THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES ON B2B CUSTOMER RELATIONSHIPS

An explorative case study on the transformation towards a more sustainable and responsible future in the mining industry

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ABSTRACT

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Research questions What effect do CSR alignment strategies and CSR differentiation strategies have on a firm's B2B relationships?

Purpose: The purpose of this research is to study how a firm aligns or differentiates its CSR strategies in a B2B context. The aim is to investigate how a firm’s CSR strategies affect customer relationships. By doing an explorative case study, this research will provide a deeper understanding of what types of CSR activities a B2B firm is doing and where those activities are used strategically. It investigates how the firm can leverage these activities to strengthen customer relationships by taking responsible and sustainable measures.

Method: A qualitative single case study with an inductive approach, the data was collected through semi-structured interviews.

Conclusion: Strengthening B2B relationships can be done by aligning with stakeholder CSR needs. Being proactive and innovative can give a competitive advantage and help differentiate from the competition. These two strategies are used simultaneously and are interrelated. Collaboration is also key to strengthening these relationships.
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1. Introduction

This chapter introduces the topic of the research, followed by a problematization of why it is an interesting aspect for further research. Furthermore, a purpose will be mentioned, followed by the research question.

1.1 Background

Corporate social responsibility (CSR) has gone from a desirable thing to do to a need for organizations throughout the years (ACCP Admin, 2021). CSR originated through the establishment of a “social contract” between business and society. This contract was based on the premise that businesses work based on public consent, which obligates them to build their products and services based on societal demands; as a result, society granted firms a license to “operate” (ACCP Admin, 2021; Rupley et al., 2017).

CSR has emerged as a key “product” of the twentieth century, particularly from the early 1950s to the present (Carroll, 2009). Businesses primarily focused on making workers more productive from the mid to late 1800s (Carroll, 2009). Nonetheless, it still needs to be determined between what organizations do for profit and what they do for social purposes (Carroll, 2009). For many years, CSR was typically referred to as social responsibility (SR) rather than CSR, possibly because the age of the corporation’s popularity and control in the commercial sector still needed to be recognized (Carroll, 2009). As discussed by Dahlsrud (2008), many descriptions of CSR exist, making it optional to define but rather understand CSR and how it is socially constructed (Dahlsrud, 2008).

Due to the broadness of CSR, this study will focus on philanthropic and ethical components while addressing environmental and social practices. Environmental and societal issues can disrupt supply chains and business operations (Yang & Jiang, 2023). These aspects are built into the concept of CSR concerning business-to-business (B2B) relationships (Team, 2022). Businesses that take ‘social responsibility’ seriously may attract customers while also developing a platform to promote and get the attention of their target audiences (Team, 2022).

Today CSR reflects a global view in which customers do not expect corporations only to maintain their backyards clean (Ledecky, 2020). Customers expect firms to go above and beyond to meet social demands to deliver value to all stakeholders—employees, consumers, suppliers, and global communities—rather than shareholders (Ledecky, 2020). Corporate social responsibility is also regarded as a self-regulating business model that enables a firm to hold itself socially accountable
CSR indicators that firms operate in ways that benefit society and the environment rather than harming them (Fernando, 2022).

Firms must develop their CSR agenda to secure long-term success and survival by understanding how sustainability and Sustainable Development Goals (SDG) influence corporate strategy and reporting procedures (ElAlfy et al., 2020). According to ElAlfy et al. (2020), investing in and incorporating CSR activities into corporate strategy is crucial. CSR procedures have become due diligence for keeping a firm's license to operate, preventing reputational losses, generating loyalty, and sustaining competitive positioning by connecting the purpose and values of CSR with market forces and stakeholder demands (Rupley et al., 2017).

When society becomes more aware of and advocates for a cause, it wants more transparency and authenticity that businesses are doing well. Unilever adopted a shallow CSR strategy after making the news due to exposing 600 Indian workers to mercury as an example of CSR transformation (Rama Lakshmi, 2016). Despite the firm's claims of CSR change, the advocacy campaign must be consistent with the brand's operations. Unilever has completely altered itself and ranks well on the United Nations Global Sustainability Index (Amdur, 2021; Rama Lakshmi, 2016). These shifts have occurred due to strong leadership initiatives and stakeholder demands in the B2B setting (Amdur, 2021). This is a great example of firms’ demands regarding responsibility for the employees, customers, and the communities’ safety and well-being. These factors are gaining increased attention, and firms need to respond accordingly, with increased efforts and applications, to minimize risks and enhance welfare (Investopedia, 2022).

The public has also filed a lawsuit against Royal Dutch Shell for not meeting the Paris Agreement's goals regarding Green House Gas (GHG) emissions (Palmer, 2021). The firm was ruled to cut the emissions of the Shell Group, its customers, and suppliers by 45% in the next ten years (Palmer, 2021). This means that Shell’s responsibility was to assist its suppliers and customers in reducing their emissions while working on its operations (Palmer, 2021). Environmental issues are in the limelight of business operations, and sustainability standards, agreements, and goals are affecting all firms (Chorley, 2022). Therefore, firms are encountering both legal and social requirements to take action to minimize their impact on the environment and make changes and adjustments to their products and operations (Chorley, 2022). As in Shell’s case, these pressures affect the whole value chain, and the progress toward meeting environmental needs must be supported and driven by sustainable operations in all its parts (Howells, 2022).
Thus, due to this phenomenon, firms are paying increased attention to their operations and supply chains, making decisions regarding CSR regarding responsibility for individuals and the environment’s well-being (Han & Lee, 2021). To maintain a responsible image in the eyes of consumers, the firms demand CSR engagement from their suppliers and therefore have even terminated supplier relationships due to a lack of commitment (Han & Lee, 2021).

1.2 Problematization

CSR can be viewed as a multifaceted concept that can be utilized to meet the demands of various stakeholders, including society and the environment (Zhao et al., 2022). There has been prior research on how, for example, a firm’s responsibility efforts affect customer behavior and financial performance through customer satisfaction (Luo & Bhattacharya, 2006); however, most of this research has focused on the business-to-consumer (B2C) perspective. The impact of CSR activities on business-to-business (B2B) customer relationships has received little attention, even though consumer demand also reaches suppliers. Since B2B interactions are more complex and long-term, the benefits of CSR may differ from those of B2C relationships (Luo & Bhattacharya, 2006). Nowadays, firms have procurement standards since suppliers’ responsibility can affect how the buyer’s products are viewed by consumers (Han & Lee, 2021). Involving sustainability in firms’ business strategy has become crucial, as well as maintaining an environmentally friendly image (Howells, 2022). Therefore, suppliers communicating CSR activities can show their commitment to responsibility and create long-term competitiveness by providing reliable solutions to support the consumer needs on the buyer’s end (Guo et al., 2019).

As B2B firms are at the forefront of CSR engagement due to their long-reaching power (Guo et al., 2019), the effects of CSR marketing on the supplier side are worth looking into. Recently, the focus of B2B buyers has shifted from solely considering tangible attributes like price and quality to also considering emotional appeals of brands and trust in them (Guo et al., 2019). For instance, responsibility efforts such as workplace and product safety can strengthen the standing of a firm (Guo et al., 2019).

As customers value attention to CSR, how those efforts are leveraged to gain stronger business relationships in a B2B context can be worth studying. Today firms may view CSR as a strategic tool, indicating the importance of implementing the strategies accordingly (Fatima & Elbanna, 2022; Zhao et al., 2022). This approach can motivate firms to establish CSR engagement that strives for competitive advantage while doing good and contributing to society (Zhao et al., 2022). Firms have differing capabilities, resources, and market conditions, leading to conflicting results in research on
the benefit of investing in CSR-related operations (Luo & Bhattacharya, 2006). Investigating different activities and how those are utilized can provide insights into what strategies affect performance. Communicating CSR activities is a delicate matter, and finding a way to leverage CSR activities effectively can prove difficult (Du et al., 2010). Aligning with stakeholder values has been a successful supplier strategy (Campbell et al., 2010). In contrast, differentiation from competition can give firms a competitive advantage in the market (Luo & Bhattacharya, 2006).

The effects of CSR on B2B interactions may vary depending on the precise tactics employed and the context in which they are implemented (Luo & Bhattacharya, 2006). CSR may show a firm’s dedication to developing strong and mutually profitable partnerships, increasing its reputation and trustworthiness (Luo & Bhattacharya, 2006; Guo et al., 2019). As a result, CSR alignment strategies that strive to align a firm’s CSR practices with those of its partners may improve B2B relationships by fostering common values and aims (Luo & Bhattacharya, 2006). Whereas CSR differentiation activities may lead to negative impressions of its motives and ideals, potentially harming B2B interactions (Luo & Bhattacharya, 2006). Differentiating from the competition can have a positive effect, as the firm can gain market value (Luo & Bhattacharya, 2006). Du et al. (2010) research CSR communication and emphasize the need to convey CSR activities to stakeholders successfully. While effective communication is essential, more is needed for businesses to stand out in a competitive market (Du et al., 2010). This, however, poses the question of how businesses could differentiate themselves in terms of CSR.

Luo and Bhattacharya (2006) discuss how stakeholder satisfaction drives the firms’ CSR programs. Firms may emphasize various projects, such as ecological responsibility or social welfare programs, influencing customer awareness. Therefore, raising the question of how firms utilize CSR activities to their advantage when reaching out to customers, specifically, how firms take measures to operate responsibly concerning stakeholders and in an environmentally friendly manner. This leads to the interest of whether specific CSR activities are more optimal and whether firms should prioritize specific initiatives over others (Du et al., 2010). This highlights the need for further research on the effectiveness of different CSR strategies in B2B relationships and the factors influencing their success.

1.3 Purpose

The purpose of this research is to study how a firm aligns or differentiates its CSR strategies in a B2B context. It explores how the firm can leverage these activities to strengthen customer relationships by taking responsible and sustainable measures.
Firms’ CSR policies and actions increasingly contribute to societal requirements (Zhao et al., 2022). Historically, firms have resulted in resource exploitation and detrimental societal repercussions (Ledecky, 2020). Society may better grasp the change by learning more about how firms engage and benefit from responsible operations. Firms have made efforts toward more responsible operations (Han & Lee, 2021), and it is critical to analyze their participation and transformation to better understand the impact on society.

The influence of CSR actions on other firms is an important consideration because it is a fundamental aspect of the process (Beitelspacher & Getchell, 2023). Considering that all firms are involved in this continuous endeavor, it is critical to look at it from the B2B viewpoint, as these firms are at the forefront of pushing this drive (Guo et al., 2019). Suppliers’ involvement is crucial, as a lack of engagement in a firm’s supply chain will deteriorate their aspirations for responsible offerings (Yang & Jiang, 2023), causing more firms to fall behind on the 2030 agenda. To fully understand the evolution of responsible operations, capturing the mechanisms firms utilize is essential. Given that CSR has evolved into a strategic instrument in current times (Zhao et al., 2022), it is essential to investigate its impact on commercial partnerships.

The aim is to investigate how a firm’s CSR strategies affect customer relationships. By doing an explorative case study, this research will provide a deeper understanding of what types of CSR activities a B2B firm is doing and where those activities are used strategically.

1.4 Research Question

What effect do CSR alignment strategies and CSR differentiation strategies have on a firm’s B2B relationships?
2. Literature Review

The literature review chapter will discuss, and present unified theories and concepts based on previous research and literature. This chapter aims to provide the reader with the ideas developed into a research model, which will guide the analysis.

2.1 Explanation of the Literature Process

To find the most relevant articles, various keywords were initially searched in google scholar, such as: “CSR”, “marketing CSR”, “corporate citizenship”, “CSR AND B2B markets”, “stakeholder theory”, “stakeholder theory AND CSR”, “stakeholder framework”, “network theory”, “network approach”, “network approach AND B2B”, “network approach AND CSR”, “IMP network approach”, “network approach AND B2B”.

Once articles were found, the snow-balling effect occurred. Specific authors such as Carroll, Håkansson, Ford, Snehota, and Freeman were noticed. These authors’ articles were scanned, and their work was either back-referenced or forward-referenced using the various databases and their recommendations that were accessed. The Databases used were ABI/Inform Global, ProQuest, Emerald Insight, Science Direct, and Sage Journals.

Figure 1 represents a visualization of how the literature review is constructed. A base understanding of CSR is covered, where it expands to “Being a Corporate Citizen” and “The Effects of CSR on Stakeholders.” Then the concept of “Understanding Networks” is brought in, which begins the fundamentals of relationships, which later expands to “B2B Relationships.” This knowledge serves as the foundation for the literature review and is the main theoretical domain that this study will focus on.

![Figure 1: The study’s theoretical domains (Authors’ own model)](image)
2.2 Corporate Social Responsibility (CSR)

According to Carroll (1979), a firm’s decisions and actions are made for reasons that go beyond the firm’s direct economic or technical interests. Carroll (1979) suggests that CSR relates to issues that occur when corporate business throws its shadow on the social scene and the ethical standards that ought to regulate the interaction between the firm and society. Carroll (1979) then stated that CSR comprises four forms of social responsibilities: economic, legal, ethical, and philanthropic and that a pyramid may represent these four categories or components of CSR. To be accepted by a conscientious businessperson, CSR must be articulated to encompass the entire scope of business duties (Carroll, 1979; Maignan et al., 2005). Researchers claim that supporting CSR creates a reliable and honest reputation for a firm and that can signal positive characteristics (Homburg et al., 2013). According to Homburg et al. (2013), carefully planned CSR initiatives can increase organizational clients’ trust and image, promoting client loyalty (Homburg et al., 2013). Homburg et al. (2013) anticipate that businesses with a strong CSR orientation will be more aware of and sensitive to CSR issues regarding customers and suppliers. Although all these types of obligations have always existed to some extent, it has only been in recent years that ethical and philanthropic responsibilities have gained a substantial role (Carroll, 1979; Carroll, 1991).

Carroll (1979) distinguishes between philanthropic and ethical responsibilities and emphasizes that CSR involves but is not limited to philanthropic contributions since some firms think they are socially responsible if they are good corporate citizens. It would be argued here that philanthropy is highly desired and prized but less important than the other three categories of social responsibility (Carroll, 1991). Supporting social causes can help firms differentiate themselves, increasing customers' likelihood of identifying with them (Homburg et al., 2013). Although they have been regarded as independent ideas for discussion purposes, the components are not mutually exclusive and are not intended to contrast a firm’s economic and other commitments (Carroll, 1979; Carroll, 1991).

**Philanthropic Responsibilities**

According to Carroll (1979), “Philanthropy” is a business practice that fulfills social expectations for good corporate citizenship. This involves actively participating in acts or activities that improve people’s welfare or goodwill (Carroll, 1979; Maignan et al., 1999). Philanthropic CSR initiatives are viewed as voluntary acts of social beneficence that illustrate a company’s other-regarding orientation, according to a study by Homburg et al. (2013). Examples of philanthropy include business contributions of financial resources or executive time to the arts, education, or the community (Carroll,
1979; Carroll, 1991). Homburg et al. (2013) also suggest that “philanthropy can be used to differentiate in highly competitive markets” (p. 60). The main difference between philanthropic and ethical responsibilities is that the former is not required ethically or morally, while the latter is.

**Ethical Responsibilities**

As Carroll (1979) defined, ethical duties are the standards, norms, and expectations that show concern for what stakeholders perceive as fair and aligned with protecting their moral rights (Carroll, 1979; Freeman & McVea, 2001). While economic and legal duties reflect ethical principles of justice and fairness, ethical responsibilities go beyond these to include actions that society deems unacceptable or commendable, even if they are not explicitly stated in the law (Carroll, 1979; Freeman & McVea, 2001). Carroll (1979), in co-ordination with Jawahar and McLaughlin (2001), mentions that ethical responsibilities in this sense need to be more adequately defined or constantly under public discussion regarding their legality, making them difficult to deal with. Carroll revisits the concept of the CSR model (1979), mentioning that the consumer, civil rights, and environmental movements reflected fundamental shifts in societal values and can be seen as ethical (Carroll, 1991).

2.2.1 Being a Corporate Citizen

Corporate citizenship refers to a firm’s actions and organizational procedures to satisfy its social duties (Maignan et al., 1999). Current studies emphasize the relevance and significance of environmentalism in corporate purchase behavior and corporate citizenship for marketing theory and practice (Maignan et al., 1999). According to this classification, good corporate citizens should fulfill their social commitments by behaving according to the law, ethics, and discretion (Maignan et al., 1999). According to Maignan et al. (1999), legal responsibilities indicate that firms must carry out their economic goals within the boundaries of the law. Economic responsibilities are the responsibility of firms to preserve financial resources and satisfy consumer demands, and discretionary responsibilities are comparable to charitable obligations. This represents society’s wish to see enterprises actively participating in societal improvement (Maignan et al., 1999). Ethical duties require corporations to follow the moral guidelines that define acceptable societal behavior (Maignan et al., 1999).

Carroll’s (1979) categorization of responsiveness philosophies into four categories—reactive, defensive, accommodating, and proactive is recognized in the corporate social responsiveness literature. While an excellent corporate citizen is socially sensitive, a responsive firm is not always a good corporate citizen (Maignan et al., 1999).
Additionally, a firm is proactive when it regularly meets and anticipates the demands and goes above and beyond the minimum needs (Carroll, 1979; Maignan et al., 1999; Maignan & Ferrell, 2001). Tarnovskaya et al. (2022) emphasize that proactive firms foresee the future, stay ahead of their competition, drive market changes, and influence stakeholders in CSR. According to Tarnovskaya et al. (2022), a proactive firm collaborates with its stakeholders to generate value and create long-term opportunities related to CSR. A proactive discretionary citizenship project enhanced worker productivity and morale while encouraging cooperation, skill development, and decision-making (Maignan & Ferrell, 2001). As a result, corporate citizenship may be beneficial for a firm to advertise itself and its goods to its employees. According to Maignan et al. (1999), who discovered a positive association between proactive citizenship and customer loyalty, this preliminary research implies that customers respond positively to proactive corporate citizenship (Maignan & Ferrell, 2001). Proactive CSR practices such as mindful and ethical supply chain management, social welfare and local initiatives, and diversity matters can benefit the company in many aspects and yield a competitive advantage (Tarnovskaya et al., 2022).

As opposed to the market driving proactive CSR practices, reactive CSR in a firm mainly responds to public dialogue and is driven by the market (Tarnovskaya et al., 2022). This more passive, complying strategy can be seen through incremental changes that affect specific instances and adapts to stakeholder needs with urgent solutions, e.g., to comply with CSR standards (Tarnovskaya et al., 2022).

2.2.2 Effects of CSR on Stakeholders

Freeman’s stakeholder theory determines a firm’s success by pleasing all its stakeholders, not just those who profit from its stock (Freeman & McVea, 2001). According to Freeman’s theory, the stakeholder ecosystem encompasses everyone engaged in, involved with, or influenced by the firm: customers, suppliers, workers, and other parties that share the exact requirements and interests are typically seen as various stakeholders; hence, by building a “stakeholder-friendly culture,” a responsive firm can gain a competitive edge (Freeman & McVea, 2001; Leap & Loughry, 2004; Maignan et al., 2005). This theory suggests that organizations should be attentive to the requirements of their stakeholders and take measures that benefit them.

Laczniak and Murphy (2012) also emphasize the importance of a firm embracing multiple stakeholders (i.e., not only the direct customers but society as a whole) from the financial point of view. Therefore, marketing is shifting from a limited focus on customers to managing relationships for all stakeholders.
(Maignan et al., 2005). Considering the challenges of assessing the impacts of marketing transactions on all relevant stakeholders, a reconceptualization of the marketing notion based on a long-term, multiple-stakeholder approach has been proposed as a prescriptive model for organizational responsibility in marketing (Kimery & Rinehart, 1998; Maignan et al., 2005). Marketing’s new developing rationale is to supply social and economic processes and a network of contacts to give skills and information to all stakeholders (Vargo & Lusch, 2004).

Power, legitimacy, and urgency are the fundamental variables in analyzing stakeholder impact. Power is defined as the power to impose one’s will on others. In contrast, legitimacy refers to socially recognized and anticipated mechanisms that help determine whose concerns or claims are valid. Urgency reflects the dynamics of the time-sensitive aspect of stakeholder interactions (Mitchell et al., 1997; Freeman & McVea, 2001).

As Özturan and Grinstein (2021) highlight, marketers may have significant relevance in how stakeholders perceive a firm and its services, putting them in a crucial position regarding legitimacy. There is a rising awareness that firms must prioritize their consumers and key stakeholder groups who hold the firm accountable for its activities (Maignan et al., 2005). According to Maignan et al., (2005), CSR has become essential to secure stakeholders’ continuing support and ensure corporate identification and reputation, through firms’ activities and stakeholder communications. However, most firms need to implement more coordinated activities that exclusively address specific stakeholder concerns (for example, anti-child labor legislation, green marketing, and equal opportunity programs) (Maignan et al., 2005). Different business units within large firms may deal with various stakeholders and stakeholder issues. Moreover, at any given stage of a firm’s life cycle, some stakeholders will be more significant than others due to their ability to meet organizational needs (Jawahar & McLaughlin, 2001; Maignan et al., 2005).

Du et al. (2007) discover that CSR initiatives, particularly when integrated into a firm’s positioning, can convert customers into long-term brand advocates, resulting in significant advantages. As marketers are frequently able to shape people’s perceptions and behavior, the marketing department plays an important role in relationship management (Özturan & Grinstein, 2021), and as Laczniak and Murphy (2012) suggest, “marketing managers need to consider themselves stewards for a better society” (p. 284). Implementing CSR-based marketing strategies may increase stakeholder satisfaction and socially responsible behavior (Özturan & Grinstein, 2021). Marketers are thus allowed to harness the firm’s CSR initiatives to improve performance and build stronger customer relationships (Özturan & Grinstein, 2021).
2.3 Understanding Networks

Network theory can bring important insights into understanding relationships between entities in a network. A network can be defined as a structure of nodes connected through ties of different types (Borgatti & Halgin, 2011). In a business market, the nodes represent business units, and the structure creates a business context (Håkansson & Ford, 2002). These threads and nodes are “heavy” with resources, knowledge, and understanding (Håkansson & Ford, 2002). The Industrial Marketing and Purchasing (IMP) Group is known to support the idea that the surrounding business environment and the firm are not divided (Fonfara et al., 2016). The IMP network approach highlights how networks spread out endlessly due to the direct and indirect relationships, exposing a firm to changes through these interactions (Fonfara et al., 2016; Öberg et al., 2016).

Håkansson and Ford (2002) highlight the interconnectedness of nodes and how transactions are not just isolated occurrences. As a result, the growth of any relationship between two firms will be influenced by several variables (Håkansson & Ford, 2002). These include previous occurrences in the relationship and what each of the two parties has learned in its other relationships (Håkansson & Ford, 2002). Not to mention what is ongoing between the firms and in other relationships in which they are involved (Håkansson & Ford, 2002). Also, what both firms anticipate will happen in their future interactions and what is happening in the more extensive network of relationships in which it is involved will affect the firm (Håkansson & Ford, 2002). The relationships enable firms to influence others while these firms are also being influenced by the relationships (Håkansson & Ford, 2002). Therefore, the process develops into a mutual interaction that is a chain of reactions, rather than changes being only external forces to which the firm must adapt or respond (Fonfara et al., 2016).

In a network, there are chains of activities and constellations of resources together with shared perceptions of the network (Anderson et al., 1994). These are important for the two parties of a relationship and the connected relationships. Therefore, the firm’s influence will extend to the partners’ partners and vice versa, highlighting how a dyadic partnership is also part of a network (Anderson et al., 1994). As these linkages are often continuous, Håkansson and Snehota (1989) also bring forward how, while the performance of firms in a network is dependent on the direct counterparts, the counterparts’ relationship management with their partners is significant. A firm should use the interactions to learn how to utilize and understand the functions of the network and its position in it (Håkansson & Ford, 2002). Thus, firms also develop network identities, specifically strategic ones, which include the general perception of their attractiveness as an exchange partner within the network context, guiding the judgment of its own and other firms’ actions (Anderson et al., 1994).
According to Anderson et al. (1994), two firms’ activities can be adapted to improve efficiency while learning about each other’s resources. Therefore, firms can find ways to combine them and improve the benefits of the relationship, resulting in an innovative effect. Harrison et al. (2010) illustrate how different types of strategizing can be varied depending on the network context and the types of counterparts; thus, strategizing in networks is complex, and effects can be unexpected (Öberg et al., 2016). A firm must occasionally assess how an important counterpart will react to change, but sometimes the focal firm may include its significant counterparts in the strategy process (Harrison et al., 2010). The latter can be considered an interactive process in which the counterparts can align their efforts and appreciate the acts the counterpart takes (Harrison et al., 2010). These initiatives can therefore be formed together. This could also mean that in case of differing views, the other will consider the communicated mismatch of the respective strategies (Harrison et al., 2010). Adaptation may improve inter-organizational linkages, resulting in advantages from deep relationships (Fonfara et al., 2016).

This connectedness, which encompasses collaboration and coordination, is key to understanding networks and highlights the occurring relationships in a network (Harrison et al., 2023). It impacts the changes a firm may explore, providing crucial insights into how transformation within a network can be facilitated (Harrison et al., 2023). Harrison et al. (2023) highlight sustainability efforts can only be developed through collaboration in relationships, although legislation might trigger these improvements. If an existing network does not transform toward a more sustainable model, it will diminish when moving toward a sustainable future (Harrison et al., 2023). However, goals and interests might differ in a network, leading to tensions (Tura et al., 2019). For instance, investments in more sustainable options and ethical practices may force the other actors in a network to adapt to these changes (Tura et al., 2019). According to Tura et al. (2019), these changes have many benefits; however, they can also bring increased costs, potentially resulting in conflicts in economic and structural tensions.

2.3.1 B2B Relationships

When applying the network approach to B2B marketing relationships, a firm is surrounded by a network of business contacts over which it has limited influence (Ford et al., 2011; Mitrga & Katrichis, 2010). This approach has gained increasing attention recently (Baraldi, 2008; Mitrega & Katrichis, 2010). Although relationships are double-sided phenomena, the antecedents of communication quality, communication frequency, personnel abilities, and relationship investments were explicitly analyzed in assessing the influence of marketing elements on relationships (Mitrga & Katrichis, 2010).
According to Ford et al. (2011), business engagement is fundamentally the same process, whether seen from the perspective of a supplier or a consumer, and networking duties for business marketers and buyers are comparable. While some relationships may have similar challenges and problems, others may differ. All business relationships, however, are in some way interrelated (Ford et al., 2011). Some may result in technological advances used in other relationships or allow organizations to distribute expenses across many relationships (Ford et al., 2011). Regulatory agencies, pressure groups, research institutions, opinion leaders, the media, consumers, suppliers, and other equivalents can all be influenced through business connections (Ford et al., 2011). Firms and people seek to address their own and their counterparts’ problems through interactive business relationships. According to Ford et al. (2011), business customers bring difficulties and uncertainties to a partnership, whereas suppliers can provide a solution. The level of influence in a relationship may have been determined by the individuals involved in difficulties, uncertainties, and talents (Ford et al., 2011).

When buyers and suppliers actively participate in similar CSR initiatives, they may act as good citizens to society (Yang & Jiang, 2023). These initiatives may include reducing ecological impacts, practicing environmental stewardship, and incorporating ethical concerns into internal governance (Yang & Jiang, 2023). According to Yang & Jiang (2023), aligning CSR between buyers and suppliers is crucial in establishing a successful relationship regarding reducing ecological impacts and practicing environmental stewardship to protect the environment and social initiatives. According to Yang and Jiang (2023), high-level CSR alignment between buyers and suppliers may help buyer firms outperform their competitors. However, in a more typical context, CSR misalignment may occur, resulting in a discrepancy or gap in CSR participation between customers and suppliers (Yang & Jiang, 2023). This may cause conflict and tension in the partnership, leading to dissatisfaction among members of a dyadic relationship (Yang & Jiang, 2023). Therefore, buyers and suppliers must align their CSR efforts to establish a successful and sustainable partnership.

Engagement in CSR improves organizational business relationships with customers (Homburg et al., 2013). The supplier must communicate efficiently with the customer to establish an effective relationship. According to Mitrga and Katrichis (2010), customer feedback about a selling firm’s representatives is the most important aspect in determining the connection quality with that firm. Research has indicated B2B communication has a favorable influence on relationship formation (Palmatier et al., 2006) and the unique function of communication within the partnership in settling conflicts, aligning goals, and improving the quality of relationships (Morgan & Hunt, 1994; Mitrga & Katrichis, 2010). Under conditions of highly competitive intensity, trust resulting from business
practice CSR engagement may be less suitable for differentiation (Homburg et al., 2013). Therefore, according to Homburg et al. (2013), if the customer “values the specific CSR strategy that a firm intends to follow,” (p. 60), the firm can differentiate itself from the competition based on CSR activities.

According to Beitelspacher and Getchell (2023), conscientious firms must examine how their activities may affect their B2B partners. CSR needs to be thoroughly researched in the B2B environment or how a firm’s CSR initiatives affect its channel partners (Beitelspacher & Getchell, 2023). Having internal and external codes of conduct has a beneficial impact on CSR. According to Beitelspacher and Getchell (2023), a firm that is conscious of its operations is critical to the success of manufacturer and supplier partnerships and influences brand value (Beitelspacher & Getchell, 2023). B2B markets differ from B2C markets, and the connection between the parties involved is one of the most critical aspects impacting success in B2B settings. There is an array of research associating B2B connections to beneficial outcomes such as goal attainment (Dyer & Singh, 1998). Firms are encouraged to cultivate long-term relationships with all stakeholders to remain competitive (Lambe et al., 2000; Beitelspacher & Getchell, 2023).

Blenkhorn and MacKenzie (2017) focus on three areas of sustainability initiatives and how firms may help their consumers. When a firm’s marketers report on its sustainability initiatives, those outside the firm (including external stakeholders) frequently view marketing with skepticism and distrust (Nantel and Weeks, 1996), which is exacerbated by some marketers’ reluctance to communicate their sustainability initiatives for fear of appearing self-aggrandizing to their stakeholders (Peloza et al., 2012; Blenkhorn & MacKenzie, 2017). According to Blenkhorn and MacKenzie (2017), how well a firm communicates with its customers about its sustainability activities may influence its reputation and brand equity. Blenkhorn and MacKenzie (2017) state CSR communications should be employed more frequently when emphasizing hedonic characteristics of products rather than rational relationships with consumers. Philanthropic communications should include a corporate-cause alliance with a high degree of fit between the cause and the customer (Du et al., 2010).
2.4 Research Model

The above theories are presented in a model, representing the connection between CSR theories, network approach, and B2B relationships. The model is further explained below.

Figure 2- Research Model (Authors’ own model)

Figure 2 depicts the influence of CSR activities on B2B relationships. The aim is to determine what strategies the firm utilizes to leverage these activities by identifying how the firm strategizes to align with customers and differentiate from the competition through CSR activities. The purpose of this paper is to have a better understanding of how CSR alignment or differentiation strategies affect the B2B relationship. The objective is then to determine if each or both strategies affect B2B relationships.

The analysis will be based on the model above to answer the research question. The theoretical model combines CSR theories and the network approach, which covers the alignment and differentiation strategies to gain a better understanding of how CSR initiatives may affect B2B relationships, it is important to examine the interactions between different actors involved. To examine the effects of CSR strategies concerning B2B interactions, this research will draw on the CSR theories, stakeholder theory, and network approach, which all impact B2B relationships. As mentioned above, firms engage in various socially beneficial activities, and the term “corporate citizenship” may be used to define a firm’s dedication to societal advancement (Maignan et al., 1999). Support from stakeholders may be considered crucial, and satisfying stakeholder needs is important for a firm’s image (Freeman & McVea, 2001). Stakeholders are paying more attention to and demanding active CSR participation;
hence it is essential for a firm’s competitive advantage (Maignan et al., 2005). Furthermore, the impact of a firm’s network and how the firm may influence business partners and other stakeholders in that network are key to B2B firms’ actions and relationships (Håkansson & Ford, 2002).
3. Methodology

This chapter will present the methodology used to conduct this thesis. Also, a discussion about different choices of methods will be presented in detail throughout the chapter, followed by an explanation of why a particular method or approach was chosen.

3.1 Research Philosophy

It is important to consider the research philosophy, given that it impacts how researchers approach the research question, why certain methods are used, and how the findings are interpreted (Saunders et al., 2019). Philosophies include positivism, critical realism, interpretivism, postmodernism, and pragmatism (Saunders et al., 2019). This study takes the stance of interpretivism.

In accordance with interpretivism, the researchers believe it is crucial to approach the analysis from the perspective that deep insights into people’s actions cannot be understood if the actions are only seen as rigid generalizations because the research aims to understand a phenomenon and how it affects relationships (Saunders et al., 2019). Therefore, this research is not aligned with positivism. The research establishes that narratives, stories, and perceptions are important and sees that acceptable knowledge can be opinions, verbal data, meanings, and individual contextual, specific contributions. Since the actors are part of a social environment, interpretations are crucial to fully comprehend the significance of the actors’ actions. Interpretivism also highlights that complexity needs to be considered. Therefore, humans and social worlds are researched differently than physical phenomena (Saunders et al., 2019). Organizations are complex, and to reach the aim, it is crucial to gain personal insights from those who are a part of them (Saunders et al., 2019).

When looking at a global firm that operates in multiple cultures, it is important to consider how varied cultural backgrounds and circumstances, as well as changing settings and times, would change the meanings of the people involved. Interpretations are critical because social realities are experienced differently (Saunders et al., 2019). Interpretivism supports the view that subjectivism is required to attain a fuller understanding, and hence values are regarded as vital in the process (Saunders et al., 2019).

3.2 Research Approach

Theory development can be approached deductively, inductively, and abductively (Saunders et al., 2019). A deductive approach will test a theory, starting with theory-based premises and concluding whether these propositions are true by comparing existing literature to the data gathered (Saunders et
al., 2019). Saunders et al. (2019) state that the data assesses and verifies propositions and theories. As opposed to that, an inductive approach will generate new theories based on the data gathered to explore a phenomenon (Saunders et al., 2019). In abduction, these two approaches are combined; thus, established premises are used to generate theories that are later tested considering the data and existing theories (Saunders et al., 2019).

This study employs an inductive technique, which means established premises are used to collect data, from which themes and patterns are derived to develop and build a conceptual framework (Saunders et al., 2019). As Saunders et al. (2019) mention, this method, which has its roots in the social sciences, seeks to understand how humans perceive the world and come to conclusions. Subjective interpretations and context are crucial to generate an answer to the study question rather than testing a theory (Saunders et al., 2019). The type of evidence obtained and how it is processed will determine the outcome (Saunders et al., 2019). The induction also leaves more room for a less rigid approach and reveals alternative explanations for the phenomena (Saunders et al., 2019). The topic was explored and familiarized throughout the beginning phases of this research process, after which data gathering started. This information, including the actors’ points of view, is then analyzed, and the results are developed using the themes to show how CSR impacts customer relationships.

3.3 Research Design

There are two main research methods in which research can be conducted; these are quantitative and qualitative (Saunders et al., 2019). Any data collection method, such as an interview, or data analysis process, such as categorizing data, that generates or uses non-numerical data is often referred to as “qualitative” (Saunders et al., 2019). For this research, qualitative research has been utilized to address the research question coherently (Saunders et al., 2019). The aim is to answer the research question of ‘What effect do CSR alignment strategies and CSR differentiation strategies have on a firm’s B2B relationships?’ by doing a qualitative and explorative study. Due to the nature of this study and the research question being phenomena-driven, qualitative, and explorative methods are suitable for researchers who aim to explore and gain a deeper understanding of phenomena within real-life examples (Saunders et al., 2019). An exploratory study can be described as seeking insights and uncovering what is happening by asking open questions (Saunders et al., 2019). To explore the phenomena, in this case, CSR and its effects on customer relationships, questions are asked to people with great knowledge about the topic to clarify the understanding of it (Saunders et al., 2019). The quality of the input from the interviewees guides the study and the results (Saunders et al., 2019). A qualitative method is most suitable for our purpose and gaining a deeper understanding of CSR.
activities affecting B2B relationships. The valuable data obtained from interviews, insights, thoughts, and expertise of individuals can assist researchers in addressing the research questions.

3.4 Research Strategy

This study focuses on a single anonymous firm and involves an explorative case study. Below is a more detailed explanation of the case study and how the firm was selected.

3.4.1 Case Study Approach

The term “case” may refer to a person, group, organization, association, change process, event, and other subjects (Saunders et al., 2019). According to Saunders et al. (2019), a case study involves an in-depth investigation of a topic or phenomenon within its real-life context. In this research, the case is based on one firm and includes a variety of roles within sustainability, marketing, sales, communication, and branding. To answer the research question, a sample of high-level managers working closely with B2B partners and the firm’s CSR image has been purposely made.

This research will be an explorative case study leaving room to ask open-ended questions and gain insights about a topic (Saunders et al., 2019). When conducting research, it is imperative to decide whether to confine it to a single firm or involve multiple firms (Saunders et al., 2019). This decision will significantly impact the approach and ultimate results. A single case study approach has been selected due to the specific nature of the case. This may be because it is a critical, unique, or typical case. This is known as “single-organization access.” It is considered a holistic case study if the research focuses on the firm (Saunders et al., 2019).

3.4.2 Case Firm Selection

This case study examines how a mining company uses CSR initiatives to enhance its B2B relationships. It includes interviews with employees involved in CSR and working to distinguish the company from others in the industry. The interviewees hold different positions in different departments, providing a range of perspectives on the topic. To maintain anonymity, the company is referred to as Firm Alpha. Additionally, the firm has an initiative that will be referred to as The Global Charity Initiative.

To identify a firm in a B2B-focused industry, it was decided to investigate sectors like mining, automation, and manufacturing, which have a history of such orientation. It was chosen to seek out firms that prioritize the evolution of corporate social responsibility. Firm Alpha has been chosen
according to these factors. Firms involved in this industry are usually known for exploiting resources, making it important to understand how Firm Alpha plans to develop CSR initiatives to improve its relationships.

3.5 Data Collection

The data collected in this research comprises a combination of secondary and primary sources.

3.5.1 Secondary Data

Secondary data contains raw data and published summaries, such as large databases of organizational publications (Saunders et al., 2019). Researchers frequently collect secondary data when commencing research to correspond with study aims and purposes (Saunders et al., 2019). Saunders et al. (2019) mention that secondary data can be used to answer or inspire a research question.

To supplement the primary data, the evolution of the industry has been evaluated through secondary data collection. Saunders et al. (2019) point out that firms often have websites where data is maintained, which might benefit the study. Websites and other sources of actors in the industry were studied to frame knowledge of the issue being explored for this study, which led to the development of the primary data collection, thus becoming qualitative data. The various secondary data were utilized to identify pertinent information on CSR initiatives in mining and construction firms. Some sustainability reports and publications offered a comprehensive overview of the industry’s happenings, stimulating interest for a deeper understanding.

3.5.2 Primary Data

Due to the study being qualitative and its exploratory nature, primary data was gathered through semi-structured interviews. This enables the researchers to guide the interview through predetermined themes and initial questions while providing the opportunity for probing questions that allow the interviewees to further explain, reflect and build on their answers (Saunders et al., 2019). The interviews consisted of 8-11 open-ended initial questions that fit into three different topics. The topics relate to what CSR is for the firm, how it is being leveraged, and what outcomes have been noticed concerning customers. Open-ended questions allow the interviewees to define and describe events and behavior while providing extensive answers that reveal facts and attitudes (Saunders et al., 2019). These types of questions are in line with the interpretative nature of the study (Saunders et al., 2019). Probing questions were used to further explore, understand, and explain the answers. These types of
supplementary questions can be used to direct the answers to a specific focus or to gain a fuller account and seek the most valuable answers for the research (Saunders et al., 2019). Some specific and closed questions were used as introductory questions for a topic and to gain facts about a specific matter (Saunders et al., 2019). All these questions were compiled and structured in an interview guide to help manage the interviews and ensure sufficient data collection.

All questions were formulated straightforwardly, avoiding highly theoretical terminology to ensure a common understanding. Also, leading nature and bias were eliminated, which is essential to sustain validity (Saunders et al., 2019). The questions were designed to reflect on real-life events rather than abstract views of the topic to establish the most practical and realistic base for the analysis (Saunders et al., 2019). To ensure the most accurate answers, the questions were adapted to the interviewee’s position at the firm (see Appendix A).

3.5.3 Primary Data Sample

The Vice President of Human Resources (primary contact person) at *Firm Alpha* was approached with the objective and purpose of the thesis to track down interviews. This person was contacted through email. The researchers asked the primary contact person to provide contact information for marketing, sales, and communication roles, as these individuals reflect the firm’s entire brand. This sample would provide researchers with a comprehensive case study for the research question, allowing them to get specific or theoretical insights (Saunders et al., 2019). This is known as snowball sampling, in which the researcher establishes first contact with a relevant individual and then utilizes that access to make additional connections with others (Bell et al., 2019). It was decided that it would be appropriate to request these specific managers, who are the most knowledgeable about the interview questions (Bell et al., 2019). Once access was obtained, an email was sent to interviewees, reminding them of the aim and asking if they knew of any other connections to reach out to.

3.5.4 Description of Interviews

Data collection for *Firm Alpha* began on April 21, 2022, and continued until May 11, 2023. The interviews were conducted digitally through Microsoft Teams with various managers from the firm. Two interviewers conducted each interview in English and recorded and transcribed them with the interviewee’s permission. The interviewees could choose a convenient date and time for their interview to ensure a relaxed environment. Due to some high-level managers being on business trips, a few interviews had to be scheduled for a later date.
Table 1 summarizes the anonymous interviews conducted with the dates and roles of interviewees.

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Role</th>
<th>Division</th>
<th>Location</th>
<th>Date</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Global Manager Measurement Technique Chair of the Global charity initiative</td>
<td>A</td>
<td>Microsoft Teams</td>
<td>2022-04-21</td>
<td>33 mins</td>
</tr>
<tr>
<td>2</td>
<td>Vice President of Brand &amp; Communication</td>
<td>Group level</td>
<td>Microsoft Teams</td>
<td>2022-04-25</td>
<td>36 mins</td>
</tr>
<tr>
<td>3</td>
<td>Global Marketing Manager</td>
<td>B</td>
<td>Microsoft Teams</td>
<td>2022-05-05</td>
<td>33 mins</td>
</tr>
<tr>
<td>4</td>
<td>Global Product Line Manager</td>
<td>C</td>
<td>Microsoft Teams</td>
<td>2022-05-05</td>
<td>44 mins</td>
</tr>
<tr>
<td>5</td>
<td>Vice President Sales &amp; Marketing</td>
<td>D</td>
<td>Microsoft Teams</td>
<td>2022-05-09</td>
<td>35 mins</td>
</tr>
<tr>
<td>6</td>
<td>Global Sustainability Booster</td>
<td>D</td>
<td>Microsoft Teams</td>
<td>2022-05-11</td>
<td>43 mins</td>
</tr>
</tbody>
</table>

Table 1: Summary of Interviews Conducted

3.6 Data Analysis Method

A thematic analysis can be seen as an important method for data analysis in qualitative research, as it allows for a systematic and logical way to analyze qualitative data (Saunders et al., 2019). In thematic analysis, the researchers “search for themes or patterns that occur across a data set” (Saunders et al., 2019, p. 651). The qualitative data is coded to find the themes and patterns needed to analyze the data and answer the research question. Due to this research’s inductive and explorative nature, the themes will be established from the data based on the research aim, allowing the discovery of emerging themes around the CSR phenomena. Using thematic analysis, the main effort can be put into making sure the analysis is as accurate as possible, rather than ensuring the correct usage of strict methodological rules due to the flexible character of the method.

The first step in the analysis process is familiarizing the data. This involves reviewing both secondary data and interview transcripts. Next, coding will occur, where data pieces are labeled to summarize their essence and contribution to the analysis. This is important because it helps manage large amounts of data and aids in examining it in relation to other data clusters. According to Saunders et al. (2019), a coded piece of data is called a unit of data, and a unit of data can be of different sizes, but its meaning determines its size. Consistency in labelling is crucial for accurate analysis as codes can overlap and have multiple labels. The research question determines the appropriate level of detail required for coding. To create codes, one must use the terminology or labels found within the data. Understanding
the data context is important to group and analyze the units effectively. Typically, codes are derived from the research purpose, but additional codes may arise. These codes identify instances of a particular phenomenon and may need to be further broken down into smaller subcategories.

Once coding is complete, patterns can be identified. Saunders et al. (2019) define themes as broader categories encompassing multiple related and important codes in the research. If a single code is relevant, it can also be used as a theme. Key concepts of codes, reoccurrences, patterns, and relationships are evaluated to identify themes. Organizing data into codes and grouping them into themes is crucial for condensing data for analysis. During the analysis phase, the connection between themes, the essence of the themes, and the main themes are established. Throughout the process, themes are reviewed to ensure their relevance, and codes or themes are revised as necessary.

Table 2 presents how the data could be derived into the following themes: Drivers of CSR transformation, strategic changes in the firm toward sustainability, alignment initiative’s effects on B2B relationships, and differentiation initiatives’ effects on B2B relationships. The table also shows key questions which assisted in establishing the themes.

<table>
<thead>
<tr>
<th>An example of key questions within the established themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drivers of CSR transformation</td>
</tr>
<tr>
<td>How do you see CSR evolving in the B2B space in the next 5-10 years, and how is your company preparing for those changes? (2030 agenda)</td>
</tr>
<tr>
<td>How do you think your CSR initiatives affect your B2B customers’ perceptions of your company’s overall brand image?</td>
</tr>
<tr>
<td>Strategic changes in the firm toward sustainability and responsibility</td>
</tr>
<tr>
<td>How do you collaborate with other areas of the business to ensure that your marketing efforts align with your company’s overall CSR strategy?</td>
</tr>
<tr>
<td>How do you integrate CSR into your B2B sales and marketing efforts and brand strategy, and do you believe it gives you a competitive advantage?</td>
</tr>
<tr>
<td>Alignment initiative's effects on B2B relationships</td>
</tr>
<tr>
<td>Can you describe any specific ways your company collaborates with B2B customers on CSR initiatives, and how this collaboration strengthens your relationships?</td>
</tr>
<tr>
<td>Differentiation initiatives' effects on B2B relationships</td>
</tr>
<tr>
<td>Can you provide an example of a B2B customer who has specifically cited your CSR initiatives as a reason for continuing to do business with your company?</td>
</tr>
<tr>
<td>What challenges have you encountered when coming up with the most beneficial CSR strategies, and how have you overcome them?</td>
</tr>
</tbody>
</table>

Table 2: Sample of interview questions
3.7 Research Quality

When evaluating the quality of research, two important factors are reliability and validity. Reliability refers to replicating findings consistently using the same research design (Saunders et al., 2019). The validity, on the other hand, refers to the appropriateness of the research measures used and the accuracy of the analysis of the results (Saunders et al., 2019).

Regarding reliability in research, there are two types to consider: internal and external. Internal reliability involves maintaining consistency throughout the research project (Saunders et al., 2019). This can be achieved by having multiple researchers conduct interviews or observations and analyze data to see how much they agree with the data and its analysis (Saunders et al., 2019), as is done for this research. External reliability, on the other hand, refers to whether the data collection and analysis methods would produce consistent results if repeated by the same researcher or by a different one. According to Saunders et al., (2019), unreliable research is also invalid, as errors or biases will affect the results and their interpretation. The detailed research design, and enclosed interview guide and coding strengthens reliability. Researchers also maintained a non-biased stance throughout the process.

In addition to reliability, validity is also crucial to the quality of research. Conversely, validation involves verifying the accuracy and credibility of research data, analysis, and interpretation (Saunders et al., 2019). Triangulation involves utilizing multiple data sources and collection methods to confirm the accuracy. This also strengthens the reliability of the research data and analysis. During this research, various high-level managers of the same firm were interviewed to get different points of view on the phenomena. These high-level managers aided in ensuring the most accurate information, as they work closely with the phenomena being researched. Additionally, this was supported using secondary data from prior knowledge of the firm and further supported by secondary data about the industry’s evolution. Participant or member validation is a process that involves sharing research data with participants or members to ensure its accuracy (Saunders et al., 2019). The interviewees in this research can review and correct the data to validate it.

3.8 Ethical Considerations

For any research project involving human participants, it is crucial to prioritize access and ethical considerations (Saunders et al., 2019). Data access should be thoroughly evaluated, and ethical concerns must be properly handled. Saunders et al. (2019) emphasize the importance of these factors
in achieving success in research endeavors. Continual reflection and review are necessary to avoid issues and ensure the feasibility of the research concept (Saunders et al., 2019).

Given the study is based on the interviewees’ perspectives of the examined phenomena, it is critical to create an environment where the participants feel consented to and comfortable expressing their ideas and observations (Saunders et al., 2019). As a result, the participants received a letter of intent and a brief description of the research goal (see Appendix B). Therefore, this study is subject to several essential ethical norms, such as the researchers’ obligation to respect and integrity, allowing the interviewees to withdraw at any time, and the provision of anonymity and confidentiality throughout the research, in line with Saunders et al. (2019). The interviewers kept a neutral tone and avoided making comments or exhibiting nonverbal behavior that could influence the participant’s emotional responses to the interview questions. The interviewees are also allowed to obtain the study after it is completed to acquire significant insights as an outcome of their involvement.

3.9 Limitations

This paper examines CSR activities and their impact on B2B relationships in the mining industry. However, it only presents the seller’s perspective and lacks the buyer’s perspective, limiting the overall understanding of the effect of aligning or differentiating on the B2B relationship. Additionally, the study’s sample of interviewees involved in sustainability reporting is limited. Interviewing actors involved in customer relations, such as those actively involved locally would be more insightful. As for the secondary data, due to the firm being anonymous, there is a restriction to the amount of detail that can be provided without raising speculation. Moreover, the bachelor’s thesis duration of three months limits the depth of the researchers’ investigation. A more extended time frame would facilitate a more profound understanding of the theories and increase the amount of data collected.
4. Findings

This chapter will introduce the industry’s evolution from which empirical data was collected. The data was obtained through semi-structured interviews, and an overview of how the firm incorporates CSR activities in its B2B relationships will be provided.

4.1 The Evolution of the Industry Using Secondary Data

The mining industry has transformed its CSR practices, focusing on sustainability and social responsibility (Yousefian et al., 2023). In recent years, CSR has become an increasingly important aspect of the mining industry, driven partly by growing pressure from governments, NGOs, and local communities for more sustainable and socially responsible practices (Yousefian et al., 2023). Various factors drove this shift. According to Rascón (2021), the mining industry has significantly improved in four areas: safety enhancements, productivity gains, environmental protection, and resource efficiency. These developments aim to create a more socially and environmentally responsible industry that is constantly seeking new advancements. Key players in the industry, such as Sandvik, Caterpillar (CAT), and Volvo Construction, have set ambitious targets and implemented measures to improve their environmental and social performance.

For example, Sandvik has set a goal to become carbon neutral in its operations by 2030 and has established targets to decrease waste and increase energy efficiency (Sustainability - Sandvik Group, n.d.). Sandvik places a high priority on workplace safety and has implemented various measures to improve safety in its operations (Sustainability – Sandvik Group, n.d.). The firm has a “zero harm” policy and regularly monitors and reports on its safety performance. CAT and Volvo Construction are dedicated to reducing their carbon footprint and promoting sustainability. CAT aims to achieve carbon neutrality by 2030 and has taken steps to improve product safety and reduce environmental impact by developing hybrid and electric-powered machinery (Caterpillar | Sustainability, 2023). Additionally, the firm has taken measures to enhance working conditions and encourage diversity and inclusivity among its employees (Caterpillar | Sustainability, 2023). Meanwhile, Volvo Construction has invested in renewable energy, reduced emissions from its operations, and partnered with organizations focused on improving education and healthcare in its communities, demonstrating its commitment to social responsibility (Sustainability | Volvo Construction Equipment Global, 2023).

The industry has two main issues; according to Rascón (2021), “the new world of mining is fully focused on continually finding solutions to develop deposits that are increasingly complex, deep, and have reduced mineral grades” (para. 2). Still, two of them are essential to mention first, effectively
communicating to society that mining is a cornerstone of sustainable development in almost all technological areas, as it provides the raw materials essential to these developments (Rascón, 2021). Secondly, ensuring the benefits of sustainable and profitable mining are distributed fairly among all parties involved, including employees, mining firms, communities, and public institutions. This will result in improved quality of life for everyone (Rascón, 2021).

Players in the mining industry, such as Rio Tinto, are constantly developing new ways of giving back to the community. Rio Tinto is aware of the mining industry’s environmental and surrounding communities’ disturbances (Simandou, 2022). However, mining in surrounding communities enables social benefits and helps provide materials needed for energy transformation (Simandou, 2022). Not only does it allow transformation, but it also creates local employment, small business development, skills, and community development (Simandou, 2022). Rio Tinto has also initiated bringing robots and automation into the mining industry (Look Inside a Mine of the Future, 2022). Rio Tinto states, “Using robots and automation helps cut down the risk to our people” (Look Inside a Mine of the Future, 2022).

4.2 Thematic Analysis of the Primary Data

Below, the primary data is presented through thematic analysis. A table for each theme shows the breakdown of the codes and sub-themes.

4.2.1 Drivers of CSR Transformation

*Environmental & Social Needs*

As mentioned by all interviewees, safety has always been a top priority for Firm Alpha and its customers. This is especially true in the mining industry, where many risks are involved (Interviewee 2). To ensure the safety of everyone on the mine site, strict health and safety requirements must be followed (Interviewee 4). One way to promote safety is through a business partner’s code of conduct, which outlines the highest safety rules that must be followed (Interviewee 4).

“I mean, if you cannot provide safe equipment or if your record of injuries is too high, the customers will not let you work with them”

(Interviewee 3, personal communication, May 5, 2023)

Firm Alpha is engaged in numerous initiatives but has a Global Charity Initiative focused on providing water for communities (Interviewee 1). This initiative is crucial since water is a fundamental human need and is included in the seventeen SDGs (Interviewee 1). As noted by Interviewee 1, clean water
is essential for maintaining healthy employees and supporting communities surrounding mine sites. Thus, promoting health and safety through CSR initiatives begins internally (Interviewee 4).

“Sometimes the ideas come 100% internally from our technicians that see things. The workers are working in a drill shack, and they’re getting showered with dirty water for example. Maybe the driller doesn’t realize. They’re dirty anyways and getting wet, it’s just part of the job.”

(Interviewee 4, personal communication, May 5, 2023)

As stated by all interviewees, the safety of both customers and employees is a top priority for Firm Alpha. The firm finds it necessary to prioritize the program that eliminates people working in mines as much as possible (Interviewees 3 & 5). Aside from ensuring safety, CSR includes supporting local communities; the local customer center determines which initiatives to participate in, with some of the biggest ones occurring in countries like Australia, Sweden, Chile, Norway, Peru, the US, Canada, and South Africa (Interviewee 3). Additionally, Firm Alpha employs indigenous people like Aboriginals and First Nationals in Canada to help develop projects and communities, as Interviewees 4 and 5 emphasized.

“So, we look at the safety of the employees, the safety of our clients that are using these products, the environment, and how that affects the environment.”

(Interviewee 4, personal communication, May 5, 2023)

Government & Industry Pressures

All interviewees supported the fact that there is a lot of pressure from customers and the industry regarding responsibility and sustainability. They all emphasized it is crucial to have initiatives and processes to keep up with the competition and changing requirements. CSR engagement can be seen as something any firm must undergo if it wishes to be competitive in the industry.

“We can see now that it’s the top of the agenda of our customers and shareholders as well. They see that it’s not enough to be innovating the latest technology and to have the features and benefits, but also that you try to do good in the world.”

(Interviewee 2, personal communication, April 25, 2023)

At times, the customers push for appropriate solutions and practices to maintain their supply chains and operations responsibly and sustainably, requiring Firm Alpha to answer those needs (Interviewee 2). On the other hand, the firm sometimes pushes the customers to maintain its consistent brand image
(Interviewee 2). As the firm is active in many markets internationally, it is important to maintain consistency across the local and global levels to gain legitimacy and remain au courant (Interviewees 2 & 3).

“As we are pushing our sub-suppliers, the miners are also pushing their sub-suppliers, and well, we are one of them.”

(Interviewee 1, personal communication, April 21, 2023)

Many of the requirements stem from governmental policies, and many changes are initiated due to policies, agreements, and requirements issued by governmental bodies either globally or locally (Interviewees 3, 4 & 5). Therefore, all the interviewees highlighted that complying with the necessities is no longer voluntary but mandatory.

“Safety and sustainability is a must that our market demands from the players to be part of the club”

(Interviewee 3, personal communication, May 5, 2023)

Interviewee 4 also highlighted the uncertainty about the future and named it a driver for innovating and establishing new processes. Firms must keep up with the fast-paced transition towards responsible operations and always devise new strategies to maintain competitiveness over time, even if customers may still need to learn what they will demand soon (Interviewee 4). Future expectations are equally important; the electrification and increased battery usage trends will continue to expand, and Firm Alpha strives to create contemporary solutions to stay ahead of the phenomenon (Interviewee 4).

“We believe this [integration of CSR in offerings and processes] to be fundamental for building a company to be well equipped to tackle future challenges and to embrace possibilities in a rapidly changing world.”

(Interviewee 5, personal communication, May 9, 2023)

The mining and construction industry can be perceived as an industry with a poor reputation in terms of sustainability and responsibility, which is something Firm Alpha acknowledges and wants to transform (Interviewees 2 & 4). As Interviewee 5 brought forward, the industry is changing due to the history of slow adaptation in certain divisions, and the focus has been readjusted to support the green and safer technologies needed in today’s environment. It has become a big ambition for the firm to shift the association surrounding the industry and can also be seen on the industry level as well in the form of government mandates (Interviewees 2, 4 & 5).
“And these requirements are not going to get less stringent over time. They’re gonna get much more stringent.”

(Interviewee 5, personal communication, May 9, 2023)

**Employees**

Employees at *Firm Alpha* are very engaged and proud of the initiatives at the firm (Interviewees 1 & 2). Recently a new positioning statement was implemented to be the main message of the entire firm, which is used as a foundation of how employees communicate initiatives (Interviewee 2). According to Interviewee 2, from the CEO to the rest of the organization, everyone takes pride in being a part of it; rolling out initiatives is a pleasant task as they are welcomed with enthusiasm, and people are quick to implement them. The employees ask how they can work with the initiatives and what they need to do to apply them (Interviewee 2). The employees accept this transformation; there has been a willingness and drive for CSR-related activities well before it became a buzzword (Interviewees 1 & 2). For instance, the employees have run a voluntarily based global initiative for 40 years and are supported by the firm (Interviewee 1).

“So even if this is a fairly new way of communicating it, it’s very interesting when you look internally in the company because people feel like, ‘Yeah, but this is nothing new for us. This is what we have been doing,’ and that’s exactly what we wanted to achieve. That people feel like, yeah, this is us, this is what we do.”

(Interviewee 2, personal communication, April 25, 2023)

Employees are constantly meeting with customers and discussing innovation and how to create better opportunities for the customers and their working conditions (Interviewees 2, 4 & 5). Understanding what is needed is important while also keeping an eye on the competition (Interviewee 4). Technicians may identify opportunities for sustainability by reporting poor customer conditions, such as exposure to contaminated water, without realizing it is supposed to be different (Interviewee 4).

“So even though the client is not necessarily asking for, it will bring a solution because we want to improve the atmosphere that they’re working in, or just make it safer.”

(Interviewee 4, personal communication, May 5, 2023)

Interviewee 2 mentions even though some customers do not believe or are against climate change. *Firm Alpha* still stands up for what it believes in and the agenda it wants to drive (Interviewee 2).
According to Interviewee 2, the firm addresses this issue by considering its beliefs and values and how it may impact the customer.

<table>
<thead>
<tr>
<th>First order Codes</th>
<th>Second order theme</th>
<th>Emerging Theme</th>
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<tbody>
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<td>Environmental &amp; social needs</td>
<td>Drivers of CSR</td>
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<td>transformation</td>
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<td>Sustainability</td>
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<td>Human rights and welfare</td>
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<tr>
<td>Equality (gender and indigenous)</td>
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<td>SDGs</td>
<td>Government &amp; Industry Pressures</td>
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<tr>
<td>Pressures for responsible supply chains</td>
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<td>Important for customers and shareholders</td>
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<td>Demands from big mining houses that are further</td>
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<tr>
<td>Local and global needs</td>
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<tr>
<td>Consistent responsible brand image in all areas and countries etc.</td>
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<tr>
<td>Catching up as an industry (making a better name for a mining firm)</td>
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<tr>
<td>The need to keep a certain level to be able to compete (stems from the government)</td>
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<tr>
<td>Competition</td>
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<tr>
<td>Uncertainty about future and likeminded collab partners (also: acceptance from customers for innovation)</td>
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<tr>
<td>Future expectations (increase of electrification etc.)</td>
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<td>Rules for safety</td>
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<td>Governmental policies and licenses</td>
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<td>Values</td>
<td>Employees</td>
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<td>Happy and proud to be a part of this</td>
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<tr>
<td>No resistance</td>
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<tr>
<td>Drive to do good (even voluntary), firm support</td>
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<td>Genuine willingness that has been around for long</td>
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<td>Customer first attitude</td>
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*Table 3: Drivers of CSR Transformation*
4.2.2 Strategic Changes in the Firm Toward Sustainability and Responsibility

Offerings

Sustainability and responsibility are seen to build the framework for designing and innovating new products (Interviewees 3, 4, 5). All interviewees highlighted how CSR greatly impacts the products’ creation, and the aim is to tackle emerging needs.

“Sustainability and corporate responsibility are truly integrated in Firm Alpha’s customer offerings and our business processes.”

(Interviewee 5, personal communication, May 9, 2023)

All interviewees emphasized how safety is Firm Alpha’s top concern and a crucial aspect of its offerings. It is essential to ensure the safety of both the firm’s personnel working in production and other sectors, and the customers using their products (Interviewees 2, 3, 4 & 6). The firm is constantly developing new solutions to make the processes and products safer, which has been brought up by all the interviewees. For instance, the aim is to reduce the need for people to touch and intervene with the machines and be down in the mines (Interviewees 3, 5, 6). Automation can bring solutions for this objective and is therefore utilized and explored to provide safer solutions to minimize risks and accidents (Interviewees 2 & 5). Also, the safety and well-being of the surrounding communities and areas are highly considered and are not something the firm is willing to compromise when creating offerings (Interviewees 1, 2 & 4).

“So, we have a lot of heritage. Also, that is in the backbone of the company, that safety is always first. And that comes down to not only in production or using your products, but also in your daily life, the safety awareness around you at all times, and that’s just one example where I see it’s gonna be developing even further.”

(Interviewee 2, personal communication, April 25, 2023)

All interviewees lifted the emergence of battery-operated products and electrification as a major focus and development to move towards a more sustainable future. The firm offers various battery products to help with the transformation, which has become a big focus in recent years (Interviewees 1 & 5). The firm has a selection of products that support the climate goals of the customers and is dedicated to creating offerings that help reduce the customers’ carbon footprint and CO2 emissions (Interviewee 1). The firm is also actively innovating for a diverse offering of products and solutions to upgrade existing products to a more sustainable model and offers rental options (Interviewees 3 & 4). The firm
provides biodegradable alternatives to additives and greases used in water and aims to attach them to the machinery sold (Interviewee 4). *Firm Alpha* also offers a water treatment system that can separate solids from the water, allowing the water to be recirculated and therefore reduce freshwater consumption (Interviewee 4).

“We wanna be completely different from the industry. We wanna drive the sustainability and productivity in the industry.”

*(Interviewee 6, personal communication, May 11, 2023)*

**Initiatives**

All the interviewees confirmed that the firm had established many initiatives to fulfill its goals for sustainability and responsibility. A big focus is on community engagement, and there are policies about sponsoring and engaging with communities locally and globally according to the guidelines from the top management that will be executed by the general managers (Interviewees 1, 2 & 3). Almost every local entity supports something, from sports events to enabling life in the remote mining areas and supporting the heritage of the indigenous groups (Interviewees 1, 2 & 4). The firm’s *Global Charity Initiative* is a noticeable engagement, as the employees run the charity, and their monetary contributions from their salaries are doubled by the firm (Interviewees 1, 2, 3 & 6). The charity funds projects for water and sanitation issues and tries to constantly find the best ways to help the ones in need (Interviewee 1).

“It’s a lot of cooperation with local communities by adding value to these communities with finance, education, transferring of skills, resources and follow up. Examples include education programs, health programs, and Firm Alpha employees’ own global charity initiative”

*(Interviewee 1, personal communication, April 21, 2023)*

As Interviewee 2 brought forward, diversity in different roles is highly valued internally and demanded by the customers. The firm is also actively working with other welfare, safety, diversity, and inclusion initiatives, which all the interviewees acknowledged. Also, many initiatives concerning environmental issues are present, for example, the firm’s ambitious goals for decreasing CO2 emissions by half by 2030 and supporting renewable energy for its customers (Interviewees 1, 2, 5 & 6). Generally, the firm has an ambitious sustainability agenda to meet the targets in line with global agreements (Interviewees 5 & 6).
“They announced that we’re emitting some green bonds, for instance.”
(Interviewee 3, personal communication, May 5, 2023)

The firm has people in specific roles to drive the sustainability transformation that oversee the processes and innovation regarding sustainability (Interviewees 1, 2, 3 & 6). For instance, one of the interviewees’ role is to boost engagement within sustainability and transform the culture towards a more altruistic tone (Interviewee 6). The firm has recognized the need for a more hands-on approach to the transformation. It has therefore appointed more people to significant roles to advance and implement the goals and strategies (Interviewee 6). Also, Firm Alpha has attained some of its sustainable solutions by acquiring a firm specializing in sustainable water solutions (Interviewee 4). The firm also has a program allowing employees to put their ideas forward surrounding CSR matters (Interviewee 6).

**Rules and Requirements**

During all the interviews, everyone mentioned the firm’s code of conduct. Interviewee 1 talks about how the local customer centers have specific policies on how sustainability and responsibility need to be addressed and this is usually handled by the general manager. Interviewee 2 discusses explicitly it is mandatory to take the code of conduct training and to pass all the tests to be an employee at Firm Alpha. By doing this, the firm ensures a set of rules and guidelines for internal and external stakeholders (Interviewee 2). However, Firm Alphas’ code of conduct is also built based on customers’ requirements (Interviewee 6). Interviewee 6 mentions customers have CSR requirements expected to be fulfilled, forcing the firm to develop a code of conduct.

“Our role is to ensure that our customers with the mining and infrastructure can work in the safest, most environmentally friendly, and efficient way possible. A major shift in the mining equipment industry is the trend towards automation, interoperability and digitalization. As part of the emergence of intelligent mining, which is focused on cost reduction, productivity increases, performance, critical technologies and safety in the mining sector, a higher level of automation reduces labor costs and health and safety risks. I would say safety is actually the first one there.”
(Interviewee 5, personal communication, May 9, 2023)

“But they [general managers] will see that these guiding principles we have - like the group’s code of conduct that must be followed- are in line.”
(Interviewee 1, personal communication, April 21, 2023)
In addition to the code of conduct, a business partner’s code of conduct lays out the rules to abide by the highest safety rules (Interviewees 4 & 6). Interviewee 4 mentions that even though a customer or specific country might have relatively low and general safety rules, if Firm Alpha’s rules are higher, that should be followed when their technicians are on sight. If a customer refuses to make the environment safe, then there is the right to refuse to work because Firm Alpha’s top priority is safety (Interviewee 4).

“So, if we end up going on a mine site which could be in the middle of nowhere, much smaller, or governmental restrictions are much less restrictive than what we currently are experiencing. We don't bring it down to the standards of that particular mine. We continue operating in the standards of whichever one is of higher value.

(Interviewee 4, personal communication, May 5, 2023)

Firm Alpha also encounters contracts in countries with shallow standards from governments or local firms, such as allowing child or enslaved labor (Interviewee 6). When these situations are encountered, the firm outsources from customers in other countries to ensure human rights are involved (Interviewee 6).

**Communication**

*Firm Alpha* has implemented a branding message on all its marketing campaigns, emphasizing its transformation towards a more sustainable future (Interviewee 2). Besides having this campaign, when facing customers or new potential customers, it includes the Global Charity Initiative it is a part of, which all interviewees have mentioned. Interviewee 1 added when presenting the firm to customers, there is a slide dedicated to the goals, people, and planet and then a slide dedicated to the Global Charity Initiative.

Not only is *Firm Alpha* implementing very specific and close communication with its customers, but it is also communicating with all employees (Interviewee 3). This involves meetings and an online platform where employees bring forward their ideas (Interviewees 2, 3 & 6). As mentioned above, sustainability is a framework for the firm’s operations, and according to Interviewee 3, this framework is also then implemented into the firm’s communication.
“Yes, you can dig into every company website. We advertise what we do like the Global Charity Initiative. It for sure impacts the way we design our products and our effort. Provides you the framework on how your product needs to be designed.”
(Interviewee 3, personal communication, May 5, 2023)

According to Interviewee 5, there are many layers in which communication takes place for the firm, especially for planned campaigns. For example, there are world expos to which several customers are invited, with a heavy focus on CSR (Interviewee 5). As a part of this expo, all the campaigns, such as flyers and posters, discuss the value of the products and how emissions are eliminated (Interviewee 5).

“And then of course it’s always the risk of being perceived as a greenwashing. Can we fully stand behind everything that we say? Can we back it up? Can we show proof of things that we’re doing? We take it extremely seriously that what we communicate is also something that we can fully stand behind and have proof and evidence for.”
(Interviewee 2, personal communication, April 25, 2023)

Collaborations

According to all interviewees, Firm Alpha had made strategic CSR choices before it was needed. It could be that a client is not specifically asking for it, but the firm brings solutions to improve the working environment (Interviewee 4). Interviewee 4 adds sometimes clients request a specific collaboration because the big mine houses need a change in safety measures to head towards zero injuries.

“And that was a customer initiative. They came to us and asked to partner on, and we did.”
(Interviewee 5, personal communication, May 9, 2023)

“And you have to be agile and adapt to that, whether it’s the client requesting or what the competition is doing. But you have to be agile and adapt.”
(Interviewee 4, personal communication, May 5, 2023)

Interviewee 6 emphasizes the significance of collaboration, even with competitors, to build larger networks that will aid in the transformation. Interviewee 3 also discusses how customers have voiced their needs for something that Firm Alpha does not currently offer, but they work together and collaborate on something that will make a strategic impact both for the firm as well as for the customers and stakeholders. Interviewee 5 highlighted that a customer partnered with them, due to the firm’s
activeness in creating greener and safer solutions, when the initial product involved diesel equipment. The firm also pushes for engagements and collaborations regarding other aspects, such as human rights (Interviewee 6). Interviewee 1 and Interviewee 6 bring up the fact some customers are also suppliers, and this collaboration is the beginning of creating circularity.

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<th>First order Codes</th>
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<td>Strategic changes in the firm toward sustainability and responsibility</td>
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<td>Values</td>
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<td>Community engagements</td>
<td>Initiatives</td>
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Table 4: Strategic Changes in the Firm Toward Sustainability and Responsibility

4.2.3 Alignment Initiative’s Effects on B2B Relationships

**Firm Alignment**

According to all interviewees, *Firm Alpha* needs to collaborate with its customers to be more aligned with them. Interviewee 2 mentions the firm has been developing new initiatives based on concerns or safety issues customers bring up; once they have all the information, it is brought up to the innovation team to see how a solution can be made. All interviewees continuously mention the firm’s different layers regarding CSR. However, Interviewee 4 emphasizes maintaining the relationship with CSR in mind, it is important to be efficient. Different mine houses have additional requests because they all involve various stakeholders and communities (Interviewee 4).

“If a customer has to comply with certain standards, we, as part of that market, because we supply to them, we need to comply at the same time.”

(Interviewee 3, personal communication, May 5, 2023)
Firm Alpha is also open to collaborating with customers in different ways; if customers want to pursue a specific goal, the firm can collaborate with the customer’s needs (Interviewees 2, 3, 4, 5 & 6). Interviewee 3 discussed that customers are already thinking sustainably, so the firm needs to think the same. All interviewees also mention a strong customer push, so the firm is almost forced to align and innovate toward a more sustainable and safer environment. Interviewee 3 mentioned sustainability pressures collaboration between customers and Firm Alpha.

“Theres, no better relationship builder than partnering on a project that helps solve a problem for them [.]. I mean, we partner and oftentimes it’s 50/50, so it’s a true partnership.”
(Interviewee 5, personal communication, May 9, 2023)

“They [customers] think it’s great and it’s strengthening the relationship, particularly when sustainability comes in, actually marketing invites the sustainability person into a customer meeting, which hasn’t happened previously.”
(Interviewee 6, personal communication, May 11, 2023)

Another way the firm aligns with customers to strengthen the relationships is by acting before the customers require the change (Interviewees 4 & 6). Interviewee 4 mentions expanding the horizon is important and to discuss with customers what their future contracts might require. Interviewee 6 adds Firm Alpha has even begun to design products so adaption can be made, so even if a customer is not ready to transform, it will be able to adapt in the future.

“Then we said, OK, we don’t have anything, but we can develop it together. So, we’ve been developing small improvements or add-ons or modifications that we can do to the current units. As a service sale, we make money on it, and the customer will improve safety with the machine. I think that’s the best example, to provide automation upgrades to the machines, because we do it together with them.”
(Interviewee 3, personal communication, May 5, 2023)

Industry Alignment

Not only is it necessary for the firm to align with its customers to remain a top player in the market, but it needs to align with the industry and what is happening (Interviewees 2, 3, 5 & 6). Interviewee 2 mentions that Firm Alpha must pay attention to what the industry is doing concerning automation, electrification, and digitalization. With these aspects in mind, safety is noticeable at the core of all of it (Interviewee 2). Since the mining and construction industry is still a political and debated topic, the
firm must find the balance between defending what it does, lifting awareness within the industry, and staying on track with what it is doing (Interviewee 2). Interviewee 6 also touches upon post-covid-19, the industry’s rate of injuries is increasing, and it is important to make the same adjustments as their competitors and other key players.

“I think with the sustainability agenda, the world, with some exceptions, has agreed that we really need to take action now. I think that’s also something that’s gonna become even more important. Something that’s gonna be part of the business plan as well.”

(Interviewee 2, personal communication, April 25, 2023)

“I won’t say that neither for Firm Alpha or other companies CSR activities differentiate you from the rest of the market because it’s basically something that has to be done because also our customers are doing it.”

(Interviewee 3, personal communication, May 5, 2023)

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<th>First order Codes</th>
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<th>Emerging Theme</th>
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Table 5: Alignment Initiatives’ Effects on B2B Relationships

4.2.4 Differentiation Initiatives’ Effects on B2B Relationships

External environments

Firm Alpha can be seen as the leader in the industry in many aspects, but the interviewees specifically lifted the battery technology and safety (Interviewees 1, 4, 5 & 6). Nowadays, goals regarding emissions are significantly affecting the sales of battery products, and the early adaptation from the firm gives it an angle on the market (Interviewee 4). The same applies to water solutions, which have been around for ten years, but have recently gained much customer attention (Interviewees 3 & 4). Customers come specifically asking for the water treatment unit and the biodegradable additives, which stand out in the market, due to the increased CSR attention (Interviewees 3 & 4).
“One particular client had a project where they’re drilling on a barge, [...] You don’t want to contaminate the lake while you’re doing that. Again, there is competition out there, but our unit is small and efficient, cleaning the water and removing all of the solids from the water. The biodegradable greases that we use made it that they were able to win the contract specifically with that solution along with other products they use [...]”
(Interviewee 4, personal communication, May 5, 2023)

While competition exists and many initiatives are required to be profitable, Firm Alpha’s initiatives and processes differ from those of the competition (Interviewees 1, 4 & 6). Although the industry standards leave limited room for differentiation in terms of safety, Interviewee 6 still brought forward the greater safety level of Firm Alpha’s machines. Also, the Global Charity Initiative was lifted by many interviewees as something differentiating it from the competition and affecting the firm’s perception (Interviewees 1 & 3).

“I haven’t heard of so many other organizations doing the same thing [the Global Charity Initiative].”
(Interviewee 1, personal communication, April 21, 2023)

Many interviewees acknowledged that being a leader and innovator is not always successful or easy. Constant obstacles exist when communicating, selling, and convincing customers to adopt certain new technologies (Interviewees 2, 4 & 6). CSR is still relatively new in the industry, and there are differing views on, for example, climate change (Interviewees 2 & 4). Some customers bring forward the increased costs of this change, but the firm is actively finding ways to ease the transition (Interviewees 5 & 6).

“The difficulty is once you’re the first to cut down the brush and sort of make the path forward. There’s a lot of effort, there’s many explanations involved [...] So it takes a lot of people that are willing to carry that torch and push it forward.”
(Interviewee 4, personal communication, May 5, 2023)

Collaboration with the customers makes the firm stand out from the competition (Interviewees 2, 4, 5 & 6). Tight communication with customers allows them to find solutions together and enables the firm to customize to their needs and find ideas to overcome challenges (Interviewees 5 & 6). Firm Alpha collaborates with customers more than its competitors, which can be seen as a significant benefit, as it can help align with the requirements of the governments and other actors (Interviewees 3, 5 & 6). For
example, the firm pays for sending and adapting machinery to Australia and its requirements (Interviewee 5).

“We’re much more partnership-oriented. We take multiple customer feedback from different parts of the world, and input, to the design and the solutions that we offer and that includes, of course, all of the CSR elements that those customers have. Which form then part of the basis of how we design and launch our new products and new technologies.”

(Interviewee 5, personal communication, May 9, 2023)

All the interviewees highlighted the importance of perception. Furthermore, Interviewee 4 underlined the customers’ association with the firm’s logo and willingness to shift the perception from negative images to innovation and solutions rather than pollution.

“So our products and solutions are the evidence for how we transform the industry and society in the longer perspective.”

(Interviewee 2, personal communication, April 25, 2023)

**Internal environment**

With many CSR-related areas, the firm has been ahead of time before CSR and sustainability were buzzwords (Interviewees 1 & 2). In the past, the firm has been taking risks and actively trying to innovate new solutions. Although some offerings have been introduced before the needs and demands of the customers, taking the step early has given the firm a head start when these demands arise (Interviewees 3, 4, 5 & 6). *Firm Alpha* was the first to tackle and push for electrification in the industry, which the interviewees lift as one of the best moves for competitiveness (Interviewees 4, 5 & 6). Despite some inevitable challenges, the firm will continue to push for transformation and stand behind its values (Interviewees 2, 4 & 6). As interviewees 2 and 4 highlighted, it comes down to transparent communication.

“You can’t look at what the competition is doing and say, well, let them screw up and then we’ll be able to capitalize on that. That’s not the approach that we take.”

(Interviewee 4, personal communication, May 5, 2023)

Interviewees 2 and 5 mention that the firm has a strong sustainability and safety agenda, recognized in the industry, strengthening the perception of a good firm. It has been acknowledged to yield results and competitiveness (Interviewees 3 & 5). The firm culture is to have and build an environment where
CSR matters are taken seriously and constantly improved, contributing to this leading position (Interviewee 6).

“We want to be more than a supplier and that’s also feedback that we get from the customer. That they feel that we are a collaboration partner where we can have transparency, and they can talk about the challenges that they face, and we can talk about, OK, we don’t have a solution today, but hey, what if we were to co-create something.”

(Interviewee 2, personal communication, April 25, 2023)

<table>
<thead>
<tr>
<th>First order Codes</th>
<th>Second order theme</th>
<th>Emerging Theme</th>
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</thead>
<tbody>
<tr>
<td>Industry leader</td>
<td><em>External environments</em></td>
<td>Differentiation initiatives’ effects on B2B Relationships</td>
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<tr>
<td>Perception</td>
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<td>Challenges</td>
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<td>Competition</td>
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<td>Collaboration</td>
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<td>Strong agenda</td>
<td><em>Internal environments</em></td>
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<td>Proactive</td>
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<tr>
<td>(Leading position)</td>
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*Table 6: Differentiation initiatives’ effects on B2B relationships*
5. Theoretical Discussion

The following discussion connects the empirical findings to the literature review and research model introduced in Chapter 2. This is done by discussing how a firm has leveraged its CSR activities to strengthen B2B relationships.

5.1 Effects of Alignment on B2B Relationships

*Firm Alpha* needs to align with its customers, competitors, and industry standards, which aligns with the stakeholder theory and its effects on CSR (Yang & Jiang, 2023). This applies to the urgency variable in the literature review, where specific actions are ‘time-sensitive,’ such as implementing safety and electrification (Mitchell et al., 1997; Freeman & McVea, 2001). It has also been made clear that CSR initiatives come from the firm with external pressures, such as governmental policies and requirements that external stakeholders require, which emphasizes the importance of the firm complying with the stakeholder requirements (Maignan et al., 2005).

*Firm Alpha* actively communicates its CSR activities and uses them as the framework for marketing, considering the recipient and aiming to resonate with the values and needs of the target. Besides *Firm Alpha*s’ constant alignment, it is a strong relationship builder with its customers as it constantly collaborates with them, which is, according to customers, having a positive response on a proactive citizen. The firm’s CSR alignment with stakeholders and the industry enables the firm to be a corporate citizen, which Maignan et al., (1999) referred to as satisfying social duties. Since *Firm Alpha* is constantly making necessary changes to improve its CSR activities, it is acting as a corporate citizen by fulfilling its social commitments and behaving according to the ethics society demands (Maignan et al., 1999). This further represents society’s wish to see firms participating in societal improvements. By aligning its activities with customer and industry demands, *Firm Alpha* acts as a good corporate citizen by being socially sensitive. As acknowledged by the interviewees, communicating CSR activities can be a delicate matter and affect the firm’s perception positively and negatively, in line with Blenkhorn & MacKenzie (2017).

*Firm Alpha* being a part of a network exposes it to changes and pressures, as well as influence from the endless network (Fonfara et al., 2016; Öberg et al., 2016). As the interviewees highlighted, the firm is being pushed for certain CSR initiatives by the customers, the industry, and other stakeholders. In a network, this becomes a mutual interaction and a chain of reactions, as *Firm Alpha* is finding ways to offer solutions and products that fit the customer’s needs. Therefore, it can be interpreted that the counterparts count on one another when working together and are assured that solutions can be
facilitated. A network consists of units filled with resources and capabilities, presenting an opportunity to learn and utilize a partner’s resources that will benefit both (Anderson et al., 1994).

Aligning with the customer efforts can mitigate the reactions to change, and adaptation can result in deep relationships (Harrison et al., 2010; Fonfara et al., 2016), as Firm Alpha has also noticed, according to the interviewees. According to Ford et al. (2011), business relationships often involve suppliers helping customers overcome challenges. Firm Alpha’s commitment to CSR and industry transformation can enable customers to meet the expectations of society and government. Firm Alpha prioritizes its customers and aims to foster a collaborative relationship, building an environment of togetherness and trust. It strives to provide solutions and innovative ideas beyond being just a supplier. By openly discussing challenges, it works together to overcome them and strengthen the partnership.

5.2 Effects of Differentiation on B2B Relationships

The literature review on the effects of CSR on stakeholders suggests that the firm’s success is determined by how it pleases all stakeholders (Freeman & McVea, 2001). According to the interviewees, Firm Alpha is one of the leading firms regarding safety within the mining industry. Furthermore, Firm Alpha is differentiating itself in the mining and construction industry by implementing innovations for safety, e.g., reducing workers in mines. As part of the stakeholder theory, the firm must be attentive to what stakeholders need; Firm Alpha is doing this by running a Global Charity Initiative where it provides water for communities. Firm Alpha provides water and sanitation solutions to people in need and enables skills in surrounding communities, which is in harmony with Freeman and McVea, (2001). Another form of contribution to stakeholders is employing local people such as First Nationals and Aboriginals. This goes by contributing to society (Laczniak & Murphy, 2012).

As established, Firm Alpha has a genuine interest in the communities in which it operates, and each local customer center has the authority to decide which philanthropic and social initiatives to implement. With the stakeholder theory in mind, the firm outsources from other countries to prevent child and enslaved labor that local governments do not control, which can affect stakeholder satisfaction. Firm Alpha also differentiates itself by having a high commitment to CSR, which Jawahar & McLaughlin (2001) emphasize. Since the mining and construction industry has all eyes on them, it is important to create a ‘stakeholder-friendly’ environment, as Du et al. (2007) mention, which gives the firm a competitive advantage in the long term.
The firm has a history of being a proactive innovator, taking risks and finding solutions ahead of time. This was recognized partly due to the uncertainties and expectations about the future, which is common for parties involved in a network and thus influences decision-making in networks (Håkansson & Ford, 2002). Also, what happens in the industry drives the firm’s CSR initiatives, which is in line with Harrison et al. (2023), as today’s networks are pressured to move toward sustainability. The interviewees highlight collaborations as key elements in this transformation, in line with Harrison et al. (2023). *Firm Alpha* is heavily collaborating with its partners and, more specifically, its customers to find solutions that fit their needs while influencing the whole network. Based on the interviews, this can be recognized as building confidence among the actors, allowing *Firm Alpha* to keep pushing to transform the industry and differentiate from the competition. It is not uncommon for network actors to include their counterparts in these innovative processes (Harrison et al., 2010); however, the firm highlights its unique and deep co-creation compared to the competition, which also increases the reliance on the firm.

The interviewees lifted the positive perception of the firm as an important factor for facilitating differentiation which leads to competitive advantage. Furthermore, as the firm has introduced solutions supporting more responsible operations, it has a competitive advantage in the market. According to the interviewees, the firm is co-creating products such as battery technology, and electrification transformation in the mines. These attributes can affect its network identity, reflecting its compatibility as a CSR-committed transaction partner—recognizing the importance of brand value and CSR in B2B partnerships (Beitelspacher & Getchell, 2023). These factors can impact how a partner is perceived and ultimately affect the relationship due to the interconnected nature of networks (Håkansson & Snehota, 1989; Anderson et al., 1994).

Faith in one another and their processes can be important when doing business in a network. In a network, all relationships influence each other, and therefore, it is important to consider the business partners’ operations as well (Håkansson & Ford, 2002). The code of conduct for business partners at *Firm Alpha* confirms they share the same values and beliefs regarding certain aspects of CSR and aids in building confidence between the actors. This also helps to maintain the firm’s ongoing commitment to CSR engagement and innovation, helping *Firm Alpha* establish a solid competitive position in the market.

As the firm strives for a leading role in the industry regarding CSR transformation, certain network actors are also being pushed to adapt to these changes (Tura et al., 2019), directly or indirectly. Accordingly, the literature recognizes this transformation does not come without problems, as different
views and expectations, financial factors, and resistance can create tensions (Tura et al., 2019; Yang & Jiang, 2023), which the interviewees also acknowledged.

5.3 The Comparison of the Two Effects on B2B Relationships

The instance of *Firm Alpha* demonstrated that the firm is aligning with and responding to the requirements of its stakeholders. This might be considered reactive because the market drives certain processes (Tarnovskaya et al., 2022), and pushes for solutions to rising CSR demands. Simultaneously, *Firm Alpha* proactively seeks long-term solutions and forecasts upcoming CSR transformation trends, such as electrification. Even before the evident needs of the customers, the firm is innovating market-leading technology and solutions. In line with Tarnovskaya et al. (2022), this proactiveness provides a competitive edge, particularly when collaborating with customers.

A noticeable finding of differentiation is that *Firm Alpha* continuously aligning with its customers differentiates itself from its competitors. *Firm Alpha* has a unique style of aligning and customer-friendliness regarding CSR transformation. While the firm differentiates from the competition by being highly proactive and innovative, it simultaneously aligns with society’s and customers’ needs and requirements. Therefore, both strategies affect the B2B relationships, but alignment and differentiation are simultaneous and go hand in hand.
6. Conclusions

This section will conclude this study's research and discuss managerial implications and suggestions for future research.

6.1 Conclusion of the Study

CSR has recently gained more attention, with society urging industries like mining and construction to prioritize it. It is no longer optional but necessary for firms to engage in CSR activities, and there is a growing interest in examining how these activities impact the overall firm. This research explores how a firm’s CSR activities impact its B2B relationships, facilitating a better understanding of the effects of the change toward a more sustainable and responsible future.

The study was guided by the research question, “What effect do CSR alignment strategies and CSR differentiation strategies have on a firm’s B2B relationships?” This study teased out what kinds of mechanisms a firm can use to leverage its CSR activities while doing good for society, by studying the activities of Firm Alpha. The underlying assumptions of CSR and its connection to the stakeholder theory and networks provided a basis for understanding the essential elements in B2B relationships.

For Firm Alpha to succeed in B2B relationships, it must align with its customers, competitors, and industry standards while complying with stakeholder requirements. Communicating its CSR activities can also help improve its image. By collaborating with partners, both parties can benefit and adapt to changes and pressures. Prioritizing customer alignment can lead to deeper relationships and better adaptation to changes. However, these findings are specific to Firm Alpha and may not apply to all firms in the mining, construction, or other industries. Brand value and CSR are crucial in B2B relationships as they can impact how partners perceive each other and affect the relationship. Positive perception is important for differentiation and competitive advantage, achieved through ongoing CSR engagement and innovative practices that differ from the competition. Firm Alpha strives to lead in the industry regarding CSR transformation, but this can create tensions due to different views, financial factors, and resistance.

To conclude, in relation to the research model, it was established that CSR and B2B relationships are connected. Both alignment and differentiation strategies have their respective impact on B2B relationships, and it was noted collaborating with customers is important. Overall, the key takeaway is that these two strategies work together and simultaneously, with Firm Alpha successfully positioning itself in the market by aligning with its customers and being proactive and innovative in its CSR efforts. This sets Firm Alpha apart from competitors, as it has a unique approach to meeting the needs and
expectations of society and customers. In short, alignment and differentiation are interrelated and affect B2B relationships.

6.2 Practical Implications

To stay ahead of the competition, firms can cultivate an innovative culture that encourages idea generation and collaboration. Creating new positions, such as ‘sustainability boosters,’ is crucial to incorporate sustainable practices into plans, operations, and supply chains. Marketers can play a vital role in expressing the firm’s CSR goals to bring about positive change. Firms should go beyond surface-level CSR plans and proactively solve social and environmental issues by involving stakeholders. Internal differentiation and motivation are essential to motivate employees to work towards a positive change and collaborate with suppliers and partners who share similar values.

Firms should adopt a comprehensive approach to innovation, cooperation, sustainability, and social impact to achieve long-term success. Regarding CSR, ethical decision-making and responsible behavior should be emphasized while combining a strategic approach with altruism. Firms should also engage in initiatives and meaningful collaborations with communities.

6.3 Future Research

In future research, this study’s limitations can be addressed by conducting interviews with larger sample size and multiple firms, including customers. Additionally, exploring how firms, including SMEs, can capitalize on something good for society could be a potential area of investigation. Furthermore, this study has limitations in explaining proactiveness in detail, and future research could provide a deeper understanding of how to be proactive when everyone is at the same level in a particular industry.
References


## Appendix A – Interview Questions

<table>
<thead>
<tr>
<th>Question</th>
<th>Interviewee 1</th>
<th>Interviewee 2</th>
<th>Interviewee 3</th>
<th>Interviewee 4</th>
<th>Interviewee 5</th>
<th>Interviewee 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Can you tell us a bit about your role at the company and what is your involvement with Corporate Social Responsibility?</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>2. What are the key focus areas of your company’s CSR strategy?</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>3. Have you seen any measurable benefits to your marketing and branding efforts as a result of your CSR initiatives (e.g. increased engagement, higher conversion rates)?</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<td>4. Has there been a time when the implementation of a CSR agenda has negatively affected a B2B customer? If so, would you share the story?</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>5. Do you have an example of a successful CSR-based marketing campaign in the B2B space and how it impacted your company's reputation or sales?</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>6. How do you use your CSR initiatives to differentiate your company from competitors in the B2B market?</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>7. How does your company ensure that its CSR initiatives align with the values of its B2B customers and how does it impact your relationships with them?</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>8. Can you describe a situation where your company had to balance the desire to differentiate its CSR initiatives with the need to align with the values of your B2B customers?</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>9. Can you describe any specific ways your company collaborates with B2B customers on CSR initiatives, and how this collaboration strengthens your relationships?</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>10. How do you ensure your CSR efforts align with your company’s values and mission?</td>
<td>X</td>
<td>X</td>
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<tr>
<td>11. How do you integrate CSR into your B2B sales and marketing efforts and brand strategy, and do you believe it gives you a competitive advantage?</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>12. How do you collaborate with other areas of the business to ensure that your marketing efforts align with your company’s overall CSR strategy?</td>
<td>X</td>
<td>X</td>
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<td>X</td>
<td>X</td>
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<tr>
<td>Question</td>
<td>Yes</td>
<td>No</td>
<td>May</td>
<td>Other</td>
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<tr>
<td>13. Can you provide an example of a B2B customer who has specifically cited your CSR initiatives as a reason for continuing to do business with your company?</td>
<td></td>
<td>X</td>
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<tr>
<td>14. How do you see CSR evolving in the B2B space in the next 5-10 years, and how is your company preparing for those changes? (2030 agenda)</td>
<td>X</td>
<td>X</td>
<td></td>
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<tr>
<td>15. What challenges have you encountered when coming up with the most beneficial CSR strategies, and how have you overcome them?</td>
<td></td>
<td>X</td>
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<tr>
<td>16. How do you communicate your CSR initiatives to your B2B clients or partners and what is their typical response?</td>
<td></td>
<td>X</td>
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<tr>
<td>17. How do you ensure your CSR-based communication resonates with your B2B customers and partners?</td>
<td></td>
<td>X</td>
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<tr>
<td>19. How do you think your CSR initiatives affect your B2B customers' perceptions of your company's overall brand image?</td>
<td>X</td>
<td>X</td>
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Appendix B – *Letter of Intent*

Mälardalen University  
FOA260 – Bachelor Thesis in Business Administration  
Spring 2023

We are students at the School of Business, Society & Engineering at Mälardalens University and contacted you previously concerning an interview for our research within the scope of our bachelor thesis.

As mentioned in our previous email, we would like to request an interview with you to obtain insight into Corporate Social Responsibility (CSR) strategies for strengthening B2B relationships.

The interview aims to achieve a practical understanding of how companies align or differentiate their CSR strategies in a B2B context. We aim to gain insights into how you strengthen those relationships by aligning or differentiating.

The interview will be approximately 60 minutes long, and you can choose a date and time according to your availability. The interview will be conducted digitally via Microsoft Teams.

Our supervisor and we will treat all the gathered information and collected data confidentially. Your feedback will be combined with interviews from other functions of the company to gain a general picture of the influence of CSR strategies on your company. We hope and believe the study result will be useful to you, the company, and future research.

If you are interested, we will send you the thesis upon completion.

**Important:**

- You have the right to stop the interview at any point during the interview.
- Your personal data will be anonymous.
- The interview will be recorded because of the need for transcription to process the data.

Best Regards,

Savannah Buhler  
Tuuli Söder