG analysts and we surveyed our personnel.
(Respondent 2.)

Among surveys, data is also an important way for respondent organizations to back up the CSR initiatives they choose to work with. It has helped respondent companies to prioritize initiatives and respond to questions like “why we do this, instead of that other thing” and also commit employees to change their behavior. One way to collect the data is of course surveys mentioned above. One of the respondents highlights importance of real time data, especially when it comes to environmental emissions and working actively to reduce those.

Some of the respondent organizations have worked with external expert organizations to get started with CSR initiatives, to choose the most important topics or to get accurate data on environmental emissions. For latter, one expert organization mentioned is Finnish company called Compensate.

In general, when choosing CSR initiatives, all respondent organizations seem to value support and opinions of their existing employees. One respondent especially highlights the fact that all initiatives that come from employees seem to work really well.

It seems that many of the respondent companies have chosen three different types of CSR initiatives. First group of initiatives is related to emissions and

minimizing carbon footprint of the company. Many respondents emphasize that tech companies should be mindful of their footprint, and provide several examples of how they achieve this, such as cloud hosting and the possibility of using secondhand IT devices. A second group of initiatives are related to societal issues and wellbeing of employees. This seems to be quite high in the priorities of several respondent companies, especially when it comes to so called “DEI topics” related to diversity, equality and inclusion. Third group of initiatives is “giving back to community”, as one of the respondents framed it. This entails all the activities where company is using its core competence to create value for society and community.

5.4 Leveraging CSR by communication and branding

How to transform CSR initiatives to brand equity seems to be a question that does not have an easy answer. As mentioned before, the most respondent organizations are in the early stages in their CSR journeys and have just started to work with more structured CSR programs. Based on what respondents say, the responsibility on CSR programs is placed outside of the marketing unit and there are no tight relationships between the sustainability program owners and the marketing units. One of the respondents stated that this is a topic that will be the next step for the company when they have their official CSR programs up and running.

One of the main findings related to communication on CSR is that all respondent companies have chosen to start communication on these topics internally. As mentioned before, existing employees are seen as an important target audience in all the companies, so it is justified to start from this audience. It comes through in the interviews that corporate social responsibility topics are seen as very sensitive, and it is considered as a good practice to communicate first internally and use existing employees as sounding board for the messaging and programs.

Until we're ready to prove whatever we want to say publicly, we need to be able to truly demonstrate that internally. (Respondent 4.)

Almost all the respondents consider external communication about CSR topics challenging. It is clear that companies want to communicate but there is a fine line between communication and what is called “greenwashing” in environmental topics or “pinkwashing” in societal topics. Both of the terms were used by respondents during the interviews when discussed about branding and communication related to corporate social responsibility. Many of the respondents find it risky to have strong statements on these topics and want to make sure that companies are not overpromising on what they can deliver.

And then of course there's always the fine line of going on the green washing side. So at least I want us to be so brutally honest that we talk about things that we really do, and you know don't sugarcoat, don't talk about something where we are just claiming to be doing something. (Respondent 2.)

Overpromising, or abusing CSR topics for the company benefit is seen risky. Instead of increasing brand equity, it is clearly seen as a possible way to even decrease brand equity and credibility of the company. Many of the respondents mention other companies, that they feel go too far on leveraging CSR activities in marketing. Authenticity is seen important when communicating about these activities. It is evident that many respondents rather use a word “communication” with CSR activities, and a word “marketing” is seen even a bit negative.

I mean there's a number of agencies that have shared their goals in a really beautiful way. And I thought in the past that it was really brave and, I thought that was great. The more I do this work, the more I realize, I'm maybe jaded, that you can't really trust what companies say outside. Because it's marketing, all of its marketing right to some extent now. (Respondent 4.)

Good best practice cited in the interviews is to make sure that information about CSR programs and activities is easy to find in the company website so that people can inform themselves.

It is clear that corporate social responsibility is seen as a topic that can positively increase the company brand equity since communicating too little is also seen as a challenge as well.

I think we're saying way too little. I think some of our competitors, just the fact that they are saying something about sustainability, may drive some employees to them. But I believe that we are doing some things better than them but we're not saying about that, though I think we're losing some employees because of that.
(Respondent 3.)

In many interviews, the CSR and sustainability topics are emphasized as critical to company brand - for example when attracting new employees. This is something cited by almost every respondent. But there is no clear organizational link between CSR programs and brand teams.

6 Discussion

Corporate social responsibility programs may be new to the tech industry but there are growing external expectations and pressure towards companies in this industry. CSR programs can create strategic benefits to businesses even when these programs cannot be measured by separate contribution to a business's bottom line. Increasing brand equity of the company is one clear business case and a way to create value for the company through CSR.

Main objective of this thesis was to discover how to transform CSR initiatives into brand equity in the tech industry. By evaluating literature related to CSR and brand equity, and interviewing Finnish tech companies this thesis has been finding answers to two main research questions:

1. What are the best practices when creating successful CSR activities in the tech industry?
2. What are best practices for transforming CSR activities into brand equity in the tech industry?

This chapter will offer the final synthesis by analyzing the findings from both the qualitative interviews and the literature. Full list of best practices is presented in the Appendix 1.

6.1 Minimum level is not enough for a tech company

Fulfilling legal responsibilities is required for every tech company to meet its responsibilities to the society. There are not many environmental, nor societal, laws, that would apply to tech companies, but one important upcoming example is the new EU Directive requiring each listed company or company larger than 500 seats to start reporting on CSR topics in 2025 (Commission of the European Communities 2006). At a minimum level this reporting is what every (big enough) tech company should start doing in the upcoming years as a best practice.

As the findings of the interviews show, CSR is increasing in importance in the tech industry, and there is a growing pressure from employees and customers. To reply to this pressure, minimum actions might not be enough but there is a need for proactive and voluntary actions in order to create successful CSR activities and gain value from those. Because of the influence that tech companies have, customers and employees put on them greater pressure to operate above the level what is required by law. Meeting legal responsibilities is only the second level of Carroll's CSR pyramid (see chapter 2.1.) and even though tech companies are not seen as unethical if not actioning beyond law, the findings show that this is exactly what each company should do in order to keep up good relationships with important stakeholders. Reaching to levels of ethical responsibilities and philanthropic responsibilities (see chapter 2.1.) is required of tech companies to gain value through CSR and this is one the best practices found in this study.

To have a strong start in creating successful CSR activities and to demonstrate emphasis to CSR topics, a good best practice is to add CSR as part of the company strategy. This is a proactive and voluntary action that helps allocating a right amount of resources to CSR initiatives. Support from the executive level or the leadership team is critical to get enough attention to CSR. One or several executive leaders should be sponsoring this topic. Proactivity and voluntarism are important dimensions in strategic CSR, presented in Burke & Logdson's "5 dimensions of strategic CSR" framework (see chapter 2.2.), and especially important to tech companies when engaging with more and more demanding stakeholders.

Corporate social responsibilities are especially important for a business's stakeholders, and this applies also to tech industry. Stakeholders are critically important for achieving company's mission, goals and strategic objectives (Burke and Logdson 1996, 501). Tech companies cannot thrive without skilled developers and customers that buy software products or services. In order to create successful CSR activities, it is important, as a best practice, to identify who are the most important stakeholders for the company. Findings

from the interviews show that the most important stakeholders for tech companies are the existing employees, potential employees and customers. To have a solid foundation for successful CSR activities tech companies can for example use Carroll's Stakeholder Responsibility Matrix (see figure 2) to identify important stakeholders and to understand what long-term and short-term decisions company should do related to CSR.

Choosing CSR initiatives that address the needs and interests of stakeholders is critical to create successful CSR activities. Good best practice is to collect data of stakeholder interests and needs for example through interviews or surveys. This data will help to increase understanding on what matters to stakeholders or for example in which areas the company is performing poorly. Using external consultant to collect and analyze the data is a good option, if there are resources and budget for that. Insights from a survey should be used as a best practice to prioritize activities. This data can be also used to justify choices that are made in internal discussions.

6.2 Increasing brand equity through well-chosen CSR initiatives

Stakeholders needs and interests should lay foundation for creating successful CSR activities but there are also other criteria that tech companies should consider. Choosing right kind of CSR activities is crucial when the objective is value creation to the company through increase in brand equity.

Strategic dimensions mentioned in the previous chapter, voluntarism and proactivity are important for brand equity. For a tech company these dimensions can be for example themes like minimizing emissions and carbon footprint or societal themes like DEI topics. CSR actions in these areas are for a tech company voluntary and proactive and with right communication can increase the brand equity. Data from stakeholder interviews or surveys can give more details on exactly what kind of activities could be successful.

Other strategic dimensions that should be considered to transform CSR activities to brand equity are centrality and specificity, also presented in Burke

& Logdson's "5 dimensions of strategic CSR" (see chapter 2.2.). All tech companies have skilled workforce and core competences that can be used to benefit society. In the interviews respondents highlighted "giving back to community" kind of attitude. These dimensions can increase the brand equity, but also create competitive advantage to the company. Considering these strategic dimensions when choosing CSR initiatives are definitely one best practice to consider.

Each CSR activity that a tech company does should have either brand function-cause fit or brand image-cause fit (Davis & Guzman 2016, 436). All the interviewed tech companies have started with brand function-cause fit and that would be a good best practice also to any other tech company. Following either of these two models helps to avoid feeling of "greenwashing" or "pinkwashing" when each activity has a clearly understandable reasoning and connection to the company. This will also have potential to increase brand associations, that are informational confluences linked to the brand (Keller 1993, 3). When a tech brand is associated to a well-known social or environmental cause it can increase the brand equity.

6.3 Careful communication mandatory for a responsible brand

Responsible brand is one of the most central business cases when investing in CSR (Kurucz & al 2008, 90). Capability to communicate on CSR activities to the stakeholders is critical in order to create value for the company as increase in brand equity. As a best practices, strategic dimension visibility should be taken into account when choosing CSR activities to make successful communication easier, enable responsible brand building, and transforming CSR investment into brand equity (Burke & Logdson 1996, 498). Public awareness and knowledge of the social cause are issues that should be considered in order to transform CSR investment to brand equity. Moreover, as a best practice it is important to make sure that all information related to CSR activities is easy to find on the company website.

Communicating to stakeholders should be well planned since CSR topics are often sensitive. Well planned communication on CSR activities can increase brand awareness of the company, which is one component of brand equity (Aaker 1991). To transform CSR investment to brand equity it is important that numbers, statements or data presented in the CSR communication are correct and verifiable. It is important to be particularly careful not to over-promise or exaggerate results. Good best practice is also to pay attention to authenticity and credibility.

For every tech company, its own employees are most likely in the list of most important stakeholders. Starting the communication on CSR activities first to internal stakeholders is an ideal way to test the messaging and get confidence in being able to demonstrate the value of CSR activities.

To demonstrate emphasis on CSR topics the tech companies can go as far as starting to report their commitment to social and environmental impacts equally to economic impacts as a form of TBL reporting (see chapter 2.3.). This requires a lot of internal work but can pay off as a competitive advantage for example when attracting new employees.

7 Conclusions

The main purpose of this thesis was to identify what are the best practices when creating successful CSR activities in the tech industry and to understand best practices for transforming CSR activities into brand equity.

This study has demonstrated that there is a growing pressure towards tech companies to be active in CSR topics. Reporting on CSR topics is something that all important stakeholder groups will be asking for, if not already now, in the near future. It is clear, that merely filling the minimum requirements is not enough for the tech companies. As a result of this pressure one can conclude that best practices and knowledge sharing on CSR in Finnish tech industry is needed.

This study has succeeded to present several best practices for creation of successful CSR activities. For example, adding CSR to company strategy and involving stakeholders when choosing CSR initiatives. From this extensive list, presented in the Appendix 1, can be concluded that there is now enough information and practical guidance that companies in the technology industry can take into active use. Also, theory frameworks on CSR presented in this thesis, that are built decades ago, are still relevant and can be applied to any modern technology business.

Finding best practices on transforming CSR activities to brand equity was more challenging to put together. This study indicates that well-chosen CSR activities can create remarkable increases in brand equity, especially when stakeholders are included to the process. Also, careful communication, to avoid colourwashing, plays a role when turning CSR investment to brand equity. One can conclude that best practices on this topic should be investigated further in order to provide strong practical guidance for technology industry. However, best practices mentioned in this thesis will direct companies to right direction on their CSR and brand equity journey.

As a marketing professional, this thesis has provided me an opportunity to deep dive into CSR and brand equity. Study done for this thesis has given me excellent understanding of the current status of CSR in Finnish tech companies and how I could contribute to this through the new knowledge I have gained during this thesis process.

Best practices found in this study can be used by any mid-sized tech company that is looking to create value through strategic CSR activities. Getting accurate and verifiable data is crucial in order to increase the confidence of tech companies in communicating externally on CSR topics. This could be an interesting area for the development work in the future.

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Appendix 1. List of best practices

- Go beyond the minimum level to reply to the growing pressure from employees and customers. Reach levels of ethical and philanthropic responsibilities (see chapter 2.1.) to gain value through CSR.
- Add CSR as part of the company strategy. This is a proactive and voluntary action that helps allocating a right amount of resources to CSR initiatives.
- Secure support from the executive level or the leadership team to get enough attention to CSR. One or several executive leaders should be sponsoring this topic.
- Identify the most important stakeholders for the company. Consider at least existing employees, potentials employees and customers as the most important stakeholders.
- Collect data of stakeholder interests and needs through surveys and interviews to choose CSR initiatives for the company. Choosing right kind of CSR activities is crucial when the objective is value creation to the company through increase in brand equity.
- Consider strategic dimensions presented in “5 dimensions of strategic CSR” (Burke & Logdson 1996, see chapter 2.2.) to increase brand equity and to create competitive advantage for the company.
- Start with CSR initiatives that have a strong brand-cause fit (see chapter 3.3.). This will help to avoid feeling of “greenwashing” or “pinkwashing” when each activity has a clearly understandable reasoning and connection to the company.
- Make sure that all information related to CSR activities is easy to find on the company website.

- Make sure that numbers, statements or data presented in the CSR communication are correct and verifiable. Be particularly careful not to over-promise or exaggerate results. Good best practice is to pay attention to authenticity and credibility.
- Start the communication on CSR activities first to internal stakeholders to test the messaging and get confidence in being able to demonstrate the value of CSR activities.

Appendix 2. Interview questions

1. Who is responsible for CSR programs/initiatives at company X?
2. Is corporate social responsibility important for company X? If yes/no, why?
3. Who do you think are the most important stakeholders for company X?
4. What kind of responsibilities do you see that company X has for society and stakeholders?
5. What kind of CSR programs/initiatives company X has done or is planning to do?
6. Why and how have you chosen specifically these initiatives?
7. How involved the leadership/executive team has been on these initiatives?
8. How do you justify investment in CSR initiatives?
9. How do you report on CSR programs?
10. What are the best practices (based on your experience) when creating CSR activities in the tech industry?
11. Is there something specific in the tech industry related to CSR activities that you would like to mention?
12. How important CSR initiatives are for the brand of company X?
13. From a brand point of view, what are important factors when choosing CSR initiatives?
14. What kind of CSR activities create positive visibility for company X? Tell me examples.
15. What are best practices on building responsible brand / transforming CSR initiatives to brand equity?
16. What are best practices on communicating to stakeholders about CSR initiatives?