How Companies can Become More CSV-active

A Qualitative Cross-Case Study of the Swedish Dairy Industry, based on a comparison with Nestlé

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Acknowledgements

This bachelor thesis, written at Luleå University of Technology, is the result of a 10-week research study, linking marketing, corporate social responsibility (CSR) and strategy together under the term creating shared value (CSV). During this period, we have not only developed a deeper understanding within the research area. We have also gained insights about the interdependence between business and communities, with the conclusion that – what is good for society, is good for business.

As this study has been conducted in the Swedish dairy industry, involving the three largest companies, we would first of like to thank Lars Westman at Norrmejerier, Kjell Lundén Pettersson at Arla and Fredrik Javenskåld at Skånemejerier. Secondly, we would like to thank Marie Louise Elmgren at Nestlé, for sharing their expert opinions on how other companies can proceed, as they embark upon journeys similar to the one Nestlé has made. Lastly, we would like to thank Håkan Perzon, for his guidance in this research. His method of using creative analogies always gave us new perspectives, leaving us with more questions after our meetings than we originally came with.

We hope that this thesis will give researchers and other students inspiration for further research, within an area we truly believe can make change in the world.

Luleå University of Technology, 30 May 2014

Christoffer Westman

Niklas Månsson
Abstract

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Keywords: Creating Shared Value, Corporate Social Responsibility, CSV, CSR, Swedish dairy industry, Arla, Skånemejerier, Norrmelerier, Nestlé

Research problem: How can companies in the Swedish dairy industry become more CSV-active?

Purpose: The purpose of this research is to identify how companies can become more CSV-active. Prior research mainly focuses on exemplifying success stories, but leaves out how to achieve the results.

Method: A qualitative cross-case study within the Swedish dairy industry has been conducted, based on semi-structured interviews and prior research. This has then been compared, by interviewing Nestlé, who have co-created the CSV-concepts with Porter and Kramer at Harvard Business School.

Conclusion: Companies within the Swedish dairy industry are to some extent already CSV-active. From this, a model called “The DNA-string of CSV” has been developed that summarizes the major conclusions and research findings of this study, and it shows how companies can become more CSV-active.
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1. Introduction
This chapter will bring up a brief background of creating shared value (CSV) and its relation to company's strategies, as well as how it can be approached in comparison to corporate social responsibility (CSR). This is followed by a problem discussion and the research problem divided into three research questions.

1.1 Background
In today's society it is taken for granted by customers and stakeholders, that companies take responsibility for the social consequences and externalities of their activities. When companies act to take responsibility for their externalities on the society, such as pollution created by their activities, it is defined as CSR. CSR has for a long time been used in company's strategies to enable them to support the society and strengthen their relationship with its customers and stakeholders, in order to build their brand equity. As CSR has gotten more publicity in recent years, numerous organizations rank companies on their performance of CSR-work. This has resulted in that CSR has emerged and is of high priority for the business leaders. (Porter M. E., 2006)

However, CSR has in some sense become worn in the later years, where it instead has started to become a burden for many companies as it is seen as something the companies need to do, instead of something they do to earn profit. They therefore see CSR as a drain of resources. (Lorenzo-Molo & Udani, 2013)

Michael Porter and Mark Kramer introduced the term creating shared value (CSV), as a complement to the companies' CSR-work. The area of creating shared value has been discussed briefly in articles since 2006, but got its true breakthrough when Porter and Kramer published the article “Creating Shared Value” in Harvard Business Review in 2011. The article introduces a new perspective of capitalism, where business instead is seen as a foundation and a catalyst for truly reaching solutions for social problems. (Porter & Kramer, 2011) The most fundamental differences between the CSR work performed by most companies today and CSV, is seen in Figure 1 beneath. As the definition of CSR may vary in different researches, this report use the definition in Figure 1 combined with Carroll's pyramid of CSR, which will be further explained in next chapter. The left column in Figure 1 represents what henceforth will be defined as traditional CSR.
Since this new approach of conducting CSR-work was introduced, only a mere number of companies have fundamentally changed their CSR-programs to the principles of CSV. The costs and risks of transforming and adapting the current CSR-program into this new perspective create a barrier for change by itself. However, the number of successful results from the companies that have adapted their CSR-programs proves that there is a need to understand how more companies can become more CSV-active. (Porter & Kramer, 2011) Thus, this thesis will aim to identify what CSR-activities the companies are performing and how they based on those can become more CSV-active. Exploring the CSR-activities and gain a better understanding of the CSV-characteristics in them will hopefully result in a good starting point for further research.

1.2 Problem discussion
There is an overwhelming pressure to oppose against the growing number of social problems in the world. However, the problems are escalating in a rate where current approaches are not able to meet the resources required. (Porter M. E., 2006) Porter and Kramer (2011) claim that the only place where these resources can be created is from business, which is why the perspective on capitalism must be changed. Business and society can no longer be seen as a burden for each other, as they are interdependent. Earlier approaches were “what’s good for business, is good for society”, this needs to be changed into “what’s good for society, is good for business”. In other words, the presumed trade-offs between economic efficiency and social progress, has been

<table>
<thead>
<tr>
<th>CSR</th>
<th>CSV</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Value: Doing good</td>
<td>- Value: Economic and societal benefits relative to cost</td>
</tr>
<tr>
<td>- Citizenship, philanthropy sustainability</td>
<td>- Joint company and community value creation</td>
</tr>
<tr>
<td>- Discretionary or in response to external pressure</td>
<td>- Integral to competing</td>
</tr>
<tr>
<td>- Separate from profit maximization</td>
<td>- Integral to profit maximization</td>
</tr>
<tr>
<td>- Agenda is determined by external reporting and personal preferences</td>
<td>- Agenda is company specific and internally generated</td>
</tr>
<tr>
<td>- Impact is limited by corporate footprint and CSR budget</td>
<td>- Realigns the entire company budget</td>
</tr>
<tr>
<td>- Example: Fair trade purchasing</td>
<td>- Example: Transforming procurement to increase quality and yield</td>
</tr>
</tbody>
</table>

*Figure 1: CSR versus CSV*  
*Source: Adapted from “Creating shared Value” (Porter & Kramer, 2011)*
institutionalized for decades, need to be put behind. Some large companies such as GE, Google, IBM, Intel, Johnson & Johnson, Nestlé, Unilever, and Wal-Mart have already taken their first steps towards the creation of shared value. However, most companies still remain effortless and are approaching CSR in the traditional way. (Porter & Kramer, 2011) With the assumption that “The CSV-approach is a more efficient way to reach a higher level of social progress than traditional CSR” as a basis, we must first understand what CSR-activities that are performed by the companies and why, in order to see how the companies can become more CSV-active.

1.3 Purpose
Prior studies within the area mainly focus on establishing different approaches, in which shared value can be created. As cases from different companies are brought up, success stories are exemplified and the main focus are the effects these changes bring. Even though this might be inspiring and influential, the steps of how to actually become more CSV-active and implement these theories are left out. This is also brought up by Sadowski (2011), who criticizes Porter and Kramer for not including this in their article “Creating Shared Value” from 2011. The difficulties of actually implementing these changes can be very hard, especially in a business environment where lobbyism is intense. (Sadowski, 2011) This creates a need to better explore how companies can become more CSV-active.

1.4 Research problem and research questions
The main objective with this study is to find out how companies in the Swedish dairy industry can become more CSV-active. This has resulted in following research problem:

RP – How can companies in the Swedish dairy industry become more CSV-active?

Since CSV is basically a new approach to conduct CSR, a deeper understanding of it needs to be reached. However, in order to do that, one must first understand what CSR-activities companies in the Swedish dairy industry are working with. From that, certain CSV-characteristics must be identified, as they unknowingly may be CSV-active to some extent already. Based on that, a comparison with Nestlé will be done to understand what activities an already CSV-active company is working with. To find the answer of the research problem, the following three research questions have been formulated.

RQ1 – What kind of CSR-activities are companies in the Swedish dairy industry conducting?

RQ2 - What kind of CSV-characteristics can be seen in the CSR-activities conducted by companies in the Swedish dairy industry?

RQ3 – Based on a comparison with Nestlé’s CSV-activities, how can companies within the Swedish dairy industry become more CSV-active?
Figure 2 is a visualization of the relationship between the research problem and the research questions. The figure shows that RQ1 and RQ2 act as basis in order to answer RQ3.

1.5 Delimitations and scope

Due to the fixed time frame and resources, the scope of the study is affected. The study will only cover the Swedish dairy industry, as a large part of the companies that are CSV-active today are based within the food industry. These are often larger companies, interconnected further back in their value chain, which means that their potential to have impact on social problems can become larger. Furthermore, the activities that can be achieved are more tangible and measurable than in many other cases. Therefore, the three largest enterprises within the Swedish dairy industry will be covered in this study, which are Arla, Skånemejerier and Norrmejerier. Their market share on the Swedish market is displayed in Figure 3. Note that Arla has acquired Milko in 2011 (Dagens industri, 2011).

Figure 3 - Market shares in the Swedish dairy industry 2012
Source: Adapted from “Marknadsöversikt – Mjölk och mejeriprodukter” (Jordbruksverket, 2012)
2. Literature overview

Based on the research problem and research questions, theories relevant to the problem and questions are presented in this chapter. The described theories are an overall description of CSR, including Carroll’s pyramid of CSR. Further, an overall description of CSV, with Porter and Kramer’s three different categories, is described.

2.1 Corporate social responsibility

CSR is a form of corporate self-regulation that is integrated into the business model. According to Lorenzo-Molo and Udani (2013), there is growing desire to be perceived as a sustainable business, as success and stakeholder value not solely can be achieved through profits. Instead the business can through market-oriented responsible behavior be more attractive and increase the trust from the stakeholders (Ibid.). According to Fontaine (2013), companies can by using CSR in their business model, align their values and behavior to reach the needs of the stakeholders. However, it is not only customers and investors that count as stakeholders, but also employees, suppliers, communities, regulators, special interest groups and society as whole (Ibid.).

Weber (2008) explains that the goal of CSR is to embrace responsibility to its stakeholders and by the company’s action encourage positive effects on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. According to Fontaine (2013), the CSR-work shows how trustworthy and committed a company can be to their stakeholders. To be able to perform CSR, the companies need to manage the economic, social and environmental impacts their operations have, in order to minimize the downsides and increase the benefits to increase the net benefit (Ibid.).

To better understand the meaning of CSR, Carroll (1991) have divided the different responsibilities into four categories; economic, legal, ethical and philanthropic responsibilities. These categories are illustrated in Figure 4, and will be more explained below.
2.1.1 Economic responsibility
According to Carroll (1991), business was once created to be economic entities designed to provide goods and services to the society. The primary incentive for entrepreneurship was to be profitable. The business was the basic unit in society and its principal role was to produce goods and services to satisfy the consumers and to make profit. However, this point of view has changed into a notion of maximizing profits and this has been permanent ever since. The economic responsibility is the bottom of Carroll’s pyramid and the remaining business responsibilities are based on this one. Economic responsibility is required by the society and without it, other business responsibilities become arguable considerations. (Carroll, 1991) According to Carroll (1991) is following important characterizations of economic responsibility:

− To perform in manner consistent with maximizing earnings per share
− To be committed to being as profitable as possible
− To maintain a strong competitive position
− To maintain a high level of operating efficiency
− That a successful firm is defined as consistently profitable

2.1.2 Legal responsibility
In addition to being profitable, Carroll (1991) further explains that businesses need to follow national laws and regulations, which are the ground rules for business to operate under. Businesses are expected to conduct their economic responsibility within the laws and the legal responsibilities, where the lawmakers create basic notions of fair operations for the businesses (Ibid.).
According to Carroll (1991) is following important characterizations of legal responsibility:
- To perform in a manner consistent with expectations of government and law
- To comply with various federal, state, and local regulations
- To be law-abiding corporate citizen
- That a successful firm be defined as one that fulfills its legal obligations
- To provide goods and services that at least meet minimal legal requirements

2.1.3 Ethical responsibility
The next step in the pyramid is ethical responsibilities, and according to Carroll (1991), these responsibilities covers what activities that are expected or prohibited by the society, even though they are not codified in the law. These responsibilities embody those expectations that reflect concerns for the stakeholders, such as consumers and employees, and to respect and protect the stakeholders’ moral rights, but also what the community regard as fair (Ibid.). According to Carroll (1991) is following important characterizations of ethical responsibility:
- To perform in a manner consistent with expectations of societal mores and ethical norms
- To recognize and respect new or evolving ethical/moral norms adopted by society
- To prevent ethical norms from being compromised in order to achieve corporate goals
- That good corporate citizenship be defined as doing what is expected morally or ethically
- To recognize that corporate integrity and ethical behavior go beyond mere compliance with laws and regulations

2.1.4 Philanthropic responsibility
The last step in the pyramid is philanthropic responsibility and according to Carroll (1991), this is businesses’ response to society’s expectation to be good corporate citizens. Philanthropic responsibility is broad and includes for instance programs to promote human welfare and goodwill, but also such things as business contributions to society through financial resources (Ibid.). According to Carroll (1991) is following important characterizations of philanthropic responsibility:
- To perform in a manner consistent with the philanthropic and charitable expectations of society
- To assist the fine and performing arts
- That managers and employees participate in voluntary and charitable activities within their local communities
- To provide assistance to private and public educational institutions
- To assist voluntarily those projects that enhance a community’s “quality of life”
2.2 Creating shared value

According to Porter and Kramer (2011), business has in the recent years more and more been seen as the cause of social, environmental and economic problems. The more business has begun to embrace corporate responsibility, the more it has been blamed for society’s failures, and the legitimacy of business has therefore fallen to levels not seen in recent history. (Porter & Kramer, 2011) Further, Lorenzo-Molo and Udani (2013) claim that CSR has become outdated as a concept, and something that the companies need to do; instead of something they do in order to be profitable. In today’s society, large companies are almost expected by stakeholders to work with some type of CSR and communicate the results to the stakeholders (Jutterström & Norberg, 2011). From the company’s point of view, the problem instead lies within the narrow-minded approaches of value creation in relation to CSR. By setting out to financially optimize in short terms, many businesses get stuck in a bubble where the potential long-term solutions are overlooked. (Moon, Parc, Yim, & Park, 2011) (Porter & Kramer, 2011) CSV can be characterized into three different categories, shown in Figure 5.

![CSV Diagram]

Figure 5: The three categories of CSV

Source: Adapted from “Creating Shared Value” (Porter & Kramer, 2011)
2.2.1 Reconceiving products and markets
Porter and Kramer (2011) argues that the needs of the society are huge, perhaps the greatest unmet needs in the global economy today. Even though most companies are great at continuously identifying new needs of their customers, most of them are missing the most basic questions of all: are our products really good for the customers. (Porter & Kramer, 2011)

By reconceiving the products and markets of companies, whole new avenues for innovations can open up. From the society’s point of view, the gains are even greater since businesses often are much more effective than governments and non-governmental organizations (NGO) at marketing their products. (Porter & Kramer, 2011) This can often mean serving the need of disadvantaged communities and developing countries. This means that products need to be redesigned and different distribution methods have to be used. (Moon, Parc, Yim, & Park, 2011) An example of a reconceived service is for banks turning to unserved markets in India, offering micro financing and micro loans to those that normally refused conventional loans (Porter & Kramer, 2011). Although it at first was viewed with skepticism from many, it resulted in a Nobel peace price in 2006 for Muhammad Yanus, founder of the pioneering micro finance institution the Graamen bank (Karim, 2011). These types of loans are now also rapidly growing in the United States, filling an important and unrecognized gap. This shows how it is not a one-way street, but can trigger fundamental innovations of the products for their traditional markets. (Porter & Kramer, 2011)

2.2.2 Redefining productivity in the value chain
The value chain of a company includes all activities that companies are involved in while conducting business. It affects and is affected by numerous different types of societal issues, which can be viewed as opportunities to create shared value. Externalities created by companies, such as green house emissions, can be reduced in various ways. Wal-Mart has found ways to reduce its packaging of product and reroute trucks, where they were able to save $200 million in costs. (Porter & Kramer, 2011) Another example within the food industry is Coca-Cola, who partnered with the non-governmental organization BISWA, to solve the problems of malnutrition and vitamin deficiency in poor Indian communities. Together they launched Vitingo, a low-cost beverage that contained iron, folic acid, vitamin A, vitamin C, and zinc. By cooperating with a NGO with established trust, more potential customers could be reached and therefore helped. (Laura Herman, FSG.org, 2013)

The most important ways in which the value chain can be transformed by the creation of shared value are the following. (Porter & Kramer, 2011)

- Energy use and Logistics
- Resource use
- Procurement
- Distribution
- Employee productivity
- Location
2.2.3 Building supportive industry clusters at the company’s locations

The last category of CSV is building and enabling supportive industry clusters around the company’s location. Productivity and innovation are affected by the geographic concentration of other firms around the company. These firms can for example be related businesses, suppliers, service providers and logistical infrastructure. No company is self-contained and the success of its business is affected by the infrastructure and other companies surrounding it. Examples range from IT in Silicon Valley, diamond cutting in Surat, India, to science parks in Kista, Stockholm. (Moon, Parc, Yim, & Park, 2011) By creating these clusters, shared value can be created and improve company productivity and innovation. Further, these clusters do not necessarily need to only contain other businesses, but can be academic programs, trade fairs or public assets such as universities and schools. (Porter & Kramer, 2011)

Another aspect of these clusters, affecting the productivity and innovation, is the competitiveness. Monopolized markets with lacking transparency results in exploration of workers, suppliers receiving unfair prices and in general a suffering productivity. Therefore, competitiveness acts as a catalyst of innovation and productivity. By creating fair and open markets, suppliers are also given incentives to be more efficient and deliver better quality. One example of this can be seen at Nespresso, where they created clusters around themselves in every coffee region they were active, which made their procurement much more efficient. Each region had surrounding clusters including agricultural, logistical, financial and technical companies. (Porter & Kramer, 2011)

Moon et al. (2011) argues that the most serious problem with Porter’s original cluster theory is that it does not consider an international dimension, but limits down to a scope only including local and domestic clusters. An extension is suggested, including four more stages of linking to the domestic and local cluster. These are; regional cluster, regional linking cluster, international linking cluster and global linking cluster. (Moon, Parc, Yim, & Park, 2011)
3. Frame of reference

Based on the research problem, research questions and the relevant theories, a frame of reference has been developed. The frame of reference demonstrates the theories that will be used to answer the research questions.

Table 1 below presents how the different research questions will be answered, based on concepts, source, measurements and scale.

Table 1: Research questions

<table>
<thead>
<tr>
<th></th>
<th>Concept</th>
<th>Source</th>
<th>Measurement</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>RQ1</td>
<td>- CSR</td>
<td>CH 2.1</td>
<td>Characterization of CSR activities</td>
<td>Nominal</td>
</tr>
<tr>
<td>RQ2</td>
<td>- CSV</td>
<td>CH 2.2</td>
<td>Characterization of CSV activities</td>
<td>Nominal</td>
</tr>
<tr>
<td>RQ3</td>
<td>- CSV</td>
<td>CH 2.2</td>
<td>Characterization of CSV activities</td>
<td>Nominal</td>
</tr>
</tbody>
</table>

The purpose of the first research question (RQ1) is to identify what CSR-activities companies within the Swedish dairy industry are working with. By using CSR as concept, different CSR-activities can be identified and characterized. The scale will be nominal, as the study will mainly characterize the CSR-activities and not for example rank them after the effects on the society. As mentioned, CSR-activities can be sorted in four different categories according to Caroll (1991), and this will also be done as a complement.

The purpose of the second research question (RQ2) is to define what CSV-characteristics that can be seen, in the CSR-activities conducted by companies in the Swedish dairy industry. By using CSV as a concept, characterizations of CSV-activities can be defined by comparing theory with the primary data. The scale will be nominal, for the same reasons as for RQ1. By comparing these characterizations, with the CSR-activities identified in the first question, this concept will provide the CSV-characteristic activities in the Swedish dairy industry. Furthermore, these will be divided into the three different categories of CSV, defined by Porter and Kramer (2011).

The purpose of the third research question (RQ3) is to identify how companies within the Swedish dairy industry can become more CSV-active, based on a comparison with Nestlé’s CSV-activities. The scale will be nominal, as the study only will describe the potential CSV-activities within the Swedish dairy industry. By using CSV as a concept together with the answers from RQ2, a comparison to Nestlé’s CSV-activities will be made. From there, an identification of potential CSV-activities for the companies within the Swedish dairy industry will be identified, in order to see how they can become CSV-active.
4. Method

This chapter will first give a presentation of the research purpose, research approach and research strategies that are used to answer the research questions. Secondly, the sample selection and data collection methods are presented together with the reliability and validity. Finally analyze method is presented together with the entire research method summarized in a table.

4.1 Research purpose

The research purpose can be categorized by depth of the research questions, which according to Saunders et al. (2012) can be divided into three categories, exploratory, descriptive and explanatory. By depth, in this regard is referred to the details at which the problems are studied (Ibid.).

This research study will have an exploratory purpose, due to the lack of knowledge within the research area where the study aim to seek new insight of how companies can become more CSV-active. As the goal of an exploratory study is to generate an understanding of what variables are relevant, Saunders et al. (2012) emphasize that data to exploratory research is often collected through:

- Search of the literature
- Interviewing “experts” in the subject
- Conducting focus groups interviews

Further the authors describe exploratory research as a flexible way to conduct research, which means that the research from the beginning has broad focus and during the research progress it gets narrower, as new information is added and the research progresses (Saunders, Lewis, & Thornhill, 2012). This fits well with the attributes of this study, as interviews first will be conducted with representatives at Swedish dairy companies. All interviewees have the common denominator of being managers in areas closely related to the companies’ CSR-programs, and can in some sense be viewed as experts within their fields.

4.2 Research approach

Which research approach will be chosen for a study, depend on how the researcher are considering theories in the beginning of the research. Saunders et al. (2012) argues that there are two different research approaches, inductive or deductive. The research approach will be presented below as well as the data approach.

4.2.1 Inductive and deductive

Saunders et al. (2012) describes two different research approaches, inductive or deductive. An inductive research starts with studying the subject by observing empirical data and collect primary data, which then is analyzed to examine if there is any correlation. Based on this, new theory is developed. The opposite is a deductive research, which starts on existing theories and based on this the research problem and question are formulated. (Saunders, Lewis, & Thornhill, 2012)
The research approach in this study will be deductive, as the research problem and questions are based on already existing theories, and the data will be tested against the theories. According to Saunders et al. (2012), this kind of approach is often used in scientific research.

4.2.2 Qualitative and quantitative

Based on the data, researches can either be developed as qualitative or quantitative. According to Saunders et al. (2012), the two can be generalized as; qualitative approach focuses on analyzing words while quantitative focuses on analyzing numbers. The source of data in this research will be qualitative, as the goal is to get a better understanding in a relatively unexplored research area.

4.3 Research strategy

According to Yin (2009), the research strategy depends on the research purpose and the form of the research question. Further on Saunders et al. (2012) explain that research strategies are not superior or mutually exclusive for each other. It is possible to use different research strategies within a strategy, such as a survey as a part of a case study. Yin (2009) suggests five research strategies; experiment, survey, archival analysis, history, and case study.

To decide what research strategies to use, Yin (2009) suggests three different approaches to look at; the form of research question, requirements to have control over behavioral events and if the study focusing on contemporary events. Table 2 presents these approaches that are relevant for deciding appropriate research strategy.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Form of research question</th>
<th>Requires control over behavioral events?</th>
<th>Focuses on contemporary events?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiment</td>
<td>How, why?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Survey</td>
<td>Who, what, where, how many, how much?</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Archival analysis</td>
<td>Who, what, where, how many, how much?</td>
<td>No</td>
<td>Yes/no</td>
</tr>
<tr>
<td>History</td>
<td>How, why?</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Case study</td>
<td>How, why?</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

The research questions used in this study are “how” and “what” questions. Based on the forms of research questions, no research study can be excluded from the suggestion of Yin (2009), see Table 2. As this study does not require control over behavioral events, experiment as research strategy is excluded. Finally, the study is focusing on contemporary events, which excludes history as a research strategy. Therefore, the possible strategies to choose from are surveys, archival analysis and case studies.

As this research study includes a comparison of three different cases as a basis of understanding the whole industry, case study is the given choice of research
strategy. According to Saunders et al. (2012), case studies are used to investigate contemporary phenomenon within its real life context using several sources of evidence to answer questions of the form “why” and “how”. However, as Yin (2009) argues that the strategies are not mutually exclusive, complementing strategies are possible. In order to deductively compare collected data against theory and draw conclusions, archival research is needed as complement. This will especially be used in order to find categories within CSR and CSV to categorize the activities performed by companies in the Swedish dairy industry.

Saunders et al. (2012) argues that the primary source of data in archival research strategies is administrative records and documents, which both can be historical and recent. Further, this allows research questions to have a focus on the past or changes over time (Ibid.). This fits well with chosen types of research questions, although it is noticeable that the source of data available might have been gathered to fit other purposes.

### 4.4 Sample selection

Due to limited resources and short time frame, it is often necessary to use non-probability sampling within the population as data is collected (Saunders, Lewis, & Thornhill, 2012). In this case, judgmental and convenience sampling will be mixed in order to find a suitable sampling method fitting for our conditions. When using judgment sampling, the selection criteria are based on personal judgment that the element is representative of the population under study. Convenience samples are used primarily because they are easy to collect. (Saunders, Lewis, & Thornhill, 2012)

In order to get a sample that is as representative for the total population as possible, certain actions need to be taken. First of, the three largest companies within the industry has been chosen to give a representative picture of the whole industry. These are also chosen due to the fact that CSV-activities are easier to conduct in larger organizations (Porter M. E., 2006). Secondly, it is of great importance to establish that each interviewee has sufficient knowledge within the area in order to answer in a way that is representative for the whole company. Lastly, the representatives at each company needs to have relatively equal positions, in order to perceive the questions relatively similar.

These judgmental guidelines will be used as much as possible, although it is a fact that some compromises might be needed for convenience. As the three largest companies within the industry are chosen, the respondents need broad knowledge to answer the questions. This requires a sample of executives relatively high up in the organizations. This might create problems, as they can be hard to reach and their schedules might not include time for interviews.

### 4.5 Data collection methods

The major source of data in this research study will be primary data, as the specific research area is relatively unexplored. Saunders et al. (2012) emphasize that this can both be time consuming and costly, depending on the amount of information and data needed. There are five different ways to collect primary data; interviews, observation, questionnaires, documents and focus groups.
These collection methods differ in the amount of resources required. (Saunders, Lewis, & Thornhill, 2012)

In order to effectively complement and compare the primary data, secondary sources will be used. However, Saunders et al. (2012) argue that this must be used with caution as it has been collected for other purposes. The authors furthermore categorize secondary data in three categories; documentary, multiple source, and survey. To combine both primary and secondary data is common, especially since secondary data requires less resource than primary data to collect. (Saunders, Lewis, & Thornhill, 2012)

Semi-structured and unstructured interviews will exclusively be used in this research study, and the strengths and weaknesses of this method, according to Yin (1994), is shown in Table 3 below.

Table 3: Strengths and weaknesses of interviews as data collection method
*Source: Adapted from “Case Study Research: Design and Methods” (Yin R. K., 1994)*

<table>
<thead>
<tr>
<th>Source of evidence</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviews</td>
<td>- Targeted: Focus directly on case study topic</td>
<td>- Bias due to poorly constructed questionnaires</td>
</tr>
<tr>
<td></td>
<td>- Insightful: Provides perceived causal inference</td>
<td>- Response bias</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Inaccuracies due to poor recall</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Reflexivity: Interviewer gives what the interviewer wants to hear</td>
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</tbody>
</table>

Yin (1994) argues that interviews are effective when used in case studies. As they can be targeted to focus directly on the research topic, they can provide insights about the causal inferences. Further, the discussion is to some extent guided by specific questions rather than structured queries. This allows a flow to the conversation and gives possibilities to discover individual perspectives of the interviewees. (Yin R. K., 1994)

Semi-structured interviews will be used in order to compare the three companies in the Swedish dairy industry. In this type of interview, the researcher base the interview of a list of themes and questions, but the outcome from the interview can vary depending on the context and flow of the conversation (Saunders, Lewis, & Thornhill, 2012). This allows the discussion to change between different interviews, depending on what types of CSR-activities are taken by the companies so far. However, at the end of the interview, it is made sure that sufficient answers is gathered to give answer to the most important questions. If this is realized afterwards the interviews are conducted, we have proactively asked to hold a complementary interview. Further, all interviews are recorded to eliminate “inaccuracies due to bad recall”, see Table 3, and give the research transparency if needed.
For the interview that will be held with Nestlé however, an unstructured approach will be used. According to Saunders et al. (2012), unstructured interviews are informal and used in order to gain depth within the area of interest. This is fitting for RQ3, which has a different purpose than the other research questions. RQ3 is separate from the other questions, and is used to compare Nestlé with the respondents from the Swedish dairy industry to see how companies can become more CSV-active.

Finally, secondary data will be collected in form of written materials, such as literature and journals. In this study, documentary secondary data will be used as both primary and secondary data is combined. This means that the reliability can be increased, if other similar research ends up with the same conclusions. As the research area is relatively new, much new research is available, although the purpose differs.

4.6 Analyze method
The method used to analyze this research will be performed through cross-case analysis as well as within-case analysis. As mentioned before, the purpose of the study is not to perform a cross-case analysis in order to establish who is most CSV-active. Instead, the purpose is to identify CSV-activities in the whole industry, which is represented by these three companies, and from that draw conclusions in regard to the research problem.

According to Saunders et al. (2009), within-case analysis is used when the empirical results are compared against the frame of references, often in a deductive approach. This enables the researcher to answer the research problem with help of the research question and literature overview (Ibid.).

The data will be comparable due to the fact that the interviews and case studies are mainly based on the frame of reference. A cross-case analysis will be suitable for some parts of the data where similarities are found. Saunders et al. (2012) describe cross-case analysis as when two or more cases are compared to each other to see correlation and reach conclusions. By using a combination of both can be identified and based on these activities it can be decided how companies can become more CSV-active.

4.7 Research credibility
In all research, the credibility and the research design must be considered, and it is of great importance to minimize the risks of reaching inaccurate findings and conclusions. According to Saunders et al. (2012) there are two areas to consider in order to do this, reliability and validity.

4.7.1 Reliability
Saunders et al. (2009) refers reliability to which extent the data collection techniques and analysis methods have credibility. Yin (2009) argues that reliability is ensured, if the same research findings would be reached if the research were to be repeated by someone else. To succeed with this, Saunders et al. (2012) argue that the following questions should be answered:

- Will the measures yield the same result on other occasions?
– Will similar observations be reached by other observers?
– Is there transparency in how sense was made from the raw data?

The primary data is in this case the transcribed interviews, where the data is sorted and categorized in different stages as they are reduced to useable data. One of the major problems of qualitative and semi-structured interviews is the risk for bias (Saunders, Lewis, & Thornhill, 2009). In order to establish that other interviewers would reach similar results, certain measures need to be taken. According to Saunders et al. (2009) there may be four major threats to the reliability; subject or participant error, subject or participant bias, observer error and observer bias. To increase the reliability of the primary data, semi-structured interviews, with as unbiased questions as possible will be used when comparing the companies within the Swedish dairy industry. Some of these are therefore formed in two stages, where the first part is the main question. Depending on the respondent's interpretation and given answer, an example might be needed to guide the respondent to answer from a perspective that actually gives usable data. However, the second part will only be given if needed, in order to minimize interviewer bias. From the other point of view, participant bias need to be considered, as the companies might be likely to exaggerate the effects of their CSR-activities. Where it is possible, comparisons to their statements in regard to secondary sources will be made, from example the companies’ sustainability reports.

4.7.2 Validity
According to Yin (2009), validity is to which extent the research actually measures what it was intended to measure. Further on, validity is divided into internal and external validity, where internal validity becomes an issue when the researcher tries to see causal relationships (Ibid.). As the internal validity is more concerned with causal relationships, it will be discarded from this exploratory research.

External validity instead considers to what extent the conclusions are generalizable, which in this context means whether the findings may be equally applicable to other research settings, such as other organizations. Further, the authors state that external validity is the quality of an experimental design such that the results can be generalized from the original sample and is representative to the whole population. (Moutinho & Hutcheson, 2011) In this research, one of the main focuses has been to include three companies, which are also the largest companies within the industry. This has been done in the hope that it not only becomes generalizable for the Swedish dairy industry, but maybe to some extent for companies within the food industry.

Finally, the construct validity of the research has been considered. This refers to the extent to which your measurement questions actually measure the presence of those constructs you intended them to measure (Saunders, Lewis, & Thornhill, 2012). In order to handle this, Yin (1994) argues that usage of multiple sources of evidence, establishing a chain of evidence and letting key informants go through the case study report is important. As a tutor and other peers have supervised this report, this is ensured to some degree.
4.8 Summary of method

Table 4 below show a summary of the research method in order to get an overview of how the methodology is organized.

<table>
<thead>
<tr>
<th>Method overview</th>
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<tbody>
<tr>
<td>Research purpose</td>
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<tr>
<td>- Exploratory</td>
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<tr>
<td>Research approach</td>
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<tr>
<td>- Deductive</td>
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<tr>
<td>- Qualitative</td>
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<tr>
<td>Research strategy</td>
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<tr>
<td>- Case study</td>
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<tr>
<td>- Archival analysis</td>
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<tr>
<td>Sample selection</td>
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<tr>
<td>- Non-probability sampling</td>
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<td>- Judgment sampling</td>
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<tr>
<td>- Convenience sampling</td>
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<tr>
<td>Data collection methods</td>
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<tr>
<td>- Primary data</td>
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<tr>
<td>- Interviews</td>
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<tr>
<td>- Semi-structured interviews</td>
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<tr>
<td>- Secondary data</td>
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<tr>
<td>- Documentary</td>
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<tr>
<td>- Written materials</td>
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<tr>
<td>Analyze method</td>
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<tr>
<td>- Within-case analysis</td>
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<tr>
<td>- Cross-case analysis</td>
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<tr>
<td>Research credibility</td>
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<tr>
<td>- Reliability</td>
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<tr>
<td>- Semi-structured interviews</td>
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<tr>
<td>- Unstructured interviews</td>
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<tr>
<td>- Written materials</td>
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<tr>
<td>- Validity</td>
</tr>
<tr>
<td>- Internal validity</td>
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<tr>
<td>- Clear delimitations</td>
</tr>
<tr>
<td>- Well formulated interview questions</td>
</tr>
<tr>
<td>- External validity</td>
</tr>
<tr>
<td>- Thorough explanation of circumstances regarding research problem</td>
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</tbody>
</table>
5. Data presentation
In this chapter the empirical data will be presented. The data have been collected from semi-structured interviews with Arla, Skånemejerier, Norrmejerier, and an unstructured interview with Nestlé. Complementary data have been added from the company’s CSR-reports. Below the data will be individually presented for each company. In Appendix 1 the interview questions can be found.

5.1 Arla
Arla has the fundamental idea to take responsibility through the whole value chain. As their influence on the society vary in different situations, so does the way in which they take responsibility. (Lundén Petersson, 2014) This can be different kind of donations and support to charities such as Children for Life, “Barncancerfonden” and the helping organization “Läkare utan gränser” (Arla, 2014). However, the majority of the CSR-work is performed within their own value chain. (Lundén Petersson, 2014)

One of Arla’s main CSR-goals is to reduce the resource consumption, reduce emissions and to use mostly renewable materials within their value chain. The goal is to reduce the usage of fossil energy with 25 % until 2020 and to replace this volume with renewable energy and therefore they concentrate their CSR-work to reach these goals and satisfy their stakeholders. (Lundén Petersson, 2014)

As Arla see their dairy farmers as their core stakeholders, they work in cooperation with these in most of their CSR-activities. Arla has noticed that 85 % of the emissions from their products occur at the dairy farms. Therefore they have introduced a new program to increase the farmers’ knowledge of emissions. This program include research projects and projects from PhD students. By increasing the farmers’ knowledge, Arla hopes to decrease the emissions from the farmers’ process in the long-term. (Lundén Petersson, 2014)

Another CSR-activity Arla use to support the farmers is to organize workshops at some selected farms. At each workshop they are inviting other farmers from the same area to participate. In these workshops they bring up questions regarding the farmers processes and how these can become more efficient. As each farm has found solutions to efficiently improve their farms in different areas, these practices are brought up as examples and discussed. Even CSR related questions, such as how to reduce the resource consumption, how to use renewable energy and how they can work to keep healthy animals at their farms are discussed. By these workshops, the farmers increase their knowledge in the area, which gives them the opportunity to develop their own farms. In order to establish a long-term sustainable agriculture, Arla sees continuously increased knowledge at the farms as a must. To ensure that the farmers use the new knowledge from these workshops, they are performing revisions. In the revisions, a counselor goes through the farm’s activities and processes, in particular areas seen as important. An evaluation is made and activities are prioritized, in order to decrease farm’s emissions and waste the most. In this way, the effects for both Arla and each farmer, is maximized in the best possible way. As the implemented
practices result in cost reductions for the farmers, these programs are incentivizing. (Lundén Petersson, 2014)

To be able to reduce the costs and impact on the environment in the value chain, Arla needs to have competent co-workers. One of the goals with the CSR-activities is to increase employee productivity and to create motivated employees. Arla wants the employees to be proud to work for a CSR-active company. Arla also wants to give the employees the possibility to develop and grow within the company. (Lundén Petersson, 2014)

In order to create sustainability within human resource management, Arla works with pursuing important issues such as work environment questions. By working with matters such as these, employee productivity is increased. This is important in order to create the ability to have food production in this end of the world, where otherwise food industry concentration is low compared to other parts. By pursuing and get involved in general issues within the industry, Arla also develop as a company and can be more competitive in the global market. (Lundén Petersson, 2014)

Arla think that the traditional environmental work, especially within the value chain, pays itself within a few years. They bring up examples, such as reduced resource requirements that have a positive effect on the value chain, years to come after the improvement is implemented. (Lundén Petersson, 2014)

Their CSR-work can also help in other areas such as creating new business relations. Arla see this as a way to reduce the costs, as they have the ability to create new relations with companies with the same fundamental ideas, instead of choosing a business partner without any consideration. Their CSR-activities are a way to market themselves against business partners and this saves Arla both time and resources. (Lundén Petersson, 2014)

Lastly, Arla does not have the same ability to market themselves against the end customers, compared to their competitors. As Arla operates in all of Sweden, they cannot relate to any specific region in their marketing about CSR, for example supporting farmers in a specific region. This is one of the abilities their biggest competitors, Skånemøjerier and Norrmøjerier, have. They only operate in some specific regions in Sweden. To be able to increase the recognition of their brand, Arla therefore needs to relate their brand to other subjects than their CSR-activities, which all of the Swedish population can relate to. It can be hard to find any specific CSR-activity they can market towards the Swedish consumers, especially since it is extremely hard to reach out in today’s communication noise. (Lundén Petersson, 2014)

5.2 Skånemøjerier

Skånemøjerier’s most important CSR-activity is to reduce the emissions within the own value chain (Javensköld, 2014). In the latest years they have reduced their emissions with 70 % in their production, and increased the renewable energy used in the process with 20 % from 2009 (Skånemøjerier, 2013). The energy used in the production and transports today consists of 70 % renewable
energy. Even though they see themselves as a relative small company compared to others, they want to be a role model in their environmental work. The environmental work performed by Skånemejerier has a long-term initiative; if companies have the possibility to lead the technology development that leads to reduced resource requirements within their own industry, they should do this so other can follow them. (Javensköld, 2014)

To succeed to reduce the emissions and increase the use of renewable energy in the value chain, all possible optimization opportunities need to be considered. Skånemejerier think that reduction of the resource requirements in the value chain is important, even so small optimizations. Due to the high quantities in the value chain of water, energy and transports, small changes can result in significance reductions of resources. (Javensköld, 2014)

One of the main culprits of emissions in the value chain are the farmers. To come closer to the farmers and have better relations with them Skånemejerier has a special department who are responsible for the relations with the farmers. The department makes revisions at the farmers, where they investigate the farm based on a checklist. One example of the help the farmers receive is medication for cattle, as healthy cattle produce milk with higher quality, which lead to higher prices for the farmers. The quality is measured by protein and fat levels, which determines the milk price per liter, which the farmer is paid by. The department also helps the farmers to fulfill fundamental requirements set up by Skånemejerier, deciding if they can become dairy farmers for Skånemejerier. The dairy farmers can also receive help from associations like Greppa Näringen, which is independent from Skånemejerier but encouraged to collaborate with. (Javensköld, 2014)

Another way Skånemejerier use to increase the quality of milk is to support projects where researches are conducted in order to determine how the nutrition can be optimized for the cattle, in order to achieve higher levels of protein and fat in the milk. Furthermore, by adding ingredients like linseeds, Omega 3 levels are increased in the milk, which is nutritious for the end consumers. (Skånemejerier, 2013)

Another important CSR-activity for Skånemejerier is the involvement with the community. By giving the consumers insight in their business, such as when cattles are released to the landscape in the spring, helps them to come closer to the consumers (Skånemejerier, 2013). Skånemejerier see the consumers as their core stakeholders, thus it is important to come close to the consumers to keep a long-term sustainable business. One way doing this is through trade fairs and visits at schools and universities. The visits at the schools increase the consumers’ knowledge of Skånemejerier’s work with sustainable environment and society, at the same time as they can educate students in environmental sustainability and climate questions. (Javensköld, 2014)

Skånemejerier also supports some events such as a music event called “Om alla drar åt samma håll”, which is an environmental initiative in order to increase awareness. This is a way to reach out to families with children, educating in how
to sort waste, act “climate smart” and take care of animals and nature. Another way Skånemejerier support the society is through the charity “Musikhjälpen”, which is a radio program that has the purpose to engage the listeners to donate to charity. Furthermore, Skånemejerier works with social responsibility through human rights, where they have some demand on the suppliers to follow human rights. To reach this Skånemejerier have contacted the biggest suppliers to investigate how they follow the requirements to be a supplier for Skånemejerier. (Skånemejerier, 2013)

Skånemejerier sees most CSR-activities as short-term activities since CSR is pretty new for them. The CSR-activities they conduct are to reach out to the customers, which in many cases are not the same as their consumers. These can for example be governmental organizations, buying in large quantities, which are valuing the sustainability high. Skånemejerier do not see themselves as the best marketers of their CSR-activities, but in this case their CSR-report is important. It is written from a customer perspective and can be helpful for the salesmen when meeting with customers, to build up their trustworthiness. Another important way to market the company is word of mouth marketing. By having satisfied stakeholders, such as co-workers and consumers, the good word can be spread for Skånemejerier. (Javensköld, 2014)

5.3 Norrmejerier
Norrmejerier’s most important CSR-activity is to do well for Northern Sweden and to create sustainable jobs. They have never dismissed any employees and they also try to employ less fortunate, such as injured and handicapped of the society. If a dairy farmer get injured, sick or become psychologically unhealthy, they have replacement teams ready, which can continue to operate the farm until the farmer can return. These teams involve doctors, psychologists veterinarians as well as substitute dairy farmers to make up for the otherwise stopped production. As the farmers are one of the most important stakeholders, the milk quantity and quality needs to be kept at a constant high level. (Westman, 2014)

Norrmejerier also see themselves having a social responsibility against Northern Sweden, as for every additional dairy farmer five new jobs are created in the region. All dairy farmers applying to work for Norrmejerier is taken on. If a dairy farmer for example in Jokkmokk is applying, which is not situated along the coastline, the transportation costs alone would exceed the profits for the milk. In other words, the cheapest alternative would be to let the farmer pour out the milk on the farm and not have it picked up by Norrmejerier. However, this is a must to keep up their brand image, which is built upon their slogan “Doing good for Northern Sweden”. If they would not accept every farmer from the region into Norrmejerier’s business, they would lose their brand image and this would lead to loss of market shares. (Westman, 2014)

Due to the fact that Norrmejerier operates in Northern Sweden they need to transport the milk long ways. Norrmejerier collects milk from 40 % of Sweden’s area and therefore they have focused their environmental efforts on the transports and reduction of fossil fuels. They have an environmental goal to be independent of fossil fuels, both at the dairies and transports, latest 2017.
Norrmejerier have begun this development, as all their vehicles are environmental friendly vehicles. Furthermore, the prices negotiated with the transporting companies are built upon a special price model. For example, if Scania and Volvo claim that their trucks consume at least 4.2 liters per 10 kilometers, the trucking companies get paid for 4 liters per 10 kilometers, in order to incentivize eco-driving. This has shown to be successful as the hauliers manage to drive as environmental friendly as possible. (Westman, 2014)

Norrmejerier’s CSR-activities are mostly long-term, where questions related to the stakeholders such as consumers and dairy farmers, and to the reduction of fossil fuels need to occur long-term to be effective. The profit from Norrmejerier's business is shared with the farmers to keep a long-term sustainable business. Although, they do not support the dairy farmers by investments, to get more efficient, as they see each farmer as an individual company. This can affect the business, as Norrmejerier has a big problem with farmers ending their jobs due to low efficiency, which leads to high work pressure and low profitability. (Westman, 2014)

Norrmejerier’s CSR-activities leads to increased costs for the company, but it is seen as an investment to their brand. By performing CSR-activities they can live up to their brand and their slogan “Doing good for Northern Sweden”. This also increases the marketing ability in Northern Sweden, as the end customers can rely on that Norrmejerier’s business really is doing good for Northern Sweden. Norrmejerier also use their CSR-activities to market themselves against resellers, where many resellers require information about animals’ health, how the process look like and how they are working with preventing factors influencing the quality of the milk. (Westman, 2014)

5.4 Nestlé
Nestlé is performing CSV throughout their whole value chain. It is an important step to implement it as a mindset for all processes throughout the whole value chain. CSV can be compared to a human’s DNA, it is something that exists in every cell, and similarly it needs to exist throughout the whole organization as well. Further, in interactions with suppliers and customers this DNA leaves traces behind, influencing their perspective on how to view their own organization. (Elmgren, 2014)

Elmgren (2014) emphasize that their CSV-operations need to be integrated from the top to the bottom, in order to become successful. Further on, she makes an analogy for other companies struggling with their CSR-initiatives, and how the solution to become more CSR-active often is through hiring a CSR-specialist, create a CSR-group or hire a sustainability manager. This is not the solution, as it creates a situation where for example the CSR-group is situated in the middle of the organizational pyramid. The CSR-group do not reach the top of the organization sufficiently, where the decisions are made. Neither is the bottom or the corners of the pyramid reached, where most of the value creating activities are situated. Some CSR-effects can be reached by this approach, but not to the extent companies like Nestlé is pursuing. (Elmgren, 2014) This is illustrated below in Figure 6.
As mentioned before, it is important that the CSV-activities are managed top-down within the organization. One of the reasons for this is the long-term mindset required by CSV, which creates a need for finding long-term investors and capital. Similarly, the owners become important stakeholders, as external pressure from these can occur to make short-term profit, creating a conflict against the CSV-activities. Therefore the owners need to take the long-term perspective in consideration and be able to communicate the potential increased profits, compared to short-term investments, which could be reached for the investors. (Elmgren, 2014)

Leaders and managers need to see the value chain from a CSV perspective, and keep it in mind in every decision, in order to allocate their resources effectively. Otherwise, in companies as big as Nestlé, it can be hard to identify specific areas where the CSV-activities should take place. Therefore, leaders are important to create successful work towards CSV. (Elmgren, 2014)

Nestlé work a lot to strengthen their relations to their suppliers and customers, which are also seen as important stakeholders. They strengthen their relations to their suppliers by supporting them in the development of their business. This can lead to more stable deliveries and higher quality on the products. (Elmgren, 2014)

Suppliers are for example supported by getting free coffee plants, which are optimized by a research center. These suppliers are not bound through contracts.
to do business with Nestlé and can choose to deliver to any other customer instead. However, by starting off potential collaborations in this way, many positive effects can be created in a chain of events. One of the most important parts is to create knowledge within these regions, since knowledge or new plants spreading, means that the whole region grows and the quality thinking is implemented. Seeing it from a long-term perspective, this is what is needed in order to sustainably fulfill the growing demands of the world. Coffee farmers can pass plants on to others in the region that might not be suppliers to Nestlé. In many cases, the coffee farmers yield has doubled, and the quality of the beans have become higher. (Elmgren, 2014)

The value from working with CSV is hard to communicate to the customers, in other words these activities have low marketing ability. Due to the low knowledge about CSV and its impacts, a barrier is created when trying to commercialize this type of social responsibility. Other companies can adapt their marketing, by choosing freely what organization to help or for example plant trees for the damages the company causes the environment. These marketing campaigns can be optimally designed to communicate value to the customers and reach out with. Even if Nestlé also plant trees to take social responsibility, is it difficult to make the customer understand the value, especially as it appears in the own value chain. (Elmgren, 2014)

Most of Nestlé’s suppliers operate in developing countries. By supporting these suppliers, their business develops and the yield increases, which in long-term results in that the children can go to school, instead of being home and work. This creates new possibilities in these regions and development that can result in improved infrastructure, distribution possibilities and so on. The synergee effects from CSV-activities occur in several stages beside the value chain. (Elmgren, 2014)

According to Elmgren (2014), the full integration of CSV requires strong leadership. Peter Brabeck-Letmathe, chairman at Nestlé have had this, and has been one of the driving forces resulting in their success. In his lectures, he states that single corporations cannot change the world by themselves, corporations need to act proactively and long-term and he question the philanthropic donations within CSR, since it is donations of the shareholders capital and have small impact. (Elmgren, 2014)
6. Data analysis

The empirical data that was presented in the previous chapter will here be analyzed, based on literature overview and the frame of reference. By analyzing each case through within-case analysis, a foundation is created to make a cross-case analysis. This creates the basis for the conclusions that will be drawn in the following chapter.

6.1 Approach of data analysis

As mentioned in chapter 4.7, Analyze method, the purpose is not to conduct a cross-case analysis in order to establish the company that is the most CSV-active. Instead, the focus lies within giving a representative picture of CSV-characteristics within the industry as a whole. Furthermore, the goal is to explore the CSV-potential, based on a comparison with Nestlé.

By conducting a within-case analysis, the qualitative data can be analyzed through the following three steps, stated by Miles and Huberman (1994). These are; data reduction, data display and drawing conclusions (Miles & Huberman, 1994). The analysis for RQ1 and RQ2 is compiled together in chapter 6.2-6.4, which then builds the foundation for the analysis of RQ3 that is presented in chapter 6.5. In RQ3, a comparison between the Swedish dairy industry and Nestlé is made.

Soy (1997), states that in a cross-case analysis, the data is first divided by type across all cases investigated, and then the researcher examines it thoroughly. Identified similarities and patterns are analyzed, and found differences are investigated in order to identify the cause and source of conflict. (Soy, 1997) (Miles & Huberman, 1994) This approach will be used for the final research question, where the cross-case analysis from the dairy industry is compared with the Nestlé case and literature overview. In this way, emerging patterns and dissimilarities become the basis for conclusions in the following chapter.
6.2 Characterization of CSR-activities

Below, in Table 5, the identified CSR-activities in the Swedish dairy industry are presented and categorized based on Carroll’s pyramid of CSR.

Table 5: Characterization of CSR-activities
+ = Support, / = Partially support, - = No support

<table>
<thead>
<tr>
<th>CSR-activity</th>
<th>CSR-category</th>
<th>Support from secondary data</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Short-term thinking in their CSR-work</td>
<td>Economic responsibility</td>
<td>+</td>
<td>Skånemejerier</td>
</tr>
<tr>
<td>- Social responsibility towards specific region</td>
<td>Economic responsibility</td>
<td>+</td>
<td>Norrmejerier</td>
</tr>
<tr>
<td>- Make revisions to ensuring fundamental requirements are fulfilled</td>
<td>Legal/Economic responsibility</td>
<td>+</td>
<td>Arla Skånemejerier Norrmejerier</td>
</tr>
<tr>
<td>- Work to pursue important industry-issues</td>
<td>Ethical responsibility</td>
<td>+</td>
<td>Arla</td>
</tr>
<tr>
<td>- Have demands on the suppliers to follow human rights</td>
<td>Ethical responsibility</td>
<td>+</td>
<td>Skånemejerier</td>
</tr>
<tr>
<td>- Give incentives to the hauliers to eco-drive</td>
<td>Ethical responsibility</td>
<td>/</td>
<td>Norrmejerier</td>
</tr>
<tr>
<td>- Involve the community in their value chain</td>
<td>Philanthropy responsibility</td>
<td>+</td>
<td>Skånemejerier</td>
</tr>
<tr>
<td>- Support events to reach out to families with children</td>
<td>Philanthropy responsibility</td>
<td>+</td>
<td>Skånemejerier</td>
</tr>
<tr>
<td>- Donate and support charities and help organisations</td>
<td>Philanthropy responsibility</td>
<td>+</td>
<td>Arla Skånemejerier</td>
</tr>
</tbody>
</table>

Economic and legal responsibilities

Skånemejerier see their CSR-activities from a short-term perspective, which is probably because they have practiced it by that term, since 2011. One of the major motives for implementing it is the marketing ability. By doing so, the customers can relate their social responsibility to their brand and Skånemejerier creates stronger competitive position in their region. According to Carroll (1991), it is an important economic responsibility to maintain a strong competitive position in the market.

Norrmejerier have social responsibility to Northern Sweden, where they market themselves as “Doing good for Northern Sweden”. Each farmer connected in the supply chain, creates an additional five jobs. This is why every applying farmer in the region is taken on, even if that specific farmer can be linked to remarkably increased transportation costs, and is not a profitable addition for the
companies. However, the brand image and the customers would be lost instantly if they would not be true to their marketing slogan. These losses could be substantially bigger than the costs of the additional farmers. According to Carroll (1991), economic responsibility is taken by being as profitable as possible.

All companies use revisions to ensure farmers fulfill fundamental requirements to be suppliers for them. By performing these revisions, stable quality can be assured, and food legislations followed. According to Carroll (1991) it is important for companies to fulfill its legal obligations to be legally responsible. In their revisions, they also support farmers to improve their efficiency and increase productivity. According to Carroll (1991), it is an important economic responsibility to maintain high level of operating efficiency within the company.

**Ethical responsibility**

Arla works to create sustainability within human resource management by pursuing important industry issues within the Swedish dairy industry. Such issues could be work environment questions, and by bringing these to question, the employee productivity could be increased. According to Carroll (1991), it is an important ethical responsibility for companies to perform in some matter consistent with expectations of societal mores. It is important to create the ability to have food production in this end of the world, as it is expected in the society to have the ability to buy local food.

Skånemejerier have demands on their suppliers to follow human rights. Following ethical guidelines created by the society is an important ethical responsibility, according to Carroll (1991).

Norrmejerier create incentives for their hauliers to implement eco-driving, by only compensate them for certain volume of fuels, which is below the fuel consumption according to the technical specifications for the engines. By creating the price model in this way, ethical responsibility is taken, that goes beyond the laws and regulations. There are no laws for implementing eco-driving, but by creating incentives for the hauliers, the fuel consumption and impact on society could decrease.

**Philanthropic responsibility**

Skånemejerier involves the community in their value chain by different events, such as a music event called “Om alla drar åt samma håll” and school visits, where they increase the awareness of the company, and at the same time increase awareness of the environment. According to Carroll (1991), philanthropic responsibilities are important to provide assistance to educational institutions and to assist in projects that enhance community’s “quality of life”.

Another way to support the society is to donate and support charities and helping organizations. According to Carroll (1991) is an important philanthropic responsibility to live up to the philanthropic and charitable expectations of the society. Both Arla and Skånemejerier support different charities, such as “Musikhjälpen”, Children for Life, “Barncancerfonden” and the helping organization “Läkare utan gränser”.

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6.3 Characterization of partial CSV-activities

Below, in Table 6, is the partially CSV-activities (CSX) that have been identified in the Swedish dairy industry presented and these will be further explained below.

<table>
<thead>
<tr>
<th>CSX-activity</th>
<th>CSX-category</th>
<th>Support from secondary data</th>
<th>Company</th>
</tr>
</thead>
</table>
| CSX1 - Reducing resource consumption, emissions and increase the use of renewable energy | - Redefining productivity | / | Arla
| | - Economic responsibility | | Skånemejerier
| | | | Norrmejerier
| CSX2 – Help farmers to seek support from other independent associations | - Redefining productivity | / | Skånemejerier
| | - Economic responsibility | | |
| CSX3 – Long-term approaches in the majority of CSR-related decision | - | / | Arla
| | | | Norrmejerier

**CSX1 – Reducing resource consumption and emission, while using renewable energy**

All companies work with similar activities to reduce resource consumption, emissions and to increase the use of renewable energy. According to Carroll (1991), it is an important economic responsibility to maintain high level of operating efficiency within the company. Skånemejerier works to reduce the resource requirements and to optimize all possible processes, while Norrmejerier focus on reducing their emissions in transports, as they operate in 40 % of Sweden’s area. Arla has different goals with their CSR-activities, for example to reduce resource consumption, emissions and to use mostly renewable materials within their value chain.

All this can lead to higher levels of efficiency within the company. Although, it could also be seen as CSV, where Porter and Kramer (2011) bring up the example of Wal-Mart. They have reduced their packaging drastically and cut 100 million miles from the delivery routes of its trucks, which lead to lower carbon emissions and they saved 200 millions USD in costs. Another example is DANONE, managing to reduce plastic required for their yoghurt cups by half. (Porter & Kramer, 2011) This does not only save costs, but decreases their emission and externalities on the society. Similarly, the dairy industry’s choices of packaging for their products have the same effects on the society.

Finally, when Swedish dairy companies optimize processes to reduce resource consumption, emissions and increase the use of renewable energy, both company and society make profits, which leads to shared value. These are classic examples of decreased resource use, mentioned by Porter and Kramer (2011).
CSX2 – Encourage to seek support from independent associations
Skånemejerier support their farmers to seek guidance from independent associations, such as Greppa Näringen, to reduce their emissions and be more efficient. This could be seen as a CSR-activity with elements of economic responsibility. According to Carroll (1991), it is important to maintain high level of efficiency within the company. These activities, in short just put farmers in contact with independent associations, which save much of the companies own resources. Although, as it is an activity where Skånemejerier encourage them to seek guidance and increase their knowledge, it could be seen as CSV and redefining productivity, which is mentioned by Porter and Kramer (2011).

CSX3 – Long-term approaches in CSR-related decisions
Arla and Norrmejerier use long-term perspective in the majority of their CSR-related decisions. Much of their CSR-work involves environment related questions, and the effects of their initiative can only be seen over long time. According to Porter and Kramer (2011), CSR-related decisions mostly focus on reputation that make them hard to justify over the long run, while CSV is integral to the company’s profitability and occur over long time. As Arla and Norrmejerier mostly use a long-term perspective, a sign of CSV-thinking is shown. Skånemejerier however specifically mention that the majority of their decisions are short-term. Although, the majority of environmental related decision are seen from a long-term perspective.
6.4 Characterization of CSV-activities

Table 7 beneath represents the CSV-activities that are characterized in the Swedish dairy industry. The similarities and differences for the activities are explained in further detail below.

<table>
<thead>
<tr>
<th>CSV-activity</th>
<th>CSV-category</th>
<th>Correlation with secondary data</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CSV1</strong> - Working on the farms with farmers to increase efficiency</td>
<td>Redefining productivity</td>
<td>+</td>
<td>Arla, Skånemejerier, Norrmejerier</td>
</tr>
<tr>
<td><strong>CSV2</strong> - Organize farmer workshops, to increase the knowledge about emission and waste</td>
<td>Cluster development</td>
<td>+</td>
<td>Arla</td>
</tr>
<tr>
<td><strong>CSV3</strong> - Support research projects to increase the knowledge in emissions at the farmers</td>
<td>Redefining productivity</td>
<td>+</td>
<td>Arla</td>
</tr>
<tr>
<td><strong>CSV4</strong> – Healthcare programs, increasing workforce productivity</td>
<td>Redefining productivity</td>
<td>+</td>
<td>Arla, Norrmejerier, Skånemejerier</td>
</tr>
<tr>
<td><strong>CSV5</strong> - Replacement teams in case of the farmer gets injured, sick or psychologically unhealthy</td>
<td>Redefining productivity</td>
<td>+</td>
<td>Norrmejerier</td>
</tr>
<tr>
<td><strong>CSV6</strong> - Collaborate with companies with similar fundamental CSR-values</td>
<td>Redefining productivity</td>
<td>-</td>
<td>Arla</td>
</tr>
</tbody>
</table>

**CSV1-CSV3 – Sharing knowledge within efficiency and sustainability**

Similar for all companies is that they all have started collaborative projects with their farmers in order to increase the farmer’s efficiency. Large companies have resources to improve their own efficiency in regards to emissions and waste, which a small-scale dairy farmer is lacking. However, by helping the farmers, dairy companies can reach sustainability in the whole value chain. From the farmer’s point of view, cost reductions are reached.

Arla, can be considered to be the one that has come the furthest, as they also added workshops, connecting the farmers with each other to share their knowledge and experience in regard to their sustainability. As different farmers have found efficient solutions in different areas, synergy effects appear. Arla also support research projects to increase the knowledge in the farmer’s emissions, which they share with their farmers. Thus, the whole industry will be able to use the information from the research projects and reduction of emissions in the whole industry could be reached. Other examples are projects where Skånemejerier conducts research in order to determine how the nutrition can be...
optimized for the cattle, in order to achieve higher levels of protein and fat in the milk. The price models for the dairy farmers are based upon this, in other words it does not only result in better quality for Skånemejerier, but higher profit margins for the farmers. Furthermore, by adding ingredients like linseeds, Omega 3 levels are increased in the milk, which is nutritious for the end consumers. This addresses the question that Porter and Kramer (2011) implies most companies have forgotten, which is the most important question of all - Is our product good for our customers?

As mentioned by Joher and Kruschwitz (2013), redefining productivity could be illustrated from what is called “extension services”. Examples mentioned are Nestlé, offering agricultural extension service to their 680.000 farmers worldwide, where they are provided with knowledge and information they need to increase productivity and establish sustainable production systems (Ibid.).

CSV4-CVS5 – Health care programs
Similar for all companies, is that they all offer some type of health care program for the farmers and their own workforce. By supporting the farmers with health care programs, their own supply chain becomes more stable and the productivity at the farms increase. By supporting their own workforce, they can reach more satisfied co-workers and higher productivity.

Norrmejerier can be considered to be the one that has come furthest, as they also have replacement teams ready, to secure the supplies from the farms in case of injured farmers. By having this security net, an insurance is created for the farmers and Norrmejerier becomes much more attractive as an employer.

According to Porter and Kramer (2011), this is a classic example of creating employee productivity. The example brought up, is Johnson and Johnson, who have saved 250 million dollars by implementing various types of employee wellness and health care programs.

CSV6 – Collaboration with companies with similar fundamental CSR-values
By collaborating with companies with similar fundamental CSR-values, costs can be reduced according to Arla. In this case, these fundamental CSR-values have clear CSV characteristics. Beyond simplifying the collaboration, Arla use this in the entrance of new markets. By collaboration with companies with the similar CSR-values, they do not need to do the same research and revisions to ensure the partners are following Arla’s requirements to be a partner. Arla's CSR-work also makes them trustworthy for other companies, and this make it easier to start new partnerships.
6.5 CSV-potential, based on a comparison with Nestlé and secondary data

In order to determine how companies can become more CSV-active, a comparison with Nestle and other research articles have been made. As some of the examples of Nestlé’s CSV-activities have already been mentioned above, the similarities to the Swedish dairy industry will not be gone through in detail. Instead, the focus will be to identify the differences, representing the potential these companies now stand before. Table 8 beneath, represents the CSV-concepts and activities, not or only partially implemented in the dairy industry. These are explained in further detail beneath.

Table 8: CSV-potential within the Swedish dairy industry

<table>
<thead>
<tr>
<th>CSV-activity/concept</th>
<th>Support from secondary data</th>
<th>Partially implemented by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of clusters</td>
<td>+</td>
<td>Arla</td>
</tr>
<tr>
<td>Strong leadership</td>
<td>/</td>
<td>None</td>
</tr>
<tr>
<td>Focus on long-term perspective and approach</td>
<td>+</td>
<td>Arla</td>
</tr>
<tr>
<td>Integration throughout the whole company</td>
<td>/</td>
<td>Norrmejerier</td>
</tr>
<tr>
<td>Ability to identify CSV-activities in the value chain</td>
<td>+</td>
<td>Arla</td>
</tr>
</tbody>
</table>

**Development of clusters**

According to Moon et al. (2011), Porter and Kramer see cluster development from a narrow point of view, and much of its potential is left out. Cluster development should not only be seen from a local and geographic context. Today’s technological developments in a global business community, creates possibilities to create shared value from various types of collaborations. (Moon, Parc, Yim, & Park, 2011) Elmgren (2014) concludes that local clusters are mainly something that is utilized in undeveloped countries, and this is where the main potential lies. Although, she emphasis that it should not be ruled out. The major concern however is competition, which was evident when a food industry cluster was tried to be develop in the 1970 in south of Sweden. At the end of the day, we are competing with each other.

Moon et al. (2011) states that there are three different cluster extensions that can be added to the original theory of local cluster development from Porter and Kramer (2011). These are regional linking cluster, international linking cluster and global linking cluster. (Moon, Parc, Yim, & Park, 2011) One example, in which it would be possible to create an international cluster, is through collaborating with other dairy companies in other countries. By finding other CSV-active companies, benchmarking could be used in order for both companies to evolve and improve their activities.
Ability to identify CSV-activities in the value chain
As this study concludes, the Swedish dairy industry is mostly CSV-active through redefining productivity in the value chain. However, the number of processes within this category that can be improved, seen from CSV-perspective, is enormous. However, this requires an understanding of the CSV-concepts by employees at all levels throughout the organization. Elmgren (2014) states that one way to achieve this, is gathering representatives throughout the whole value chain, sit down and try to understand the connection of the processes in the value chain. From the results, the sharing of knowledge, especially in the beginning of the value chain, seems to be one of the easiest ways to create shared value.

Focus on long-term perspective and approach
To fully utilize the potential of CSV, it needs to be seen from a long-term perspective. As Porter and Kramer (2011) mentioned, CSR focuses more on short-term approaches, while CSV need to have a long-term approach. Thus, stakeholders’ interest needs to be considered in order to become more CSV-active. Elmgren (2014) discussed their long-term approach, as it can be hard to find capital and investors to their activities as the wished return on invest can take long time.

Strong leadership
According to Elmgren (2014), the full integration of CSV requires strong leadership. Peter Brabeck-Letmathe, chairman at Nestlé have had this, and has been one of the driving forces resulting in their success. In his lectures, he states that single corporations cannot change the world by themselves, corporations need to act proactively and long-term and he question the philanthropic donations within CSR, since it is donations of the shareholders capital and have small impact. (Elmgren, 2014)

Similar for Arla, Skånemejerier and Norrmejerier, is that these questions are mostly handled by a sustainability or CSR-group. Therefore, a fair assessment is that putting these issues higher up on the agendas, at the top of the organization, is vital. This is likely to drive a chain reaction down through the organization to the bottom, where most of the processes with CSV-potential is situated and can be identified and improved.

It is highly noticeable that the issue of leadership is only brought up very briefly in research articles. However, Porter and Kramer (2011) mention that for a transformation in the business community, leaders and managers are required to develop new skills and knowledge - such as a far deeper appreciation of societal needs, a greater understanding of the true bases of company productivity, and the ability to collaborate across profit/nonprofit boundaries.
Integration throughout the whole company

Lastly, and maybe most importantly, Elmgren (2014) emphasizes the integration throughout the whole organization. After long, semi-structured interviews, with each dairy company representative, this has not come to discussion. Instead, the solution seems to be sustainability managers and CSR-groups. This shows that the particular problem, mentioned by Elmgren (2014) at Nestlé, is apparent within these companies. This is illustrated in Figure 6 in section 5.4, by the organizational pyramid, where sustainability managers/groups cannot reach the top, nor the bottom.
7. Findings and conclusions

Beneath the conclusions from this research study is brought up. These are presented and explained briefly, and represent the major research findings that can be concluded from this study.

RQ1 – What kind of CSR-activities are companies in the Swedish dairy industry conducting?

Companies within the Swedish dairy industry are highly CSR-active and are performing several kinds of CSR-activities. Based on Carroll’s pyramid of CSR, all companies within this study, are performing CSR-activities within the different categories; economic, legal, ethical and philanthropic responsibilities. From the primary data, it could be concluded that the performed CSR-activities have the lowest elements of legal responsibility. This can be due to that it is taken for granted to follow the laws, whereas the interviewees have not shared data regarding how they are working to follow laws and regulations.

RQ2 – What kind of CSV-characteristics can be seen in the CSR-activities conducted by companies in the Swedish dairy industry?

Based on this study, conclusions can be made that many of the CSR-activities in the Swedish dairy industry, actually have CSV-characteristics. From the identified CSR-activities, about 50 % had CSV-characteristics or partial CSV-characteristics. This highlights that the terms CSR and CSV are closely linked, and companies within the Swedish dairy industry are to some extent working with CSV unknowingly. Also several activities performed by the companies within the Swedish dairy industry were found to have partial CSV-characteristics, as they did not have clear definitions for neither CSR, nor CSV. This also indicates that the terms CSR and CSV do not have clear limits towards each other and in several cases activities can be seen as both CSR and CSV.

Redefining productivity is by far the most common category of CSV performed by companies within the Swedish dairy industry. The activities could be divided into three different groups; sharing knowledge to increase efficiency and sustainability, health care programs and collaborations with companies with similar fundamental CSR-values. The two first groups are classic CSV-activities, where they increase knowledge in the value chain and offer employee’s health programs to increase the efficiency and productivity. The last one has no support from secondary data, and could therefore be seen as a research finding. To begin collaborations, the partner’s fundamental CSR-values could be used to evaluate the decision and potential of the relationship. If companies have the same fundamental values of CSR, costs could be reduced and synergy effects gained for both businesses by this collaboration. In the long run, this will likely be beneficial for the society as well, as the companies are able to evolve and improve their CSR-activities.
**RQ3 – Based on a comparison with Nestlé’s CSV-activities, how can companies within the Swedish dairy industry become more CSV-active?**

First of, we can conclude that the three largest companies within the Swedish dairy industry are evidently more CSV-active, than first anticipated in the study. Only Arla is aware of the term CSV, but is not using the concepts by that term. One of the most apparent reason for the unawareness, is probably be linked to one of the conclusions about CSV, from Crane et al. (2011), who clearly states that CSV is unoriginal and just a new name for old concepts. (Crane A., Palazzo, Spence, & Matten, 2011)

We can conclude that there are some fundamental differences from the Swedish dairy industry in comparison to Nestlé. First of, the development of clusters are almost non-existent, and reconceiving products and markets do not exist at all. Arla is the only company utilizing the potential of creating clusters for their farmers, which through shared knowledge makes it possible to decrease emissions and waste, while increasing the efficiency. Seen from the perspective of Moon et al. (2011), there is definitely potential to increase the activities through developing clusters beyond local ones. An example would be international clusters, with other dairy companies in order to benchmark CSR- and CSV-activities.

Finally, the remaining potential CSV-activities for the Swedish dairy industry, mentioned in Table 8 above, has a clear connection. They can be seen as interdependent links, where each of them has to be fulfilled in order to truly become more CSV-active. This is illustrated in Figure 7 beneath, as a new model called ”The DNA-string of CSV”, and can be seen as the major research finding and contribution of this research study.

Strong leadership is required, together with a top driven management to communicate the new CSV-values throughout the organization. Therefore, the implementation of CSV starts as at the top level of the organization, which results in changes to more long-term approaches/perspectives. This then affects the subsequent investments, strategies, and decisions, as they now are seen through the lens of creating shared value. Doing this, enables an integration of CSV-concepts throughout the whole organization. As the integration is put into action, CSV becomes a natural part to all operations within the organization. This enables an increased ability to identify potential CSV-activities in value chain, and the company can finally become more CSV-active.

![Figure 7: The model developed from the conclusions, called "The DNA-string of CSV"](image)

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8. Implications for further research

Prior studies within the research area mainly focus on bringing up cases of why shared value is created and the resulting effects of it. However, the way in how companies can become more CSV-active is often ignored. This created the need for identifying the potential of the area and this thesis. The identified activities to become more CSV-active found in this research, represents stepping stones for further research.

In general, the need for further research is huge, and has potential affect how sustainability is viewed upon within organizations in the future. First of, the generalizability from these research findings, in other industries and other developing countries, should be put to test. Beneath, other specific areas that have been intriguing to explore during this research, are presented with a short motivation.

*How the CSV-mindset can be integrated and become part of the organizational culture within companies.*

One of the most significant findings, based on Nestlé’s approach, is that CSV must be integrated as a part of the companies DNA. This must reach from the bottom of the organization to the top, as it is concluded that just hiring a CSR-manager is not the solution. Thus, how the CSV-mindset can effectively be implemented and become part of the organizational culture need to be understood.

*Marketing and the commercialization of CSV*

CSR is a familiar term in modern society and have high marketing ability, while CSV is unknown, complex and harder to communicate to the end-consumers. Elmgren (2014) concludes that Fair Trade and Rainforest Alliance logos have a value within themselves, and the end-consumers seldom know what they actually represent. One clear obstacle is then how the highly complex and immeasurable CSV-concept can be marketed effectively to the end-consumers.

*Short-term incentives while aiming for long-term effects*

It is clear that one of the basic philosophies within CSV is long-term investment that eventually creates greater return on investments. However, if managers throughout organizations are short-termly incentivized through monetary terms, this creates a hindrance.

*Stakeholder management in a CSV-context*

The majority of the stakeholders have an interest in making short-term profit, while business now must be conducted through a long-term approach. This creates a conflict that needs to be understood in order to become more CSV-active.
9. Bibliography


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Appendix 1 – Interview guide for dairies and Nestlé

Below, the questions used in the semi-structured interviews are presented. Note that different questions were used for the dairy companies and Nestlé. These questions were presented in this exact way, however depending on the respondent’s interpretation and given answer, an example might be needed to guide the respondent to answer from a perspective that actually gives usable data. However, the second part will only be given if needed, in order to minimize interviewer bias.

Dairy Companies
1. What are the most important CSR-activities you are working with today, and what impact does it have on the society?
2. Why are you performing your CSR-activities?
3. What stakeholders are related to your CSR-work and which ones are prioritized the most?
4. How do you support stakeholders, such as suppliers, partners and employees, in your value chain to increase the productivity?
5. How long-term approach do you have in your CSR-activities?
6. Do you perform any CSR-activities, where the future cost reductions exceed the cost of the activity?
7. How do you involve society into your business?

Nestlé
1. Which of your CSV-activities have the greatest impact on society?
2. How do you handle the stakeholders’ desire to make short-term profit, as CSV-activities in general have along-term approach?
3. What were the difficulties to make the transition from traditional CSR-work to CSV?
4. What difficulties occur when identifying which processes to improve by CSV-activities?
5. What difficulties occur due to stakeholders’ lack of knowledge of CSV?
6. How have your costs changed, in comparison to your previous CSR-work?