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Profit With Purpose

– The Integration of Social Impact in Modern
Business Growth



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Profit With Purpose

The Integration of Social Impact in Modern Business Growth

Corporate social responsibility is becoming increasingly important in the business world. Making a positive social impact while growing a business has multiple benefits for a company. This thesis explores how social impact can be financially beneficial to a business and how to apply CSR into a business's growth strategy. The thesis has Worthmore, a Danish telecom startup, as an example of a company that uses social impact as a way to boost business growth.

The theoretical framework of the thesis consists of the examination of corporate social responsibility and social impact. It investigates CSR in depth by looking into its history and development. Social impact is the next step of corporate social responsibility as a philanthropic responsibility, which is explored after CSR.

A guide is used as a research development method. The social impact guide shares the benefits CSR and social impact have for a business, and helps businesses to get started with the CSR process. The thesis's target group is business owners that are looking to take a purpose-driven approach in their business models. It also aims to inspire readers to take a fresh look at corporate social responsibility. The thesis's primary goal is to encourage businesses to identify corporate social responsibility as a growth opportunity rather than as an obligation. By applying CSR into business practices, businesses can use it to grow their businesses while creating a positive impact.

Keywords:

Corporate social responsibility, Social impact, Business growth

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List of abbreviations

CAC Customer acquisition cost

CFP Corporate financial performance

CSP Corporate social performance

CSR Corporate social responsibility

ESG Environmental, social and governance

KPI Key performance indicator

1 Introduction

Corporate social responsibility (CSR) is becoming increasingly important due to the many challenges the modern world has had to face. These challenges include matters like global warming and systemic discrimination towards minorities. These challenges have made stakeholders more demanding of businesses' CSR efforts. It has also been discovered that businesses' CSR actions are especially important to the younger generations. This thesis explores how businesses can use social impact and CSR as part of their growth strategies and how they can apply them into their business models. I became interested in this topic during my internship at Worthmore, a social enterprise that considers social good in its business choices and uses it as a way to increase profits. Worthmore's business model inspired me to do further research on the subject, so I chose it as my thesis topic.

Worthmore is a Danish telecom startup that wants to make a difference in the telecom industry by offering low-cost mobile services and directing parts of its profits towards different charitable causes. With this method, Worthmore can create revenue and make a positive impact in the world at the same time.

The thesis begins by explaining the meaning and history behind corporate social responsibility. Corporate social responsibility's history and development will be explored by using valued studies and models that have influenced how CSR is seen today. Worthmore is used to examine social impact from a practical point of view. Lastly the thesis presents a guide to demonstrate how businesses can financially benefit from corporate social responsibility and social impact. It explains how businesses can put it into practice in their businesses.

This thesis will be useful for enterprises that are looking to take a purpose-driven approach in their business models.

The goal of this thesis is to encourage businesses to see corporate social responsibility as a growth opportunity rather than as an obligation. By changing

their viewpoint and applying CSR into their business practices, they can use it to increase business growth while creating positive impact.

2 Understanding Corporate Social Responsibility

2.1 The evolution of corporate social responsibility

Corporate Social Responsibility (CSR) looks at the societal and business expectations of a corporation's social duties. Howard R. Bowen's book "Social Responsibilities of the Businessman", created in 1953, is seen as the starting point for corporate social responsibility. Bowen's book helped define the meaning of corporate social responsibility and shape how it is understood in business today. Bowen's book has paved the way for further research of CSR. (Madrakhimova 2013.)

Bowen describes corporate social responsibility as entrepreneurs' responsibility to choose policies and practices that are both beneficial to their businesses and to the principles and values of society (Bowen 1953, 6). His approach to CSR was based on a belief that the most influential companies are key centers for decision-making and authority, and because of this their actions largely impact the world and people's lives. (Carroll 2008, 5.)

During the 1960s, social activists fought for corporate social responsibility to have a clearer definition so that it can be better understood by businesses, but the message only became clear during the social legislation of the early 1970s, when Occupational Safety and Health Administration, Environmental Protection Agency, Equal Employment Opportunity Commission, and Consumer Product Safety Commission took place. (Carroll 1991, 39.)

Something that helped corporate social responsibility to gain recognition was the publication of *The Limits to Growth* (1972). *The Limits to Growth* was a work created by The Club of Rome, a team of scientists, business leaders and economists from over twenty countries. With this report the experts wanted to point out the impact pollution, resource depletion and population expansion had on the world, emphasizing the need for new legal structures and ethical

business actions. The report was a big turning point for CSR and it gained attention from all across the world. (Agudelo etc. 2019, 6.)

Multiple researchers helped develop and understand corporate social responsibility during the 1980s. In 1984, Peter Drucker presented a new meaning for CSR, pointing out how social responsibility and profits can coexist. He suggested that companies could use social issues as a base to generate revenue and employment. (Carroll 1999, 18.) Another significant study was created by researchers Aupperle, Carroll and Hatfield in 1985. This study's purpose was to create a mechanism that assesses one's level of societal responsibility orientation. The goal of the study was to understand the connection between profitability and CSR orientation. (Aupperle etc. 1985, 447.) The study's results supported the prioritizing of economic, legal, ethical, and discretionary obligations, which are essential parts of CSR. (Carroll 1999, 20).

The term Corporate Social Performance (CSP) also gained greater recognition in addition to CSR. A CSP model was created, which was more elaborative than CSR alone. Steven Wartick and Philip Cochran's 1985 model redefined the concept of corporate social performance by categorizing CSR, social adaptability, and social concerns into principles and procedures, pointing out the responsive, ethical and policy-driven aspects of business actions. (Carroll 1999, 20.)

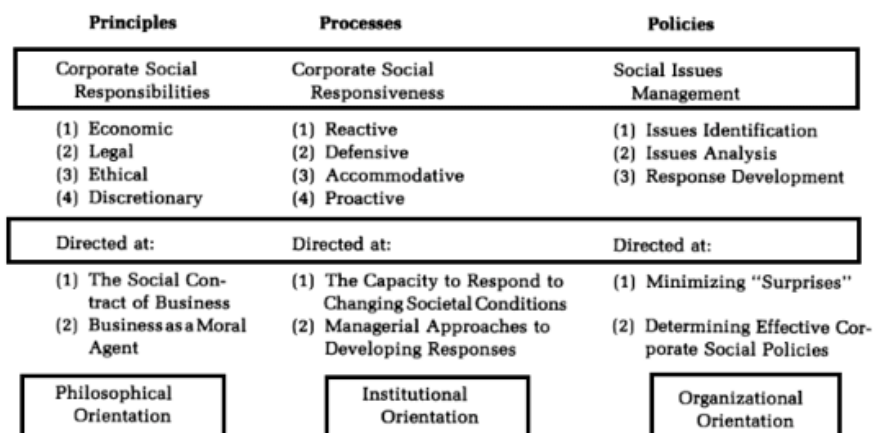


Figure 1. The Corporate Social Performance model (Wartick & Cochran 1985)

Global views on CSR and sustainable growth were influenced by big global incidents that occurred in the 1990s. The forming of the Kyoto Protocol, European Environment Agency, the Rio de Janeiro UN Summit on Environment and Development, the ratification of Agenda 21 and the UN Framework Convention on Climate Change all together shaped the global environment and social policies. (Agudelo etc. 2019, 6.)

On top of these achievements, interest in corporate social responsibility increased during the 1990s. CSR gained recognition across the world during this decade because of the continuous globalization process and the global care for sustainable development. Globalization in the 1990s caused multinational firms to expand into international markets. This expansion created new economic opportunities, but it also formed difficult obstacles such as stricter regulations, reputational risks and increased worldwide competitiveness. (Agudelo etc. 2019, 6.)

During the 2000s corporate social responsibility gained scholarly attention along with the institutional and societal impacts. Business practices had evolved in response to the interests of the public. From this, a new interpretation of CSR was proposed, suggesting that the concept would be more inclusive to stakeholders, from a business standpoint. The new interpretation stated that corporate social responsibility is a business's commitment to the ones that are impacted by their choices and actions. This goes above what shareholders expect or what laws require. The purpose behind this is to decrease disturbance and make society better by providing positive outcomes for it. (Agudelo 2019, 10.)

Strategic components were added to the concept of CSR by Geoffrey P. Lantos in 2001, who claimed that corporate social responsibility has a "social contract" between society and companies. This meant satisfying lasting societal expectations while limiting negative repercussions. According to Lantos, CSR becomes strategic once it is included in a business's profit-driven management plan. It needs to prioritize socially conscious measures that's main goal is to produce profits. This was the first case of a clear connection between strategic

planning and corporate social responsibility. After this, multiple researchers addressed the need for businesses to fulfill their obligations according to stakeholders, such as suppliers, customers and workers. (Agudelo 2019, 11.)

The CSR movement had grown into an international phenomenon during the 2000s. The European community showed and is still showing the most interest and engagement on the subject. Voluntary CSR programs have become a continuous occurrence in the global industry, with national variations on how they are put into practice. Because of the institutional assistance, including business management norms and professional associations, businesses now have a strong administrative knowledge in the legal and ethical compliances of CSR. (Carroll 2009, 15.)

2.2 The corporate social responsibility pyramid

In 1991 Archie B. Carroll released his own theory for corporate social responsibility, called the CSR pyramid. The pyramid is seen as a standard definition for corporate social responsibility (Talonen etc. 2021, 17). Corporate leaders, legislators and scholars frequently mention and cite the pyramid when discussing the topic of CSR. The pyramid gives corporations the structure they need to fulfill economic, legal, ethical and philanthropic requirements (Anderson 2024).

Carroll's theory is a four-step pyramid that includes four different levels of CSR. These four levels are called the economic, legal, ethical and philanthropic responsibilities. Economic responsibility is at the base of the pyramid as a basic responsibility that a business needs to function. Philanthropic responsibility is the highest level of responsibility, which is not seen as a responsibility a business needs to function, but it is still something a business should consider in its choices and actions. (Talonen etc. 2021, 18.)

The CSR pyramid is made to be interpreted by stakeholders. When the stakeholders review the pyramid, they should focus on it as a whole rather than the individual components of it. The pyramid advises corporations to make the

right choices, to have the right guidelines, and to carry out actions that all together achieve the four requirements. According to Carroll, the pyramid should not be seen as a strict linear framework that requires businesses to work on each duty on their own. Instead it is a process where a business fulfills all the elements of the pyramid simultaneously. (Carroll 2016, 6.)



Figure 2. Carroll's pyramid of CSR (Carroll 2016)

Economic responsibilities are the first level of the CSR pyramid. This means that businesses have a financial responsibility to their community as a basic requirement. Society expects enterprises to be self-sufficient which makes economic responsibilities social responsibilities. Being self-sufficient can only be accomplished by being profitable. This is made possible by bringing in owners' and shareholders' investments, and with these investments a business is able to create the funds required for it to continue functioning. Society views corporations as organizations that manufacture and market products and services that the society needs and desires. Society accepts that businesses gain profits in exchange for this. Profits are not only required for the benefit of shareholders and investors, but also to promote business growth when they are returned into the company. Corporations help all parties involved when generating income and also providing value to society. (Carroll 2016, 3.)

Economic responsibilities play out in multiple different ways, including cost-efficiency, strategies, marketing, investments and a range of professional practices designed to improve a corporation's long-term financial success. Because of the highly competitive corporate market, economic performance and sustainability have become two big challenges for businesses. Financial failure puts a company at risk of going out of business. Because of this, economic responsibility is a necessity that every business must fulfill. (Carroll 2016, 3.)

Carroll breaks down the economic responsibilities into five key components to conclude the economic aspect of CSR. He underlines the basic financial responsibilities that corporations have to society. According to these components a business should do the following: act in a manner that is compatible with maximizing earnings per share, be dedicated to maximizing profits, hold a strong competitive position, keep up a high standard of operational effectiveness and identify a successful business as one that generates profits on a regular basis. (Carroll 1991, 40-41.)

The second level of the Carroll's pyramid represents the legal responsibilities of a business. Although society allows businesses to operate for profit, they expect them to follow the laws and regulations set. Laws serve as guidelines for businesses, requiring them to reach their economic goals within the legal boundaries. (Carroll 1991, 41.)

Legal responsibilities are like written rules of ethics, making sure that businesses operate in a way defined by legislators. The legal responsibilities come after the economic responsibilities to mirror its historical development. Legal CSR works alongside economic responsibilities as a principle of the free market system. (Carroll 1991, 41.) Legal responsibilities of a business include laws like environmental law, labor law and even criminal law (Tvaronavičienė etc. 2014, 475).

Legal responsibilities' key components are to act in a way that goes with the legal and governmental expectations and to stick to the laws made by the federal, state and local government. This happens by being a lawful corporation

and to identify a successful business as one that works within the legal requirements. Businesses should also supply products and services that are not less than the minimum standard of the legal requirements. (Carroll 2016, 3.)

Ethical responsibility is the next step in the pyramid. Society thinks laws are essential, but most believe that they are not enough on their own. Therefore in addition to following the law, corporations are demanded to act ethically. The ethical principles come from a society's standards, norms and expectations. A business should adopt these requirements in its business model. (Carroll 2016, 3.) Ethical responsibilities include topics like being eco-friendly or ensuring reasonable pay for employees (Tvaronavičienė etc. 2014, 476).

Part of the ethical expectations is that enterprises understand and follow the underlying principles behind a law. This includes both fulfilling the lowest levels of legal obligations and interpreting the law in a way that is consistent with its original intent. This helps corporations to act accordingly, even in situations where the law does not offer clear guidance for them. A business should also be aware of the different ethical consequences they might face when taking action. The purpose of the ethical expectations is to make corporations work within a set of values that consumers and employees can agree with. (Carroll 2016, 3.)

A business that follows ethical responsibilities behaves within society's ethical standards, without forgetting to acknowledge society's new or changing morals. A business must behave in a way that is morally and ethically responsible and understand that ethical behavior goes beyond the legal and regulatory compliances. (Carroll 1991, 41.)

The highest level of the pyramid is philanthropic responsibility that reflects corporations' efforts to serve society and the world (Stobierski 2021). Corporate philanthropy covers all the voluntary actions that a business takes. Although philanthropic actions are not required of a business in the same way as the other responsibilities are, they are becoming increasingly important to society. The amount and type of philanthropy actions are up to the business to decide.

Philanthropic actions are driven by the company's own will to be involved in different social projects. These social projects are not legally or ethically demanded of them. (Carroll 2016, 4.)

Philanthropy can involve elements like business donations, administrative help and support of different causes such as arts or education (Carroll 1991, 42). Businesses rarely have pure intentions when it comes to their philanthropic actions. These acts are usually done in favor of stakeholders with a goal that it is going to benefit them in return. (Carroll 2016, 4).

In conclusion, corporate social responsibility are the ongoing acts of a business that fulfills the economic, legal, ethical and philanthropic obligations. These four elements are the reflections of society's expectations for corporations. The end goal of a CSR-driven business is to earn profits, obey the law, behave morally and to be a good corporate citizen. (Carroll 1991, 43.)

3 Using Social Impact as a Growth Strategy

3.1 Social impact and corporate social responsibility

Social impact can be explained as the key element for valuable changes a business makes to either fix or confront injustice or societal issues. Companies accomplish these objectives by taking the right initiatives inside their business operations. Social impact is part of philanthropic actions. It comes from many different fields, including for example public and private sectors. (Mitchell 2021.)

Before, businesses have used short-term social efforts to showcase their involvement with social responsibility. These kinds of actions have lacked a true impact on society. In recent years, stakeholders have pushed businesses to increase their social responsibility actions by making decisions that go along with the stakeholders' values. Businesses can satisfy stakeholders by following the demands of them, which will also increase their own financial value. (Bolton 2023, 40.)

CSR's and social impact's importance in the business world has grown remarkably during the past years due to many different challenges enterprises have had to face. These include cases like the systemic discrimination towards minorities, the Covid-19 pandemic and the growing concern for global warming. (Bolton 2023, 39.) Because of these challenges, some businesses have made the decision to have corporate social responsibility and social impact as part of their modern business strategies. This is to show their dedication towards matters such as sustainability, ethicality and community contribution (Muslim & Pelu 2023, 29).

There are many ways a company can benefit from using corporate social responsibility and social impact. Using CSR can improve a company's reputation and help strengthen business image and alliance within the corporation. These are also thought to be the key factors driving innovation and

business growth, which gives a business a better competitive position. (Camilleri 2017, 63.)

3.2 Strategic CSR and social impact

Business strategy refers to a company's competitive approach in a specific industry or market segment. It includes taking initiatives to reach its peak performance, while understanding its surroundings. (Yuan etc. 2020.)

All companies contribute to corporate social responsibility in some ways, but for CSR to become strategic, a business needs to take business actions that have a lasting impact. These actions can for example be the different missions and targets that a company decides for itself. A business can only be CSR-driven if it gives itself important business-related benefits through its actions. (Nicoara etc. 2019, 373.)

In order to help a corporation achieve all its business objectives, strategic CSR efforts need to have some kind of organizational base that will focus on supporting the core activities of the business. These objectives can be tangible or intangible. Tangible objectives are for example unused financial returns or new business avenues, and intangible objectives include topics like brand equity and employee engagement. (Nicoara etc. 2019, 374.)

Five researchers, Vishwanathan, Oosterhout, Heugens, Duran & Essen created a structured three-level model of strategic CSR to demonstrate strategic CSR. The structure includes three different levels of strategic CSR: the basic level, the secondary level and the indicator level. (Vishwanathan etc. 2020, 331.)

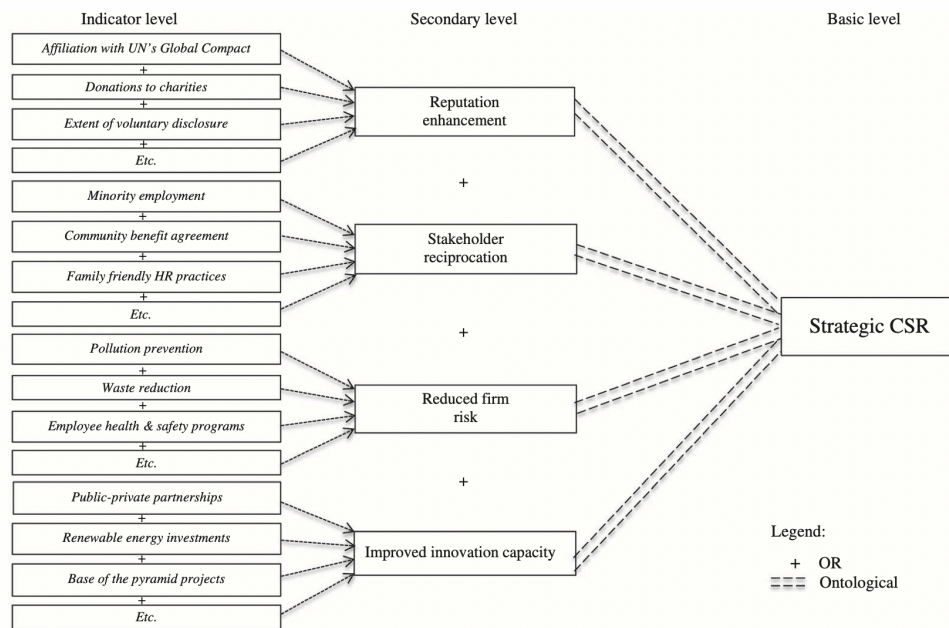


Figure 3. The conceptual structure of Strategic CSR (Vishwanathan etc. 2020)

The basic level includes theoretical propositions, that are the outcomes of using strategic corporate social responsibility. In the model's secondary level, CSR is defined by its most relevant characteristics. These characteristics focus on four different topics that reconcile between corporate social responsibility and corporate financial performance (CFP). These topics include lower firm risk, improvement, reciprocity among stakeholders and a greater capacity for innovation. In the indicator level, strategic CSR is represented regarding observable empirical phenomena. This phenomenon covers all the relevant parts of strategic corporate social responsibility. (Vishwanathan etc. 2020, 330.)

The reputation enhancement component of the secondary level refers to tangible or symbolically significant CSR initiatives. These initiatives can create favorable opinions from present and future stakeholders. Examples of these initiatives include declaring charitable contributions, participating in the United Nations Global Compact or voluntarily passing on corporate social responsibility. Strategic CSR's stakeholder reciprocation component includes the CSR steps that offer advantages to the business's current stakeholders. These initiatives can include providing family-friendly HR procedures, fulfilling

minority employment policies and committing to social benefit agreements. The risk mitigation component means making stable improvements to different policies, such as cutting waste, reducing emissions, and implementing health and safety initiatives for staff members. Lastly is the initiative of the innovation capacity, which is a more radical part of CSR. Examples of innovation capacity include public-private alliances and assets that a business invests in green power. (Vishwanathan etc. 2020, 331.)

3.3 Social impact and business value

Social impact's importance is becoming better understood by business owners. When a business has a deeper meaning behind its business actions and a real connection to its stakeholders, it is easier for it to communicate with them and understand them better. Businesses often struggle to understand how they can apply social impact into their business strategies. This can happen even when a business acknowledges the possibilities of social impact. Social impact is an important component for financial success since it adds business value on top of social value. (Evans & Lloyd 2020, 142.)

Social impact can influence business value in many ways. Brand differentiation is an important component a business can use to create business value. The social purpose of a company has a big impact on consumers' decision-making when buying products and services. A company with a social purpose is able to set higher prices for its products. This is because consumers are ready to pay more for products and services whose profits are redirected to social good. (Evans & Lloyd 2020, 142-143.)

Social impact can be widely used in brand differentiation. Branding should be considered with every step a business takes because every action or choice made by a business is a direct representation of its brand. Social impact branding can happen for example by choosing a direct social impact message or setting a brand strategy that involves social impact. Social impact is important for brand differentiation because a company's brand is the one that

weighs its capacity when raising awareness, maintaining a sustainable economy and achieving its business goals. (Cosmic 2024.)

Talent attraction and retention with social impact add business value. (Evans & Lloyd 2020, 143). Talent attraction includes subjects like value proposal, employer image as well as hiring and selecting. The purpose behind talent attraction is to find potential workers who have the skills required for a specific position. Offering higher salaries compared to competitors is one way to attract this talent. To make talent attraction work, it is important to give a good work environment and benefits that the competitors of the same field do not offer. In talent retention a company wants to support employees and motivate them to stay in the corporation for a long period of time. To retain talent, a company can for instance give guidance to its workers and offer them promotions. (Damayanti 2023.)

Innovation helps to increase the health, social and environmental impact in products. Innovation makes it possible to create new products, services and markets. (Evans & Lloyd 2020, 143.) Innovation needs to take a practical approach in which the product can be used and applied on a larger scale. For an innovative product to have societal influence, it must be widely accepted by society and incorporated into the daily life of people. (Hostettler 2018, 7.)

Social impact and operational efficiency go together when growing a business and increasing its value. Operational efficiency means lowering a business's carbon footprint by using sustainable packaging, lowering water and material use, and being conscious about all the other waste a business might create. (Evans & Lloyd 2020, 143.)

Risk mitigation adds social value to a business. Failing to pay enough attention to it can create major challenges for a business and issues in the economic and operational performance. A company can avoid unnecessary expenses and increase its business value when considering it in business actions. (Evans & Lloyd 2020, 143.) A business can create successful risk management by using socioeconomic and socioenvironmental knowledge. This can be achieved by

pointing out groups that are in a vulnerable position or incorporating human and gender rights views into business. (Insight 2023.)

Capital access and market valuation make a difference in business value. This means that corporate social impact actions also have a positive impact on market value and the cost of capital. Sustainable investment is becoming more significant in the capital markets. This refers to the investments that work within the set of environmental, social and governance (ESG) standards. In order to make social impact work for capital access and market valuation, a business needs to concentrate on the demand and proven market advantages. A business can produce ongoing sustainability, financial responsibility and effective distribution of funds by transparent and comparable documentation. (Evans & Lloyd 2020, 150.)

3.4 Social impact at Worthmore

Worthmore is a telecom company from Copenhagen, Denmark. Worthmore's mission is to make a difference in the telecom industry by helping people in need. This is made possible by offering low-cost mobile services and directing part of its profits toward social causes. Worthmore wants to prove that a business can be financially successful and socially impactful at the same time. (Worthmore 2025.)

In Europe, telecom companies have an average customer acquisition cost (CAC) of 250 euros. By using social impact, Worthmore has lowered its CAC to around 25 euros. Current industry leaders are finding it difficult to both keep profitability and achieve long-term growth in the competitive market. The industry has the highest customer acquisition cost compared to any other sector in the EU. With the help of social impact, it can be possible for a company to lower their customer acquisition cost greatly. (Worthmore 2025.)

Companies find it increasingly difficult to stand out by using the traditional methods to gain recognition, like focusing on the price of their product, customer service or network reliability. The telecom industry spent 18 billion

euros on ads in the year of 2023. Since most telecom companies redirect their profits toward advertisement, it can be hard for customers to find businesses that share the same values as them. Worthmore takes a different approach to this issue by contributing 33% of its profits toward different social projects. It believes that good actions help to grow as a company, and that PR and word of mouth can be the key components in reaching an audience in a cost-effective way. (Worthmore 2025.)

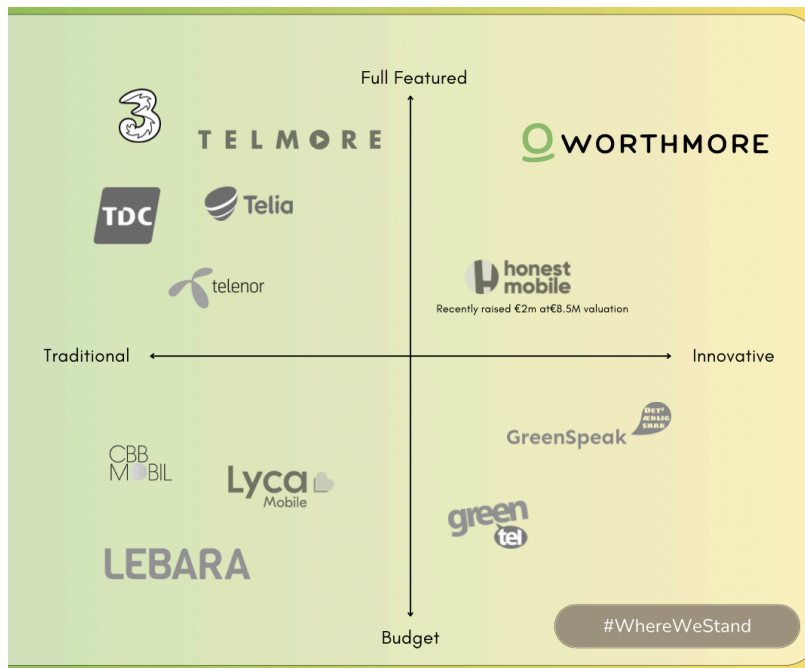


Figure 4. Telecom companies comparison and positioning. (Worthmore 2025)

The figure above is from Worthmore's pitch deck, and it demonstrates Worthmore's position among other telecom companies. Companies like Telenor and Telia are traditional and full featured businesses, whereas the companies GreenSpeak and Greentel are innovative and budget-focused. Lyca and CBB Mobil are also budget-focused but traditional. Worthmore and Honest Mobile are both full featured and innovative at the same time. Worthmore decides to not compete with price and instead focus on uniting people. This happens by offering inclusive telecom services to its customers through social impact. This way the company has been able to attract customers in a meaningful way. (Worthmore 2025.)

Worthmore has reached several customers who have signed up to become a member without facing high marketing costs. When it comes to pricing, Worthmore has set a 240€ annual base revenue per member with annual costs of 160€ per member. This creates an annual profit of around 80€ of which 33% goes towards impact. (Worthmore 2025.)

Worthmore has been able to bring some meaningful social projects into life through their social impact efforts. An example of this is a collaboration Worthmore did with a social enterprise She for She. She for She has a vision to create a world where every girl, no matter where they live, can pursue her education and personal development without the limits of menstrual health challenges. She for She and Worthmore combined their strengths to fight this issue and also to bring awareness to it globally. Worthmore used influencer networking and fundraising as a way to make an impact and help solve the issue. They also did risk assessment for the possible challenges that they might face during the project. With this they were able to solve issues like cultural barriers and logistical challenges. With this project the companies were able to help 100 girls and contribute 10,000 Danish kroner to the girls in need. (Worthmore 2025.)

3.5 Founder input

I interviewed the founder of Worthmore, Tegan Spinner, for my thesis research. I wanted to ask the founder questions that are relevant and helpful for my thesis. The questions are based on a Worthmore's pitch deck and the thesis's theoretical framework. There were five questions, and the answers helped to have a deeper understanding on the topic and made the creation of the guide easier.

The founder stated that he felt frustrated about the disconnect between businesses and meaningful impact. The founder's past work experience with traditional businesses and nonprofit sectors taught him that each of them had strengths that they lacked. According to Spinner, traditional telecom companies

spend a large amount of money on customer acquisition and retention while impact organizations struggle to find sustainable funding for their businesses. Spinner realized that by redirecting a portion of typical marketing budget towards social impact, he could create a business model that increases business growth and makes a positive change. Spinner decided to focus on the telecom industry after realizing that it is a widely needed service with high margins and customer acquisition costs.

In the pitch deck it is stated that Worthmore has a customer acquisition cost (CAC) of around 25 euros. The industry average is 250 euros. Worthmore's reduction in customer acquisition costs comes from three key mechanisms. The first method was to build a suggestion-based growth model. This means that customers are the advocates for the company. Worthmore also uses a micro-influencer strategy. This strategy focuses on true partnerships instead of expensive advertising campaigns. Worthmore also provides its influencers benefits such as personal savings and impact contributions. These kinds of benefits keep influencers motivated to advertise the business with their followers. The third way to lower CAC is by creating PR opportunities the traditional telecoms can't access. When the business supports a local project, local media brings attention to it. This creates awareness without paid advertisement. The combination of word-of-mouth, influencer relationships and the media benefits lower the need for traditional marketing.

At Worthmore, 33 percent of profits are directed towards social projects. The company considers the selection of these kinds of projects important. According to the founder, Worthmore takes a large-scale approach when it comes to measuring impact. The company uses a structure that calculates its quantitative and qualitative outcomes. The quantitative and qualitative outcomes include matters such as the number of resources, community feedback and the company's personal stories. For each project they set key performance indicators (KPIs). Spinner mentions that the company prioritizes transparency by documenting their impact through visual storytelling. This is done by sharing photos and videos of the social impact projects made possible. The content is

shared with their subscribers to strengthen their connection and engagement with the business. Worthmore has also created a dashboard for their subscribers where the customers can track how their subscription has helped the social project they have picked to support.

Worthmore's business model can possibly make traditional companies interested in it. The founder expects three different reactions to the Worthmore's model. Spinner believes that some of them might see the model as too niche or unsustainable. Other businesses might attempt to take action superficially for example by greenwashing. Greenwashing means delivering minimal impact efforts to already existing services provided. The founder stated that Worthmore's strategy has multiple different layers to it. These layers include building a loyal community and having an advantage in applying impact efforts into the business. This means that it has an operational model that allows the company to maintain a strong competitive position.

It is important to understand how social impact has positively affected the business's financial success and what role it has played in adding business value. According to the founder, social impact has been a core need for the business's financial achievements. Social impact has largely reduced the business's customer acquisition costs. It also improved retention through meaningful interactions with its stakeholders. On top of these, it has opened partnership opportunities that are unavailable to traditional telecom companies. Social impact has also attracted team members and advisors that want to contribute to the business at a below-market rate. This is because they trust and believe in Worthmore's mission. The founder believes that when social impact is applied correctly into a business, it is able to support the financial success of a company.

4 Social Impact Guide

4.1 Practice-based approach

Practice-based thesis is one of the research development methods that is used in a thesis. Its purpose is to prove professional expertise through developmental and research-oriented approaches by creating a type of output or report. The method has different starting points, choices and solutions that are related to the research development method. The output can for example be a tangible product or an event. It acknowledges the visual and communicational aspects of it. In this research method, it is essential to focus on the target group that is picked. A practice-based thesis research does not define the development process. Instead of this, it is about the research's methodological practice and thinking that pushes professional development. (Kostamo etc. 2022.)

The thesis will provide a guide as a practice-based method, using the data gathered from the theoretical part and the knowledge learned from the case study. Hearing the practical experience of social impact in a company helped the research process. This thesis wants to explore the importance of social impact and the possibilities it has for businesses, and for this reason I decided to pick a guide as the research method.

4.2 Planning the guide

A guide is an informative written work that's purpose is to educate a specific group of people. This includes introducing the target audience to a topic or a theme and explaining its key ideas and concepts. The guide leads the audience through a procedure that eventually reaches its final objective. The guide gives step-by-step instructions to explain the process and teach how to put the knowledge learned from it into practice. (McCoy 2023.)

I started the process by exploring what a good guide consists of, how to best structure it and what key points I'd like to add to it. The thesis topic and its

contents are broad, so I needed to carefully think which parts to include and which to leave out.

I made the guide to inspire businesses to take a fresh approach to corporate social responsibility and to consider social impact in their business models. The guide wants businesses to see CSR and social impact as ways to boost business growth, and use them in their growth strategies. I wanted the guide to be adaptable to multiple different business industries.

The final goal of the guide is to show to businesses that they can increase their financial success by making a positive impact. This idea is supported by real-life examples. I wanted the guide to be clear, informative and fit for its target audience. My plan was to first explain the purpose of the guide, then go over the benefits of using CSR and social impact in business, and lastly demonstrate how businesses can put it into practice.

4.3 Execution

During the preparation of the guide, I went over my thesis and wrote down points that I wanted to include in the guide, and adjusted the data to make it suitable for it.

The guide begins by sharing its purpose to the reader, which is to inspire businesses to take a purpose-driven approach in their business models and to help them see corporate social responsibility as a growth opportunity. It presents Worthmore, and explains why it is chosen as an example in the guide. I thought that it was important to introduce the company to give an example of a social enterprise, and so that the reader understands the guide's examples better.

The guide explains how social impact can actually boost business growth. A business can more easily earn customers' trust and loyalty, gain positive media attention, unlock new markets and develop long-term brand equity by taking a

social impact-driven approach. I chose to put it in the beginning of the guide to catch the reader's attention.

The guide wants to emphasize the value of aligning CSR with core business activities and goals. This way a business can choose social impact projects that appeal to its customers, which will increase their desire to support the company. The social impact efforts of a business need to go with the specific industry a business is in. Which social impact causes a business decides to focus on should also align with the business's products or services and its brand. For example, a food company might focus on reducing food waste, while a clothing brand could use sustainable materials as a social impact effort. Choosing the right method helps customers to connect with a business's brand and product, and at the same time is compatible with a business's mission and values. I chose this as part of the guide to make the reader understand the importance of choosing the right social impact project. With this a business can successfully attract new customers and maximize the success of a social impact project. The theoretical part also stated that when strategic CSR is applied into the core business activities of a business, it can increase their business value long-term.

Being transparent about the social impact project a business chooses increases customers' trust and loyalty. The guide advises companies to set clear key performance indicators, for example by sharing the number of people they have helped or emissions they have reduced with the funds received from customers. Being able to measure the impact efforts is important so that the business appears trustworthy to its customers. This part was chosen in the guide to help the reader understand the importance of being a reliable company.

A business cannot survive without its stakeholders as they play a big role in a company's success. This is why their views and opinions are especially important. Since stakeholders have become more demanding about a business's corporate social responsibility, it is crucial for a company to listen to them and take business actions that align with their values. A company can include stakeholders for example by letting customers decide what social causes to support or listening to the ideas and opinions of employees in CSR

projects. These actions will increase the engagement and loyalty of customers and employees. This part was chosen to point out that CSR is not just about the company but also about community and participation.

A business should not forget to use social impact as a marketing strategy. Meaningful stories that customers can connect with will increase their desire to engage with a business. This can create a lasting positive image of the business. It keeps current customers informed and attracts new customers. Using social impact as a marketing strategy also saves the business a large amount of money. Since competition in the business world is rising, companies find it more and more difficult to stand out. This is why most companies invest a lot of money on advertisements and other marketing methods. Social impact can be a way to increase visibility in an affordable way. Worthmore for example shares its CSR projects actively on social media and provides information about them on its website. With this example, the guide aims to encourage other businesses to see how impactful projects can increase a company's visibility and image and keep the business's marketing costs and CAC low.

Worthmore has partnered with multiple impact-focused organizations, for example the social enterprise She for She. She for She provides menstrual pads to those in need of them. Collaborations with other businesses that share the same goal of doing good positively impacts a business's success. When two social enterprises combine their forces, they can make a great impact and also expand their businesses' reach and credibility. If a business is new to using CSR for growth, it can help the business understand the process better by partnering with a company that has more experience with it.

The last part of the guide will explain how to get started with profiting with purpose. First, a business chooses which social impact method they want to move forward with. After choosing, it is time to put that into practice. They should pick a social impact project that resonates with their business and their brand. After they have taken action, it is time to see how customers react to the impact project and calculate its success for the business. The best way is to try multiple methods and stick with the ones that are the most profitable. This

part helps a business to get started with CSR and social impact, and it was also a good closure for the guide.

5 Conclusions

The objective of the thesis was to help businesses to see corporate social responsibility as an opportunity for business growth, and to help the reader to develop a new approach to corporate social responsibility.

The thesis started by researching corporate social responsibility, including its history, development and the CSR pyramid. It also examined social impact by explaining its benefits for a business, financially and valuably. Using the case study as an example in the thesis helped understand the topic better and through this it was possible to give practical experience of how CSR and social impact work in the business world. The final product of the thesis was a guide that was made based on the information gathered from the theoretical part. By selecting key points of the two, I was able to create a guide that is informative and easy to follow. Since the thesis is about inspiring businesses to take a different approach to CSR, it was logical to choose a guide that would support this idea.

Even though the case study is part of the tech industry, I decided to make the guide adaptable for multiple industries. This was because the theoretical part was written in a general form, and also because I wanted it to reach a wider audience. Thinking back, I could have also chosen the tech industry to focus on since the guide became quite generic. I think that the topic could be investigated further by focusing on a specific industry. With this method, the companies from that specific industry would be able to get information that is specifically directed to them. It could also go deeper into the subject, because there is a lot more information on the topic of corporate social responsibility and social impact that could be explored.

In conclusion, the thesis gives a foundation for understanding CSR as a growth opportunity. It inspires companies to start considering their social responsibility activities effectively. The final goal of the thesis is that more businesses will use corporate social responsibility as a way to drive innovation and growth, instead of treating it as an obligation that needs to be fulfilled.

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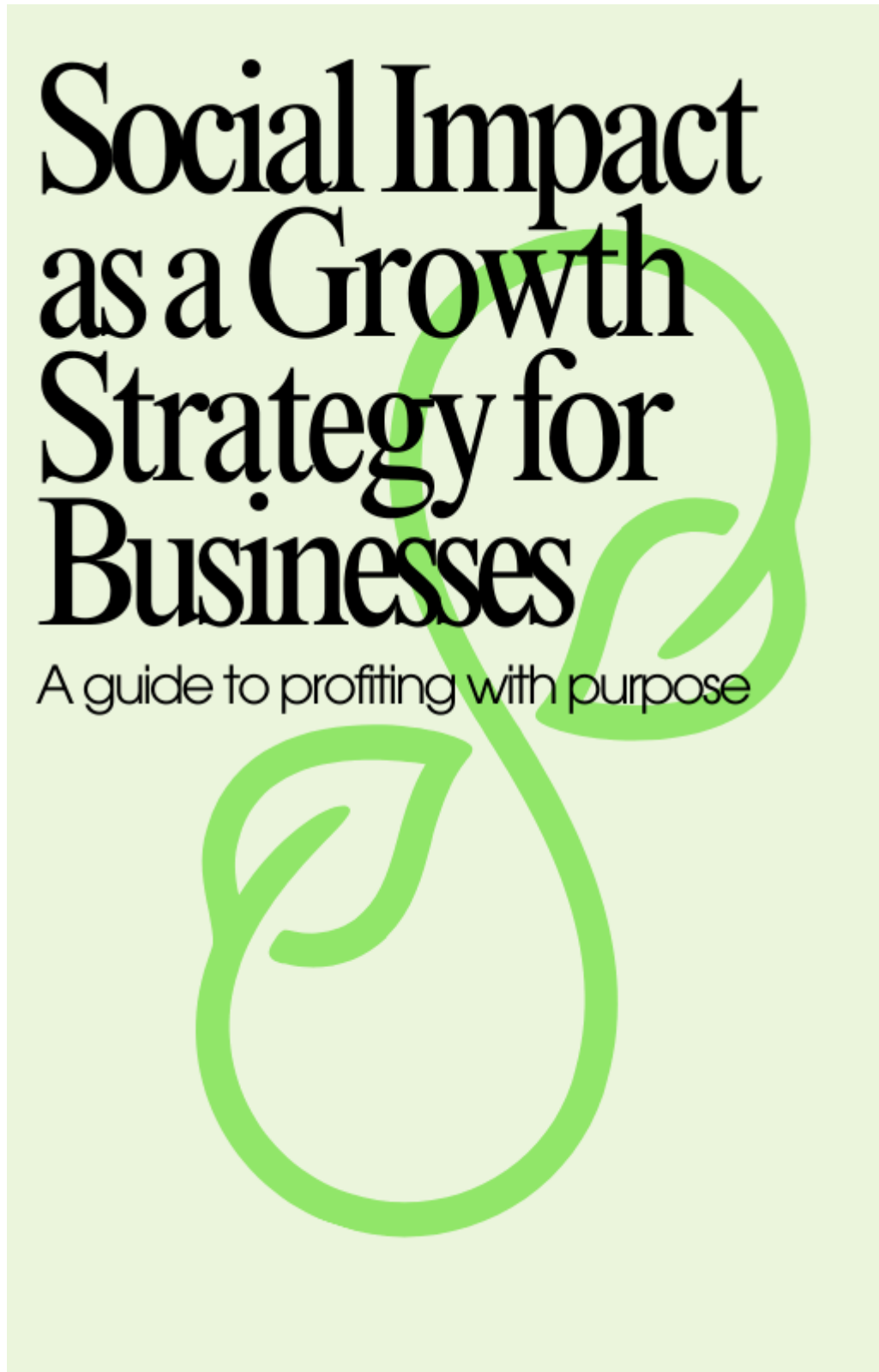
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Founder interview questions

1. How did you come up with a business model that focuses on social impact?
2. Your pitch mentions that Worthmore has a customer acquisition cost (CAC) of 25 euros versus the industry average of 250 euros. How is this achieved?
3. With 33 % of profits directed towards social projects, how do you select and measure the effectiveness of these projects?
4. How do you expect traditional telecom companies will respond to your business model?
5. What role has social impact played when it comes to the financial success of your business?

Social Impact Guide



The Purpose of This Guide

This guide is made for businesses who are looking to take a purpose-driven approach in their business models, using a company named Worthmore as a leading example. Corporate social responsibility is often treated as an obligation by businesses, but this guide wants to prove its potential in creating long-lasting financial success for a business. With the help of this guide businesses can start profiting with purpose.



Worthmore: Using Social Impact To Stand Out

Worthmore is an innovative telecom company from Copenhagen Denmark. Worthmore's mission is to make a difference in the telecom industry to help people and the planet by redefining what a mobile phone subscription means to a customer.

Worthmore wants to prove to the world that doing good can be good business. It does this by being a business that connects technology and global social responsibility.



What Social Impact Can Do For Your Business?

- ★ Boost financial and business value
- ★ Increase customer loyalty and engagement
- ★ Gain positive media attention
- ★ Unlock new markets
- ★ Develop long-term brand equity



Align CSR With Core Business Activities

Choose social impact projects that resonate with your brand and appeal to your customers.



Example: A food company might want to focus on reducing food waste while a clothing brand might concentrate on using sustainable materials in their clothes.



Be Transparent About Your Impact Efforts

Your company's impact efforts should always be measurable. This way they can be trustworthy to your customers.



Set clear key performance indicators

Example: Share how many people have been helped or how much emissions have been reduced through social impact projects.



Involve Stakeholders

Why?

- In recent years stakeholders have become more demanding about businesses' corporate social responsibility
- Sustainability is especially important to the younger generations
- Making decisions that align with the values of stakeholders increase financial value, loyalty and engagement of customers and employees



Example: Worthmore lets customers decide which social causes they want to support and listens to the ideas and opinions of employees in different CSR projects.

Use Social Impact as A Marketing Strategy

- Purpose-driven stories increase the desire of customers to engage with a business
- Businesses that use social impact create a long-lasting positive image of their brand
- Social impact marketing saves businesses a large amount of money
- Sharing CSR projects actively on social media increases company's visibility and attracts new customers



The tech industry alone spent 18 billion dollars on advertisements last year, and the industry's customer acquisition cost is 300 euros on average. Thanks to social impact, Worthmore has been able to reduce its CAC to only 25 euros.

Partner With Other Impact-Focused Organizations

Collaborations with other businesses that share the same goal of doing good positively impacts a business and its success.



Example: Worthmore has collaborated with a social enterprise She for She, that provides menstrual pads to those in need of them. When two social enterprises combine their forces, they make a greater impact while expanding their reach and credibility.

How To Start?

First choose which social impact method you want to move forward with. After you have made your choice, it's time to put that into practice. Pick a social impact project that truly resonates with your business and your brand. After your social impact project has taken place, see how your customers react to it and calculate its success for your business. The best approach is to try different methods and stick with the ones that bring the most profit.

Making An Impact
Doesn't Have To Wait.
Apply Corporate Social
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