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**A Conceptual Model for Consumer-Driven Corporate Social Responsibility
& Effective Firm Strategy with Applications in the Norwegian Fish
Farming Industry**

by

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Abstract

This is a conceptual thesis that explores the notion of “consumer-driven” corporate social responsibility and how firms can drive the demand for CSR from consumers through effective firm strategy. Consumer-driven CSR for the purpose of this research has been defined as corporate social responsibility activities enabled by the consumers of the products & services offered by a firm, such that the consumers *demand* credible CSR products and services from the firm, and the firm has no choice but to *supply* such credible CSR products and services in order to survive in the broader industry. The conceptual framework built in this thesis focuses on the creation of this demand among consumers and eventual supply of CSR from firms that are initially assumed to play a passive role. The demand aspect in this bottom-up model initiates with individual demand based on individual consumers’ values, perceptions, beliefs and moral norms, moving towards a question of individual perception of credibility of a firm’s CSR claim, to a group level demand based on existing theories for social movements and amplification of public opinions, as well as the impact of the demand for public action for credible CSR resulting in a mass demand for CSR. The supply of CSR by firms, as a response to this demand, has been explained using an enviropreneurial strategy. This model also explores externalities such as culture and institutional framework in a society and how they impact the demand and supply of credible CSR. Using this base model, a complex two-way model has been explored together with effective firm strategies for how a firm can impact individual and group level demand, as well as the externalities, to ensure substantial consumer-driven CSR for guaranteeing competitive advantage or for bringing about industry-wide changes. Finally, since the topic was inspired by Marine Harvest, the case of Norwegian Fish Farming Industry has been used to demonstrate the base model and complex model in practice.

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Keywords: Corporate Social Responsibility (CSR), Consumer-Driven Corporate Social Responsibility, Consumer Driven Corporate Responsibility (CDCR), Demand for CSR, Perceived Credibility of CSR, Conceptual Model of CSR, CSR and Firm Strategy, Enviropreneurial CSR Strategy, CSR in Norwegian Fish Farming Industry.

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1. Introduction

Ambrose Bierce, a satirical journalist wrote in his 1906 *Devil's Dictionary* that a corporation is “an ingenious device for obtaining profit without individual responsibility”. Individuals who readily engage in business often incorporate the firm in order to take advantage of the legal shield that enables them to separate their personal liability from the firm's liabilities. This legal shield also offers a certain degree of anonymity and protection from the firm's actions towards its other stakeholders or society at large. Indeed, when a corporation is litigated, it is no longer an individual or a group of people that are sued but in fact the corporation itself as a separate legal entity. There have been very few cases where individuals were found guilty for the actions taken by American or European firms. In spite of this buffer against individual responsibility, the corporation as a legal entity still has certain responsibilities, including social responsibilities stemming from its existence in a society.

On September 13th, 1970 Milton Friedman ferociously advocated in his New York Times article that “The social responsibility of a firm is to increase its profits”. Any business manager that pursued a goal other than profit making was, according to him, “an unwitting puppet of intellectual forces that have been undermining the basis of a free society these past decades” (Friedman, 1970). The impact of this revolutionary article was such that Pulitzer Prize winning journalist George Will called him “the most consequential public intellectual of the 20th century” (Denning, 2013). However, quite contrary to the widely-held belief, Friedman also did not ignore the ethical responsibilities of a business but merely suggested that the decision makers of a firm are well within the ethics mandated by society if they choose to follow the firm's self-interest. This is because business executives are employees of the shareholders and have a certain duty towards them. In his own words; “A corporate executive has a responsibility to conduct business in accordance with (his or her employer's) desires, which generally will be to make as much money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom” (Friedman, 1970).

It is clear from the statement above that the progressive economist and Nobel prize winner who claims that the first duty of a firm is profit maximization, also inadvertently believes that the activities in pursuit of this goal must be within certain boundaries imposed by the society. In other words, although business managers as employees of shareholders must at all times focus on the objectives set by their employers, they also have certain responsibilities that limit this

pursuit. In this narrow view of a firm's responsibilities, both the legal system and ethical conventions of a society serve as constraints to the shareholders' profit maximization objective.

Former chairman of the Dayton-Hudson Corporation, Kenneth Dayton, offers a longer term view on social responsibility that interprets it not as mere constraints set by the society in which firms operate, but increasingly as necessary actions for the continued existence of the firms. His view focuses on the sustainability of the corporation itself in the long run. He writes; "We are not in business to maximize profit for our shareholders. We are in business... to serve society. Profit is our reward for doing it well. If business does not serve society, society will no longer tolerate our profits or even our existence. (MLA Crowther, 2008)"

Despite the claims by economists, business executives, journalists and academicians alike that firms have certain social responsibilities, it remains to be seen what truly is the extent of this responsibility; as well as, to whom is this responsibility: the employees, the customers, the shareholders, or the community?

1.1. Introduction to CSR

The European Commission defines corporate social responsibility (CSR) as "companies taking responsibility for their impact on society. The EC believes that CSR is important for the sustainability, competitiveness, and innovation of EU enterprises and the EU economy. It brings benefits for risk management, cost savings, access to capital, customer relationships, and human resource management.". It further defines two ways in which companies can become socially responsible and these are very much in line with Friedman's narrow focus on social responsibility i.e. "following the law" and "integrating social, environmental, ethical, consumer, and human rights concerns into their business strategy and operations" (European Commission, 2016).

More in line with Dayton's views, Ness (1992) defines CSR as a strategy followed by an organization whereby it agrees to undertake certain obligation to the society, as demonstrated by sponsorships, commitment to local communities, attention to the environmental issues that the society is facing as well as engaging in responsible marketing. Quite like the variety of definitions that exist for the concept of CSR, there are also several modes of CSR that explain the extent of the responsibility that organizations have. These modes of CSR were defined by

Carroll in his 1991 article describing the CSR pyramid. Apart from the most basic economic (profit making responsibility) of the firm, the pyramid also includes corporate citizenship, ethical responsibility, and legal responsibility.

The corporate citizenship model of CSR posits that organizations engage in CSR primarily for the public good without expecting any return on their contributions. These organizations believe that their responsibility to contribute to the society directly derives from their profit making actions in a society (Carroll, 1991). Geva (2008) has also repeatedly used the words “philanthropic giving” to describe corporate citizenship. For example, Google Green is a corporate effort by Google to use its resources (for example electricity) efficiently as well as to support renewable sources of energy (Kanellos, 2013). The company was not motivated by profits or some other agenda, neither was it coerced into this movement by the legal or ethical system of the society. Yet, the impact on its bottom line is apparent with the data centers’ power requirements falling by more than 50% and resulting in huge savings for Google which can be redirected to other business units or even the investors (Kanellos, 2013).

The social contract model of CSR posits that there is a social obligation on an organization to respect the moral rights of all its stakeholders, including its employees, customers, creditors, shareholders and institutional agents (Amao, 2008). These organizations believe that their responsibility to contribute to the society derives from their status as community citizens. For example, Xerox management strongly believes that as part of a community, the organization ought to give back to the society by participating in various social causes (Xerox, 2011). Their Community Involvement Program helps directly involve its employees into social causes that they care for. The return in this case does not reflect on the bottom line as much as it is exhibited by the community recognition that Xerox has achieved, as well as an increased commitment from employees that the organization has witnessed over the past few years.

Finally, the enlightened self-interest model of CSR posits that CSR can be used by corporations as a way to differentiate themselves from competition as well as a strategy resulting in competitive advantage in the market (Keim, 1978). Firms like Unilever, Nestle, Nike and BP, regularly participate in CSR causes in order to differentiate themselves in the market and gain a larger access to market share. Unilever in Pakistan has been empowering women in the country’s rural areas and small villages by giving them an opportunity to earn money by running small Unilever-sponsored *kiryana stores* (small stalls that sell personal hygiene products such

as soaps, shampoos and toothpaste) (Unilever, 2009). Not only does this help the firm promote a positive image in the community, but also aids in selling the brand and its products to areas otherwise unreachable through mass media due to lack of electricity, TVs and radios.

1.2. Stakeholder Theory of CSR

Although the question of the extent of social responsibility may be easily answered using the models above, the question of to whom this responsibility is directed is complicated at best. According to the traditional view of the company, also called the shareholder view, only the shareholders of the company are important and the management appointed by the shareholders have a fiduciary responsibility to put their needs (of value maximization) first (Friedman, 1962).

The stakeholder theory on the other hand posits that as part of a society, there are several other parties that are involved and the corporation is not just responsible to its shareholders, but to all parties thus involved (Miles, 2012). These parties could be anything from the organization's employees, to its customers, the contractors and suppliers used by the firm, its financiers or creditors, the government and regulatory bodies, the political groups, the trade unions and trade associations, the different communities, and sometimes, perhaps even the competitors (Miles, 2012).

Although there are many theorists that have written on the stakeholder theory, it is R. Edward Freeman who is generally credited as the Father of Stakeholder Theory. In his 1994 paper he discusses the focus on stakeholders and the corporate objective by articulating two questions. First, he asks, what is the purpose of the firm. When answering this question, managers are propelled to communicate a shared sense of the firm's value creation activity as well as focus on what brings different stakeholder groups together. Second, he asks, what responsibility does the management have to its stakeholders. This encourages the managers to enunciate what kind of relationships they want to develop with different stakeholder groups as well as how they can develop these relationships (Freeman, 1994). This is important because economic value is created when people voluntarily come together to achieve like-minded goals and "cooperate to improve everyone's circumstance" (Freeman, 2004). Therefore, whereas the separation thesis assumes that economics and ethics can be clearly separated from one another, the stakeholder theory rejects this thesis and assumes that ethical values are a necessary part of doing business (Freeman, 2004).

The stakeholders may be internal or external. The internal stakeholders of a firm include its employees, the managers and the owners. The external shareholders include the suppliers, society, government, trade unions, creditors and customers (Certo, 2005).

1.3. Introduction to Consumer-Driven CSR

“The world has a need for safe, healthy and tasty food, produced in a sustainable and efficient way, and seafood has the potential to do this. 70% of the globe is covered by water and the carbon footprint of commercial agriculture dramatically out-weights that of aquaculture - yet still only 2% of the world’s food supply currently comes from the ocean. It is widely acknowledged that to sustain the world’s growing population this has to change. Through significant investment in research and development Marine Harvest is at the forefront of technological advances and is transforming aquaculture industry practices. We call it the Blue Revolution.” These are the words of Alf-Helge Aarskog, CEO of Marine Harvest, uttered at the onset of the company’s sustainability movement. Although Marine Harvest is one of the forerunners in the aquaculture business, the management realizes that it is not easy to singlehandedly transform the shape of the industry and ensure that sustainable practices are mandated by the society and not just spearheaded by a handful of philanthropic firms. Even in their sustainability mandate, the firm emphasizes on industry wide collaboration and cooperation to move towards aquaculture and thus embrace sustainable and environmentally responsible practices (Marine Harvest a., 2016). In the words of its CEO; “As an industry we recognize that while we have made significant progress, there is still a lot to be done in terms of sustainability. As a relatively young industry, we hope that through industry collaboration, research, transparency and sharing of knowledge, we can make the necessary changes to do better, and keep getting better.” (Marine Harvest a., 2016)

More importantly however, the top executives at Marine Harvest realize that this industry wide change can only come through close ties with all stakeholder groups (Marine Harvest b., 2016). At a strategic forum held at the Norwegian School of Economics (NHH) on September 2nd, 2015, board member Cecile Fredriksen and the CEO re-emphasized the importance of different stakeholder groups for bringing about an industry wide change. In particular, Alf-Helge spoke of the importance of customers as the largest and most potent stakeholder group that could drastically change industry dynamics. Specifically, in the fish industry, the farmed salmon as a protein source does not only compete with other types of fish and seafood, but in fact all sources

of protein including beef, lamb, veal, chicken, duck, turkey and etc. Many of these protein sources pose a series of threat to the environmental sustainability. Slaughterhouses are notoriously popular for their wastewater, greenhouse gas emissions as well as final waste disposal (One Green Planet, 2015). Whereas traditional fishing may solve many of these problems, it presents several others, particularly threatening the eco-system and fish habitats due to the increasing volume of fishes required to meet the global demand.

According to Marine Harvest, farmed fishes solve the problems posed by both slaughterhouses for mammals and poultry alike as well as traditional fishing (Marine Harvest a., 2016). The only major roadblock in the attainment of the blue revolution goal is the demand from the customers. The food industry continues to promote slaughterhouses or adopt traditional fishing as the primary method for obtaining protein because the consumers demand such products as opposed to the higher-priced farmed salmon. At the NHH strategic Forum, Alf-Helge elaborated on how the customers could specifically be targeted for a change in their mindset through awareness campaigns and other actions, which would result in changes in the demand structure, leading to an industry wide overhaul. He called this practice, the “Consumer-Driven CSR”.

In this respect, for the purpose of this research, consumer-driven CSR shall be defined as corporate social responsibility activities enabled by the consumers of the products & services offered by a firm, such that the consumers *demand* credible CSR products and practices from the firm, and the firm has no choice but to *supply* such credible CSR products and practices in order to survive in the broader industry.

A review of literature on the Norwegian fish farming industry shows that firms are willing to collaborate for the better supply of CSR to its customers and that most firms agree that customers must be taught the importance of demanding environmental protection by changing their demand for protein and that this will bring industry wide changes. The industry is discussed in detail below.

1.4. The Norwegian Fish Farming Industry

Norway is the world’s second largest seafood producer in the world after China, with a total production of three million tons reported in 2012 (Polytec, 2016). The country is also the

leading producer and exporter of salmon (farmed and fished) and trout (United Nations FAO, 2005). The total export value of seafood from Norway in 2012 was equal to approximately 51.6 billion NOK (or approximately 6.3 billion USD) (Polytec, 2016). The Norwegian seafood produce is usually exported to consumers in 130 different countries around the world, including Russia, UK, Germany and previously Chile (Norway Exports, 2012). For various reasons, the Norwegian seafood industry has been the highest growing industry in recent years in both fisheries as well as aquaculture. Some of the reasons for such a high growth are the global population growth and the resulting increased demand for seafood as a source of protein, climate change and the increased general awareness of the importance of seafood for health purposes, and the negative portrayal of slaughterhouses in several countries that has led to a decrease in demand for red meat and an increase in demand for both poultry and fisheries (Polytec, 2016).

Fish farming in Norway, also referred to as aquaculture, was initiated in the early 70s in response to this growing demand for seafood as well as the public's demand for access to healthier seafood without the negative impact on natural fish habitat (Norwegian Seafood Council a., 2012). In order to meet the demand, Norway started its first cultivation of the aquatic salmon in this period. Today, the aquaculture industry in Norway is acknowledged as a world leader both in terms of research and output (Norwegian Seafood Council b., 2014). In order to reach this position, Norway has upheld a policy of strict health regulations, safety checks and close monitoring as well as continuous research work and funding in this industry. Over the past 40 years, Norway has made some rapid progress, both in areas of the technology employed as well as the production scope (Norwegian Seafood Council a., 2012). Through a close cooperation with marine scientists and researchers, Norway has now expanded aquaculture into fish breeds other than salmon, for example cod and halibut (Norwegian Seafood Council a., 2012). To do so, the industry has invested a staggering amount of 147 million NOK (18 million USD) for research purposes, in addition to state investments (United Nations FAO, 2005).

Apart from the research efforts, the greatest asset to date for this industry remains the country's excellent natural conditions that are inherently excellent for farming fish cultures. Norway has vast sea areas as well as a coastline of more than 51,500 miles which provides for the absolute perfect year-round seafood cultivation conditions (Norwegian Seafood Council a., 2012). The country has set up fish farms in close to 160 municipalities all along the Norwegian coast starting from Lillesund in the south of Norway to Sord-Varanger in the Northern parts

(Fisheries Norway, 2014). More than half of the Norwegian fish farming companies are located on the west coast (Polytec, 2016). The industry, as a whole, directly employs more than 6,000 people with many others indirectly employed by the companies as consultants, researchers and spin-off field workers (Fisheries Norway, 2014). Some figures show that overall, the industry employs (both directly and indirectly) close to 21,000 people in aquaculture related activities (Fisheries Norway, 2014). Norway's clean, clear and cold waters near the coastline also provide for the most optimum feeding and growth conditions for most marine life, including the farmed fishes and sea animals (Norwegian Seafood Council b., 2014).

Despite the global success of the Norwegian aquaculture industry, it faces several criticisms from environmentalists, specifically in terms of how the fish farms will impact and influence the environment. The majority of ongoing debates are about the spread of waste materials from the enclosed fish farms to the open sea which may affect other breeds of sea animals, the introduction of non-indigenous species of fish in the open sea caused due to escape of the farmed fishes which may have an adverse impact on the natural fish breeds, as well as an increased threat of mutated diseases not previously found in the natural habitats which may be extremely dangerous to the natural (and weaker) breeds as opposed to the farmed (and inherently more resilient) breeds (Polytec, 2016).

Further challenges faced by this industry include the severe weather conditions and weather patterns that can negatively influence the fish farming operations. Extreme wind and water currents may also hamper the placement of new fish farms or underwater installations of supporting accessories (Norwegian Seafood Council a., 2012).

In order to cope with the challenges and criticisms that present as a roadblock for the further development of the aquaculture industry in Norway, the Norwegian government has identified five key areas where aquaculture may have an adverse impact on the environment and where the companies in this industry must focus in order to minimize the environmental risks as well as continue operations more sustainably (Fisheries Norway, 2014). These key areas are;

1. Escaped Fish/Genetic Interaction
2. Pollution and Discharges
3. Diseases and Parasites
4. Use of Coastal Areas

5. Feed and Feed Resources

At present, most of the focus of the leading aquaculture companies is to produce fish feed in a sustainable manner for example, by using carbon emissions from other industries, and to focus on the health aspect by controlling for the diseases and parasites within the fish farms (Marine Harvest c., 2015). These two key areas are also interrelated since better fish feed with increased nutrients also helps keep the diseases and parasites at bay (Cermaq a., 2014). Some of the companies are also focusing on pollution and discharges by striving to keep record low carbon footprints using a variety of strategies and policy frameworks (Marine Harvest c., 2015).

Marine Harvest, Lerøy, SalMar and Cermaq are among some of the most well-known leading players in the Norwegian aquaculture industry. Marine Harvest ASA is one of the leading seafood companies in the world as well as the largest producer of farmed Atlantic salmon (United Nations FAO, 2005). The company employs 11,700 people around the world and is present in 24 different countries (Marine Harvest d., 2016). It had a total turnover of 28 billion NOK (approximately 3.42 billion USD) in 2015 and a harvest volume for farmed salmon amounting to 420,000 tons (Marine Harvest d., 2016). It is listed on both the Oslo Børs (Oslo Stock Exchange – OSE) as well as New York Stock Exchange (NYSE). Marine Harvest is responsible for supplying healthy, sustainable and delicious farmed fishes and processed seafood to consumers in more than 70 countries worldwide (United Nations FAO, 2005). The company would like to change the current trend of food production, where they state that despite the global surface being covered by more than 70% with water and only 30% with land, a total of 98% of food production comes from land and barely 2% from the water (Marine Harvest a., 2016). Calling these efforts *The Blue Revolution*, Marine Harvest seeks to use the combined knowledge of industry experts and research scientists as well as the most transparent style of reporting to bring about a global industry overhaul and transform the aquaculture practices around the world to make them more sustainable (Marine Harvest a., 2016). The Food and Agriculture Organization (FAO) of the United Nations currently estimates there to be close to 870 million people around the world suffering from food scarcity whereas the world population is also projected to reach approximately 9.1 billion heads if the current trends stay put (United Nations FAO, 2005). Marine Harvest argues that there is a need to have food security by developing long term sustainable aquaculture practices since currently food production from water is the most neglected area where we can meet the growing demand for food worldwide (Marine Harvest b., 2016). The company is also a part of several environmental initiatives such

as World Wildlife Fund (WWF), The Global Salmon Initiative, Aquaculture Stewardship Council (ASC), and Environmentally Balanced Expansion of Asia (Marine Harvest e., 2016). The membership to ASC guarantees transparent sustainability reporting for its aquaculture business which is accessible to the general public and also guarantees better and safer practices within the company (Marine Harvest f., 2016). Clearly, the company is a leading role model for sustainable practices that could possibly result in industry wide practice changes. As endorsed by WWF Norway's CEO Nina Jensen; "Long-term investment in sustainability and the environment is the only way forward. With this commitment Marine Harvest is showing how environmental sustainability is a precondition for economic sustainability, and that they take global leadership to minimize their impact on the environment." (Marine Harvest e., 2016)

Lerøy Seafood group is another world leading exporter of farmed seafood from Norway and the second largest exporter of Atlantic salmon, operating 14 production facilities in various European countries and selling its products in more than 70 markets worldwide (Lerøy a., 2016). The group also publishes its annual environmental report each year to highlight its efforts in developing environment friendly processes and sustainable farms (Lerøy b., 2016). Just like Marine Harvest, the company's management also believes that to ensure sustainability and reduce the negative impact on the environment, all the companies within the aquaculture industry must join hands to come up with the best possible solutions as well as to maintain highest quality of safe food (Lerøy c., 2016).

SalMar is also one of the leading aquaculture companies in the world and the third largest producer of Atlantic salmon with over 100 licenses for its production in Norway alone (SalMar a., 2015). According to its environmental code of conduct; "SalMar works systematically to avoid having an undesirable impact on its surroundings. This includes the day-to-day actions of its employees, involvement in research and development, as well as collaboration with government and regulatory authorities, interest groups, other aquaculture companies and suppliers of goods and services" (SalMar b., 2015). However, the company does not make clear on its policy for sustainability and environmental protection and has been involved in various critical incidents involving its aquaculture business. For example, in 2014 the company let 376 farmed fish escape from the farm zone into the open sea which proved to be quite detrimental to the natural fish habitat (SalMar b., 2015). The company also has been increasingly criticized for its high greenhouse gas emission but has been trying to work on reducing it since 2013 (SalMar b., 2015).

Cermaq is an international fish producer that is headquartered in Oslo, Norway as a wholly owned subsidiary of the Mitsubishi Corporation and also has operations in Chile and Canada (Cermaq a., 2014). It is also one of the largest players in the global aquaculture market and produces Atlantic salmon, trout and coho (Cermaq b., 2014). Cermaq also believes in focusing excessively on sustainability and makes use of the Global Reporting Initiative (GRI) G4, a voluntary sustainability reporting standards, for sake of transparency in its operations and communicating the details of its impact on the environment to all important stakeholders (Cermaq c., 2014). For Cermaq, Stakeholders are central to the management in helping achieve its sustainability goals as is collaboration with other players in the industry. In the company's sustainability vision, the management writes; "It is Cermaq's vision to be an internationally leading company within sustainable aquaculture. Only sustainable production can ensure a foundation for long-term production. We work with transparency and we engage in constructive dialogue with stakeholders to ensure the continuous improvement of our operations." (Cermaq d., 2014)

Therefore, it is clear that in Norway, most of the leading companies in the aquaculture business are focused on sustainability and improving the environmental impact of their operations, and believe that industrial collaboration is important in achieving the sustainability goals.

2. Problem Statement

Although Alf-Helge had used the words consumer-driven CSR rather lightly, the concept is extremely important when one considers the impact that consumers have as one of the firm's largest group of stakeholders. There are various existing researchers that give testimony to the influence of this group. For example, Sen and Bhattacharya write in their 2011 paper that marketplace survey indicates a growing influence of corporate social responsibility on consumer's purchase behavior. They write about a number of factors that serve as key moderators to predict consumers' response to a firm's CSR, including the CSR issues a company chooses to work with, the consumer's personal affinity with the CSR issue, and the consumer's general belief regarding whether or not a firm should engage in CSR activities at all (Sen & Bhattacharya, 2001). Another research discusses the halo effect of CSR on consumers whereby a positive reaction towards one, fairly known CSR activity of the company

(for example, recycling), will make the consumers have positive feelings towards other CSR claims by the firm for which little to no information is available (Smith & Read, 2010).

Whereas the presence of focus on CSR initiatives by a firm has multiple positive effects on the firm's reputation and the consumers' purchase behavior, a lack of CSR initiatives and focus may present a series of problems for the firm. One such problem is consumer boycott of a firm's products and services. A 2006 thesis research by Classon and Dahlström discusses the impact of consumer boycott resulting from a lack of CSR initiative, specifically by companies that are found to have a negative impact on the society and its environment. In another research that looks into whether consumers expect firms to be socially responsible, the authors find that a lack of interest in CSR initiatives may impact the bottom line of the firms due to actions like boycotts, protest partnerships with NGOs and environmental agencies, supporting zoning permits and so on (Mohr, Webb, & Harris, 2001). Yet another research discusses the reason behind consumer boycotts and posits that the consumers take this course of action in order to express their anger with the company for not being able to meet their demand to be socially responsible or to participate in the development of the society (Klein & Smith, 2004).

And yet, despite the great number of researches positing the importance of CSR within the consumers' group as stakeholders, there are very few researches (if any) that provide a model on effective firm strategies for harnessing the power of consumers in order to bring about industry wide changes by regulating the CSR activities or companies' social credibility and standards. There is not a dearth of research on consumers advocating socially responsible changes but a scarcity of research when it comes to specifically delineating a model describing such a process as well as pointing out key areas for corporate strategy. The modern global environmental movement starting from the anti-deforestation protests in India, was largely brought about by consumer groups with a massive change in the demand structure whereby the local population *demand*ed protection of the forests and the resulting mass protests forced government regulations in support of their claim (Cleghorn & Clark, 1861). In the ecological movement concerning organic farming, the consumers once again played a major role with a change in their demand structure giving a major impetus to organic farmers to further diffuse the practice as well as forced the industry-wide stricter regulations for food safety (Padel, 2005). Thus, clearly, consumers can drive socially responsible changes in a firm by demanding credible CSR products, services and standards from companies and have been doing so for the past many years. For firms that have innovative and sustainable processes that result in higher

costs and hence an inability to compete in the market, consumers present as the most important stakeholder group to bring about the desired changes in the industry. If consumers demand, for example, better recycling from all technology firms and refuse to buy their products unless relevant changes are made to the current dumping process, the firms within this industry will have no option but to embrace the changes regardless of the increased costs.

Therefore, in this thesis, research has been conducted primarily to cater to two main problem statements. Firstly, the focus is on constructing a framework to study the successful implementation of CSR due to consumer demand in companies around the world. This bottom-up model should focus on the drivers for individual demand for credible CSR, creating this individual demand, turning this individual demand into a larger public or mass movement which finally forces the companies to supply credible CSR products and services. As part of this bottom-up approach, external factors such as impact of culture and institutional environment must also be studied. Secondly, and most importantly, the focus is on constructing a complex top-down model using the first framework to discuss which factors can the firm impact using effective strategies in order to implement a Consumer-Driven CSR policy and to actually have this policy result in substantial actions across the industry. Whereas, the first part focuses on a simplistic model assuming the firm to be a passive player that simply supplies what is being demanded, the second part observes the firm as an active player that uses certain strategies at various steps of the process to drive consumers to demand for a certain level of credibility and corporate social responsibility.

3. Literature Review for Comparable Topics

Since literature on Consumer-Driven CSR is scarce at best, in this section I have discussed the literature from comparable movements such as organic movement, environmental movement and ecological modernization in order to use certain theories and frameworks to discuss the implementation of a consumer driven CSR approach by firms. At present, the only framework for consumer driven corporate responsibility (CDCR) includes a short model presented by Jane Claydon in the 2013 Encyclopedia of Corporate Social Responsibility, which does not discuss the actual creation of the consumer demand for CSR, the eventual supply, the issue of credibility or even the external factors. She has simply used the term to indicate a circular process of profitability between meeting the demand for CSR by consumers and increasing profitability

through increasing customer satisfaction and customer base (Claydon, 2013). This model is as follows;

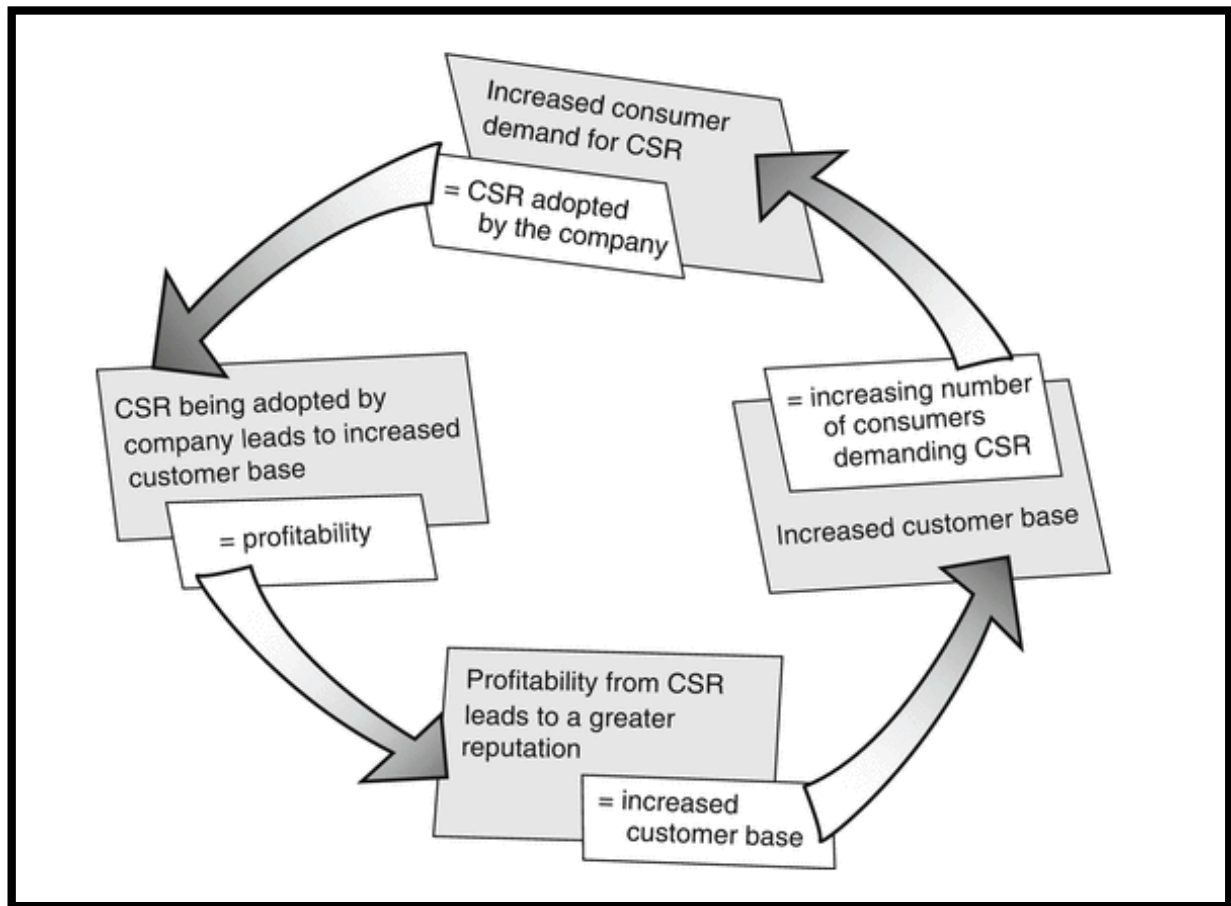


Figure 1: A model of CDCR. Retrieved from Claydon, 2013.

A recent blog by Stanford's Social Innovation Review Committee also found the research into customer-driven philanthropy to be "nascent and spotty" when in fact the impact of consumers on CSR decisions by firms or budget allocation to CSR projects by firms has increased substantially (Auerbach, 2015). Therefore, simply stating the importance of consumer driven CSR in a superficial model that only explains profitability impact of consumer's demand for CSR (e.g. in Claydon, 2013) is not enough and there is a need to look into the stages of this demand creation that compel a firm to supply CSR products and services in order to come up with effective firm strategies that can be followed by a firm in this regard. A comparison with environmentalism has been made in this regard due to several prominent features of the movement which deeply resemble Alf-Helge's concept of consumer-driven CSR.

Merriam Webster dictionary defines environmentalism as a movement that advocates the lawful preservation, restoration, and improvement of the natural environment, and it may be referred to as a movement that is meant to control pollution or protect plant and animal diversity. The first known use of the word came in approximately 1922 (Merriam Webster, 2009), (ESDAW, 2016). Nowadays, people in general confuse the terms environmentalism with ecologism. Ecologism is a modern philosophy that posits that the non-human world is deserving of moral consideration in all spheres of life: social, economic and political; and the broad term itself combines the concept of social ecology with environmentalism (Baxter, 2000).

Early interest in environmentalism was first demonstrated in the literary romantic movement in the 19th century, as a result of the industrial revolution which led to the excessive air and water pollution from increased industrial activity (Flemming & Knorr, 2006). The modern conversation movement was first exhibited in the anti-deforestation movement in South of India (Cleghorn & Clark, 1861). Most of these earlier movements were pioneered by individuals, such as poets, authors or even the affected families. By the late 19th century, the world had observed the establishment of several important environmental agencies supporting causes like endangered animal protection, birdwatch, forest and plant diversity protection, sea birds' preservation, and so on (Makel, 2011). The sea birds' preservation act of 1869 is regarded as the world's first protection law for nature (Baeyens & Martinez, 2007).

Based on these facts, it is easy to surmise that most major environmental movements that we observe today, were once pioneered by a handful of individuals who demanded to see changes in the industry, in the regulatory framework of the society or the actions of other individuals. Due to their change in the demand structure (from increased industrial activity to increased environmental protection), the stance of the society changed to adopt many of the requested practices as laws and standards. It is movements like these that bear close resemblance to what this research has defined to be consumer-driven CSR, i.e. activities in relation to CSR that a firm is made to supply due to mass demand from the public leading to the regulatory and legal framework changes in the society such that it is the industry as a whole that is obliged to provide credible CSR and not just a handful of companies that in the longer run may be unable to compete in the market.

In the literature review to follow, a brief history as well as modern developments of environmentalism shall be discussed. Since environmentalism itself is a broad topic, a selection

of three specific movements under environmentalism has been made which bear close resemblance to our topic at hand. These include the environmental movement, the ecological modernization, and the organic movement. Theories for these movements will be referenced to later in the thesis when discussing a model for consumer-driven CSR.

3.1. The Environmental Movement

The environmental movement is defined as a diverse scientific, social, and political movement for addressing environmental issues concerning the conservation as well as improvement of the environment (Feel Friendly, 2010). It is an international movement that is spearheaded by a large variety of national and international organizations and the movement itself varies largely from country to country. In a research study, the environmental movement is defined as an “expression of public interest in the environment as demonstrated most clearly by participation in voluntary associations” (Sills, 1975). Some authors also refer to such a movement as the Ecology Movement (for example Munson, 1972) or a New Conservation Movement (for example, Robinson, 1969, and Fleming, 1972). However, the literature diverges into two main types of environmental movements which are the preservationist (New Conservation Movement) and the Utilitarians (Ecology Movement) (Sills, 1975). According to Sill’s 1975 research, preservationists are primarily interested in conserving the natural environment by keeping it safe for man, therefore in this paradigm man is not allowed to alter the environment. The utilitarians on the other hand do not postulate against environmental alteration by man, but in fact promote a *wiser* use of the environment through proper governance mechanisms and sustainability check and balances (Morrison et al., 1972).

Unlike most management accounting or strategic management movements, the evolution of environmental movement was episodic. This means that the movement did not begin in one instance, with one company or one country and disseminate to another, but that it stemmed from local movements in different countries at the same time or at different times for similar or dissimilar reasons (for example, water pollution, smog, deforestation or hunting) (McCormick, 1991). This individual beckoning turned into small coalitions, which resulted in a nation-wide movement which in turn wheedled the multinational movement (McCormick, 1991). Therefore, it is very difficult to specifically pin-point one instance that led to the development of such a mass movement.

Despite the differences in the reasoning behind the movement or the location from which it stemmed, there were however, certain characteristics common to all such movements that are the defining reasons for small environmental coalitions turning into a broader mass movement. These are defined by author John McCormick in his 1991 book on global environmental movement to be;

- progress in scientific research
- a growth in personal mobility
- the intensification of the industry
- the spread of human settlement
- broader changes in social and economic relationships

Although, as mentioned, with episodic movements it is difficult to specify an exact starting point, broadly speaking, many researchers point to the participatory surge of the 1960s as the condensation phase for the recent environmental movement (for example, David Sills, 1975 and John McCormick, 1991). One author points to the conservation campaigns and public health campaigns and resulting NGOs of the nineteenth century as the legitimate origins of the environmental movement (Rootes, 2008). Sills (1975) also presents a number of reasons as to why the 60s are appropriated as the origins for environmental movement. He points to the testing of nuclear devices earlier in this decade and the resulting fear of the radioactive fallout within the masses which led to the broad awareness for members of the society that scientific and technological advances, though beneficial, may also have extremely damaging impacts on human lives (Sills, 1975). Furthermore, the decade saw a hike in various protests and sit-ins involving different kinds of environmental concerns. For example, in her 1962 book *Silent Spring*, author Rachel Carson introduced the masses to the detrimental impact of DDT pesticides on the environment as well as human life, which led to mass protests by the public, seeking to ban the use of DDT in agriculture. Another research points to the civil rights and antiwar protests in this decade leading to a better understanding of how to effectively demonstrate an idea in a social protest (Schnaiberg, 1973). Yet another research points to the celebration of the first ever Earth Day in 1970 as a historic event that further concretized the growth of the environmental movement (Lowenthal, 1970). Furthermore, this decade is also credited with exhibiting many early institutional and regulatory successes for the environmental movement.

In this decade, United States was on the forefront of regulatory pinnacles for the environmental movement. The country passed two landmark federal bills in its assembly with seemingly little opposition from the members: The Environmental Policy Act of 1969 and the Environmental Quality Improvement Act of 1970 (Rootes, 2008). Several incidents in Europe before and during this golden decade led to a solidification of the environmental movement. In 1952, Britain witnessed the devastating Great London Smog which killed thousands of citizens and forced the UK to adapt its first ever Clean Air Act in 1956 (Vidal, 2013). In Windscale, a town in Northern England, the first major nuclear accident took place in 1957 (Reuters, 2015). The first major oil leak for Britain occurred in 1967 when the supertanker Torrey Canyon suffered technical errors and collided against the coast of Cornwall (Reuters, 2015). The resulting pollution wiped out almost all of the marine life along the said coast.

The devastation caused by all these disasters was not only colossal due to its environmental impact but also due to the economic impact for governments. Finally, due to pressure from the public, as well as governments of developed countries, several policy frameworks were established during or after this decade to counteract the environmental destruction, act on disaster prevention and control pollution. The United Nations (UN) decided to convene its first ever major conference on environmental concerns that included both government and private-organizational representatives from a variety of countries (UNEP, 1972). This conference was held in Stockholm in June, 1972 and the outcome of the conference was to establish the Environmental Secretariat (currently headquartered in Nairobi, Kenya) to care for environmental issues (UNEP, 1972). Taken from the proclamation as part of the conference proceedings are the words that helped solidify the mass environmental movement; “The protection and improvement of the human environment is a major issue which affects the well-being of peoples and economic development throughout the world; it is the urgent desire of the peoples of the whole world and the duty of all Governments.” (UNEP, 1972)

In the 1980s, the green parties that were created in the previous decades finally began to observe some success in mass following. Their following was solidified as the world watched in horror the breadth of environmental destruction resulting from the Chernobyl Nuclear meltdown in Ukraine in 1986 (Vidal, 2013). Further environmental incidents in Europe and around the world led to further acts and regulatory agreements to control the destruction. In 1992, UN adopted the Agenda 21 in a summit held in Rio de Janeiro. In 1997, the Kyoto Protocol was created and adopted by several countries in order to curb the greenhouse gas emissions. With the formation

of the European Union, the Union's formal environmental policy was founded by the adaptation of the first five-years-environmental programme which was developed by the European Council (EC) for all its member states (European Environmental Agency, 2013). However, starting from the early 2000s, the environmental policy concerns have gotten overshadowed by a focus on energy security, globalism and terrorism (European Environmental Agency, 2013). Despite the mass following and regulatory changes, environmental concern has once again taken the backseat in world affairs.

Through the development of environmental movement into the movement we see today, it is clear that the movement started out as small groups of individuals distressed by the environmental destruction taking place in the society (for example, oil spills, air pollution, deforestation and etc.), decided to protest against it and this protest resulted in large regulatory changes through institutionalization. In this respect, the concept of environmental movement is an important resource for studying consumer-driven CSR. Specifically, the way the practice-based concepts behind the environmental movement got institutionalized as federal acts, bills, constitutions, policies, agendas and protocols, is precisely what is required by consumer-driven CSR to ensure the supply of credible CSR from firms.

3.2. The Ecological Modernization

The concept of ecological modernization stems from the 1980s and 1990s research effort by a relatively small group of environmental social scientists, researching specifically within the paradigms of politics and sociology (Murphy J. , 2000). In his 1995 research, Mol argues that for his research work in promoting the idea that “environmental problems may be addressed by superindustrialization”, Joseph Huber ought to be acknowledged as the father of ecological modernization. Superindustrialization is defined as addressing the environmental problems by transforming the production processes through the development and application of increasingly sophisticated technology (Huber, 1985). Huber also believed in his research that in order to achieve the best results from superindustrialization, government intervention must be at a minimum. We can define ecological modernization as a social scientific argument which posits that economic (or industrial) development and ecological crises can be reconciled to develop a new model for the capitalist economies (Gibbs, 1998). Similarly, another researcher argues that the capitalist economy will most definitely benefit from a move towards environmentalism due to its reconciliatory nature (Hajer, 1995). The theorists under this paradigm hypothesize that

due to the inherent competition among capitals, under certain political conditions, it is possible to achieve sustainability and renewability in the production processes as well as the consumption of final goods, and that capitalism provides for a flexible institutional element to permit the promotion of sustainability (Buttel, 2000). The concept has been gaining popularity in academics, and most conference proceedings and recently published articles mention ecological modernization as an important theme (Gibbs, 1998).

Despite its apparent success as a concept within environmentalism, it has several well-grounded criticisms that most researchers have failed to respond to. The most important of these criticisms is that ecological modernists fail to explain precisely how the environment will be protected since capitalist economic mode of production focuses on low costs and production efficiency and thus contains an inherent impulsion towards environmental destruction (Foster, 2002). Another group of critics discusses the usefulness of technological advancements alone to guarantee environmental protection, particularly when the development and adaptation of production technology is at the mercy of self-regulation by businesses in non-regulated, competitive markets (York & Rosa, 2003). York and Rosa specifically point out to two instances where the idea of sophisticated technological advancements to protect the environment fails. The first of these is that many of the technological improvements prevailing in the industries today are extremely feasible when it comes to protecting the environment but often a times not widely used due to the costs associated with them (York & Rosa, 2003). Specifically, when a firm must compete with others in the market and its competitors choose not to use the environment friendly technology, the firm in question will have no motivation to adapt the high cost technology for itself. In the second instance, ignoring the economic impact of using such technology, in several cases it is also not feasible to adapt such technology due to the complexity resulting from it as well as the backlash from existing employees who might be naturally change-averse (York & Rosa, 2003). In such cases, government intervention in the form of industry wide regulations might be extremely helpful, but according to the father of the concept, Huber, such intervention must be kept minimal. This presents as a contradictory dilemma within the concept itself. Another major criticism is its possible lack of applicability to developing countries since almost all research within this area has only been done in a few North European countries (for example, Germany and The Netherlands) and in the US (Fisher & Freudenburg, 2001).

In spite of these criticisms, this topic remains important to the study of consumer-driven CSR due to its focus on choice of production technology and economic feasibility in the *supply* of sustainable growth and development.

3.3. The Organic Movement

The United States Department of Agriculture (USDA) defines Organic Agriculture as; “Organic agriculture produces products using methods that preserve the environment and avoid most synthetic materials, such as pesticides and antibiotics. USDA organic standards describe how farmers grow crops and raise livestock and which materials they may use. Organic farmers, ranchers, and food processors follow a defined set of standards to produce organic food and fiber.” (USDA, 2015)

Organic movement itself may be defined as a broad movement involving many different players (both at an individual as well as organizational level) that are committed to the global promotion of organic agriculture and organic products (Browne et al., 2000). It is important to note here that until the 20s, generally all agriculture was already organic. It was with the technological and scientific advancements following the second world war that agricultural methods drastically changed (Vogt, 2007). Although there were smaller changes to natural farming practices as far back as the 1800s, for example, when Justus Von Liebig in 1840 developed a theory for mineral salt plant substitution (Lockeretz, 2007). In 1910, chemists Fritz Haber and Carl Bosch developed a cheaper ammonia synthesis process for manufacturing explosives. After the war ended, this process was implemented in the manufacture of ammonia based fertilizers for farming purposes (Lockeretz, 2007). The more drastic changes to farming methods came with the development of DDT in 1939 by Paul Muller. DDT was a new class of chlorinated hydrocarbons-based insecticide that was created for eliminating pest problems (Nobel Media, 2014). Since then, the use of chemicals in agricultural practices has become commonplace. Worse still was the concept of mutation breeding that was developed in the 1930s to genetically alter the structure of seeds and fruits to create a better and more resilient race of vegetation, which, research also shows, can be extremely detrimental to the health as well as the sustainability of various species of fruits and vegetables (Schouten & Jacobsen, 2007).

The modern organic movement initiated in the 20s, together with the technological development in agriculture leading to industrialized culture. The movement developed due to a group of farmers unwilling to adapt modern technological innovation, promoting the age-old 'pure' methods of farming, as well as many consumer groups seeking alternatives to the industrialized agricultural products (Vogt, 2007). In Britain, as well as several other European countries, the movement gained momentum from the 40s onwards (The Organics Institute, 2008).

In her book, *Go Natural*, author Dr. Esther Lok writes that, "The 'be natural' approach of the 1960s and 1970s, the growing consumer interest in health and nutrition, the growth of the green movement, the focus on conservation and environmental issues stimulated the development of the organic market and encouraged farmers to adopt organic methods. The organic movement had sprung directly from the customers' demand as they became sick of the health hazards associated with the use of chemicals in food and household products." (Lok, 2011)

Due to the development of this mass movement from a handful of farmers who were able to impact consumer demand starting with merely a few individuals to mass following, which eventually led to the institutionalization of industry standards in the field of industrialized agriculture, it is an important topic for the study of consumer-driven CSR. Consumer-driven CSR is not only expected to bear similarities in terms of its movement from individual demand to mass demand to supply of requested sustainable development or CSR practice, but also in the identification of effective strategy for the suppliers of CSR to create such a demand.

To summarize, this literature review for comparable topics shows us the path similarities between the various movements identified and what is expected of a consumer driven CSR model. It is assumed that in the case of a consumer driven model, the demand will come initially from a few consumers which group up to create a mass demand that puts pressure on the state as well as the relevant firms in an industry to modify practices and engage in better CSR initiatives. We see the same path undertaken by the movements discussed above, which makes these movements similar to consumer driven CSR. These movements have been researched on in detail and several theories and frameworks exist already to describe the creation of this demand and supply process which can thus be used for this thesis. Specifically, we find that literature on the environmental movement aids us in understanding the process of institutionalization of certain regulations and standards due to consumer demand or the impact

of institutionalization on consumer demand for action. Environmental movement also helps us understand the creation of a mass movement due to similar prevalent social concerns. Ecological modernization helps us understand the supply of relevant action to cater to broader social concerns, while also bringing up the question of credibility on the firm's part due to the inherent contradictions present in the theory itself in terms of use of production technology. Finally, organic movement is found to be extremely helpful in understanding how the suppliers can modify demand on a large scale to ensure industry wide sustainability. Theories from organic movement thus help us understand the effective firm strategy that can be utilized to ensure a successful implementation of a consumer driven CSR model.

4. Methodology

For the purpose of this research, a “library-based” analysis, or in other words a theoretical analysis, was used by conducting a thorough review of existing literature on easily comparable topics in order to draw parallels with consumer-driven CSR. This particular research methodology was selected not only to complement the conceptual nature of this dissertation, but also because existing literature on a concept close to a model for consumer-driven CSR was scarce at best. Most papers discuss the social scientific or social psychological aspect of consumer behavior towards CSR (for example, Matten & Moon, 2004; Jahdi & Acikdilli, 2009; Pedersen, 2006), the financial or market performance of the firm as a result of CSR (for example, Tang et al., 2012; Peloza, 2006; Margarita, 2004), the social science of mass movements and protests regarding environmental issues (for example, Tarrow, 1988; Jenkins, 1983; Kitschelt, 1986), the values, beliefs and norms of individuals and groups that lead to a drive for environmental or industry wide change (for example, Stern et al., 1999; Groves & LaRocca, 2011; Hemingway & MacLagan, 2004) or case-based researches into why and how a firm supplies CSR (for example, Castka et al., 2004; Pomeroy & Dolnicar, 2009; Bondy, 2008). The still nascent research on consumer-driven CSR only discusses a circular model of meeting consumers' demand for CSR and firm profitability (Claydon, 2013). An approach towards constructing a holistic model that explains the movement from individual demand for credible CSR, towards a mass demand that leads to the supply of credible CSR by a firm is a completely new concept in this area of research.

As previously discussed in the literature review, the research area found closest to consumer-driven CSR was Environmentalism. As is detailed in the literature review, many factors in the environmental movement are similar to what is expected to be found in consumer-driven CSR movements. For many of these movements, for example Ecological Initiative, Organic Farming, Anti-Fracking, Anti-Pollution, Recycling and etc., the actions were largely propagated by individuals with a sense of responsibility towards the environment or the availability of finite resources for future generations. These individual movements cumulated into broader mass movements and protests in various countries, resulting in the eventual government regulations and industry standards that we see being practiced today. There can also be found examples in the literature of many firms that actively participated in furthering these causes and mass movements through sponsorships, sharing of resources, awareness campaigns, first mover strategies leading to industry standards or partnerships with various institutions.

A difference however is that, whereas it might be easier to bring about mass regulations and standards for acts that individuals and the state is responsible for and can thus easily mandate, it is a far more complex process to have credible CSR supplied by firms on a mandatory basis or at least have the CSR activities in a particular industry standardized and regulated. This is because at the end of the day, a firm's executive management are employees of the firm's owners and their first and foremost duty is towards their employers. Shareholders of the firms seek profit maximization on their investment into a firm's resources and capital. CSR activities, although a major expense on the firm's balance sheets, does not directly impact the firm's bottom line or guarantee an increase in the firm's profits. The movements that culminate into industry standards for CSR activities within an industry must therefore also include an element of promoting such activities to the firm's owners and ensure that they are in complete support of the credible CSR being demanded. If not, shareholders are within their legal rights to ask the business managers to focus on profit maximization, while ignoring all aspects of CSR or duty towards the society. In other words, shareholders require appropriate levels of motivation to pursue CSR or supply CSR to meet the consumers' demand. An example to illustrate this difference could be in the form of organic food movement where farmers initiated awareness campaigns for the health risks of chemically or biogenetically enhanced food, and masses soon rallied towards this cause to have better food safety standards implemented (Lockeretz, 2007). Compare this to a mass movement where people expect a firm to engage in building recreational facilities, that may or may not be directly related to its core products and services, because of

its operational status within the society. However, such philanthropic activities may cost the firm earnings that can otherwise be transferred to its shareholders, which is their legal right so to speak and therefore such activities can be vetoed down by the owners of the firm. In such cases, it is necessary for the shareholders to see either some benefit of investing into CSR practices or costs larger than the earnings that they pocket if CSR is not practiced.

In addition, there is the question of credibility. Despite individual or mass demand for credible CSR, what actions on the firm's part will ensure this credibility in their claim that their products and services are socially responsible and sustainable in the long run. In reality, whereas the companies draw an extremely positive image of the CSR activities and sustainable practices they are following, they also tend to hide the negative information from the public. This leads to a large credibility gap between what is expected of the company, what it reports to the stakeholders and what it actually practices. Reporting standards such as GRI or 3BL are largely optional for firms and not regulated or mandated by the institutional environment. And even if a company chooses to use one of these reporting standards, they are structured in a way that firms can pick and choose what to report on and how to report on the aspects and what not to disclose. For example, an oil exploration company may choose to report on the investment it has been making in the society to build schools and parks or health facilities for those who cannot afford them. But they may also choose not to disclose at all the information on the adverse health effects of methane gas for their field workers that are working on the oil and gas drilling platforms. This presents a far more positive image of the firm to the public than is the case in reality.

Therefore, the research papers and theoretical frameworks that have been selected to build the model of consumer-driven CSR in this thesis, draw mainly from researches on individual and mass movements that led to environmentalism, research papers that discuss the supply of credibility in the firm's CSR activities and reporting, and research papers that might help explain the difference in the individual and group dynamics when the movement is not for broad societal environmental sustainability but for certain firms that must at the same time work toward their employer's goal attainment. A large number of publications were studied for this research in order to provide a most holistic model based on all major existing relevant theories on each aspect of the proposed model. The choice of theories and publications for the model was made with respect to the applicability of the theory within the framework. First of all, theories were selected based on their citations and impact factor. Only the most cited and most

practically applicable theories and frameworks, where further research had been conducted to study the applicability and effectiveness in the corporate world, were selected. This was done in order to gauge the practical impact of the theory since this thesis tries to apply theory to a corporate sector as well and chances of success of model in the practical world are greater if the theories constituting it have been proven to be successful practically as well. Therefore, the selected frameworks, for example the resource theory, values-norm-beliefs theory, and means-end model have all been cited extensively in complementing researches and there have been many attempts to apply these frameworks in the corporate world or test the effectiveness of these frameworks in a practical setting. The theory for the supply side was selected based on its relevance to both the strategies for supply of CSR and ensuring credibility of the supplied CSR. Since most literature on credibility points to marketing strategies to ensure credibility for consumers, it made sense to use a theory that used marketing as part of the supply strategy.

The model also includes the impact of culture and the institutional environment and these have been discussed using the most recent and relevant theories or frameworks whose usage have become standard practice in most research papers containing such a discussion. Once again, the relevant frameworks were selected by their impact factor, citations, and proven effectiveness in the corporate world. For culture however, there are many excellent models that exist currently for example, Hofstede's dimensions, Trompenaars model and the GLOBE study. In CSR literature however, a large number of hypothesis testing and case research has been found for the Hofstede dimensions. Furthermore, research based cultural characteristics for Norway in CSR literature were found to be more easily adaptable to the Hofstede dimensions due to their broader nature. Under Trompenaars model or GLOBE study, such broad characteristics might have come under multiple dimensions that may have opposing impacts on a country's tendency to demand CSR. Therefore, Hofstede's model was selected to discuss the case of culture. Institutional theories were selected on the basis of existing research within the CSR domain. These will be reviewed in detail in the relevant sections.

Furthermore, it was assumed for the theoretical model that culture and institutional frameworks within a country are stable elements for longer periods of time. Cultural stability is an assumption in Hofstede's research while Trompenaar's model (Trompenaar & Turner, 1997) and Globe study (House, 1991) may have treated culture as dynamic, but agree that the changes come after a very long period of time. Institutional theorists in management accounting research (for example, Model, 2012; Yang & Modell, 2013; Burns & Scapens, 2000; Lounsbury, 2008)

all also assume that the institutional frameworks are generally stable within a country, in that their purpose of creation will remain the same for very long periods of time with changes only in how these services are executed. For example, a hospital's primary function is always to service human health or a legal institution's purpose is always to introduce and uphold law and justice within a society. Assuming that these two elements remain very stable in the long run, these factors have been treated as *external* to the model, in the sense that it is very difficult to change these factors but they have an important impact on and help shape most of the other elements within the model. The only exception is the firm's impact on institutional environment where it is not assumed that the institutional environment itself is being changed, but rather that firms may partner with the institutional environment to further their own objectives.

The other aspects of the model, such as the individual consumer demand, the mass demand, and the supply of CSR from the firms have been treated as *internal*, in that they change readily due to various reasons and can easily be impacted and modified to suit a particular purpose using a mix of pricing and promotional strategies as well as a sense of social concern.

Whereas the theoretical model is largely based on literature review, the discussion section is based on document analysis and existing case analysis for several firms that employ a number of strategies to promote something similar to consumer-driven CSR. This section will also include effective firm strategy to drive the consumers to demand for CSR related changes and use examples of commonly known firm practices to better explain how the strategy can work in real life application. Therefore, this section will also include strategies not entirely based on existing academic literature, but presented as proposed solutions from industry practices and experience.

Finally, in order to make the model and firm strategies better understandable in the practical setting, the example of Norwegian fish farming industry has been used. The choice of Norwegian fish farming industry as a case for this thesis comes naturally due to Marine Harvest being the inspiration behind the research question itself. During a review of literature on this industry, it was observed that other companies within this industry are open to collaboration and clearly feel the need for a consumer-driven CSR model to be applied across the board. Claims by most of the larger companies operating within this sector (which have a combined majority of market shares) are found to be quite similar to one another. These companies are naturally driven to conduct sustainable business practices and to better develop these

sustainable operations. Furthermore, the presence of environmental and sustainability issues within this sector also allows for a deeper study of the implementation of CSR practices, whether consumer-driven or otherwise. The sector in general is also rather proactive in the case of CSR and actively teaches its customers the impact of non-sustainable practices on the environment. Companies within this sector have all at some point or another expressed the desire to better educate its customers regarding the environmental concerns from competing protein sources or issues of sustainability that plague the broader food industry. Most companies also strive for legitimacy from the institutional environment by opting for memberships to regulating bodies and certain reporting standards. This is being done to ensure credibility in their sustainability claims. Given this industry's inclination towards CSR and sustainable practices and its desire to ensure that consumers demand the same, it makes perfect sense to use this industry as a case in point. Furthermore, this industry has been ridden with many sustainability issues in the past which makes it easier for consumers to demand CSR in this sector. In this respect, the Norwegian fish farming industry is used as a case for two purposes: 1) to better understand the model with a practical example of consumer demand of sustainability in terms of aquaculture and environmental protection as well as a practical example of a group of firms supplying such CSR, and 2) to aid the industry itself by devising a strategy plan using the base model where firms within this industry can incur certain actions to positively impact individual consumers or the society as a whole to demand for credible CSR.

Each aspect of the model as well as the resulting firm strategy has been discussed using the sustainable aqua culture case in Norway by using press releases, research papers, news articles, books, fact sheets and campaign material released by the academia, state, the industry and the firms operating within this particular industry. In order to ensure the accuracy of the information presented on the Norwegian fish farming industry, literature from regulatory bodies and NGOs has been used to confirm the claims of sustainable practices and the firms' adherence to their promise of CSR. Most companies studied within this sector are also publicly listed companies that are also legally required to disseminate credible information to the public and this information has been further certified for credibility by the accounting firms. Furthermore, GRI reports for member firms and their rankings were also used to confirm the validity of the CSR claims made by the firms.

5. Theoretical Model

In this section, a theoretical model for consumer-driven CSR has been presented, based on existing literature and theoretical frameworks on environmental movement, organic movement as well as ecological modernization. Specifically, this model portrays a firm as a passive player that simply supplies CSR that is demanded of it. It is a simple bottom-up model with two perspectives: demand perspective (both individual and mass demand) and supply perspective (of firms). The model also discusses the impact of external factor such as culture and institutional framework. This model is presented as a complex pyramid, starting with individual level demand for credible CSR which results in mass movements and group or public demand for credible CSR, which finally forces supply from the industry.

5.1. Demand Perspective

In the demand perspective, there are two types of demand that are explored. The first of these is the individual level demand that is demand of individual consumers for sustainable products or for CSR initiatives by the firm. The individual level demand itself is made of two characteristics. The first are the personal values, norms and beliefs of the individuals which tempts the person to buy sustainable (and perhaps more expensive) products or demand to see CSR initiatives such as recycling efforts by the companies. The second is the move towards the demand for credibility in a company's CSR actions and communications through a shift in perceptions. If more and more individuals demand to see similar types of CSR actions in the society, it may lead to a coalition or grouping of individuals into a mass movement or social protests. This constitutes the group level demand in the model. It comprises of three components which are the group characteristics for promotion of public support, the demand for public action which could help further the demand for credibility in CSR. Finally, we have the creation of a mass demand in the form of public protests and public support groups. Various different theories and models have been selected to discuss each of these components and an interplay of these frameworks results in a coherent demand perspective model.

5.1.1. Individual Level Demand

In economics, individual demand is defined as the demand of a commodity, good or service, or the desire of a single consumer to have such a commodity and his willingness to pay for it

(Hildenbrand, 1994). Using this definition, we can formulate a definition for the individual demand for CSR as a single consumer's desire for sustainable, environmentally friendly or CSR products and services and his willingness to bear the extra price associated with the provision of such products and services. In order to generate such a demand, it is important first and foremost for the individuals being assessed to possess a certain affinity for CSR actions. This affinity can be gauged in terms of the individual's personal values, his belief system as well as his moral norms. His willingness to pay for the provision of such goods and services must come from his perception of the importance of the product or service compared to the sacrifice he must make to bear the extra cost. Finally, merely demanding the provision of these so called CSR products and services is not enough if there is no credibility of the providing firm's motives. It is possible that a firm supplying CSR might actually not be providing what it is communicating to its customers as environmentally friendly or sustainable. The question here is then that how the customers can receive an assurance on the credibility of the firm's word and the social quality of the products or services it is providing as well as how does this credibility further impact an individual's demand. The relevant literature behind the individual level demand framework is discussed as follows;

5.1.1.1. Personal Values, Norms & Beliefs

For any movement to be successful, it is important for individuals to be able to relate to it on a personal level. Individuals that accept a movement's basic values in effect believe that the values are being threatened and that certain actions on their part can help restore such values (Stern P. , Dietz, Abel, Guagnano, & Kalof, 1999). Often a times, these values may also be conflicting with the values and predispositions of the individual. In such cases, for a movement to gather momentum, it is important that an individual reforms his values or changes his behavior in alignment with the movement (Stern P. , Dietz, Abel, Guagnano, & Kalof, 1999). An individual's personal values, moral norms and beliefs thus play an important role in predicting whether or not he will opt for the movement and support it. Personal moral norms of an individual as well as his values towards altruism are important determinants of the support to a movement because unlike other movements, individuals are required to act on the movement's principles instead of their own self-interests (Stern P. , Dietz, Abel, Guagnano, & Kalof, 1999). In many instances, individuals may not have self-interest in seeing the movement succeed due to the personal sacrifices that they are required to make in the form of for example, higher taxes, higher price per unit, accepting affirmative action plans and so on. Further, it is

the personal moral norms that are in focus here and not the social norms. This is due to the fact that any movement requiring broad level societal changes is in itself against the prevailing social norms of the society (Stern P. , Dietz, Abel, Guagnano, & Kalof, 1999). However, if an individual's personal norms are in line with those proposed by the movement, then the movement is likely to garner support from the individual. In fact, several researchers point to the importance of reshaping personal norms in order to create an *obligation* for the individuals to act in the face of a social movement (Johnston et al., 1994; Dietz et al., 1989; Snow et al., 1986). In his 1977 paper, Schwartz presents the importance of personal norms and altruistic values in the form of his famous *Moral Norm-Activation Theory*. This theory posits that individuals who hold altruistic values are more aligned with the social movements such as those concerning the environment or a CSR action (Shwartz, 1977). It also emphasizes the importance of realizing the Adverse Consequences (AC) for other people, perhaps even for generations to come, if such a movement were to fail (Shwartz, 1977). This is at the heart of the altruistic value, since people with such a value care deeply for the wellbeing of others, for example they are likely to care for the negative consequences of non-renewable energy and pollution on other people in the society as well as on future generations. Finally, the theory postulates that norm activation itself depends on the ascription of responsibility (AR), in simpler words it relies on the guilt that individuals feel over their actions significantly helping produce the negative consequences (Shwartz, 1977). In such a case, individuals believe that because their actions created certain un-desirable results, a change in actions is required to fix the situation. Stern et al. in their 1999 publication use this theory and generalize it further to say that norm-based actions such as support for social movements come from three distinct stages. The first is the acceptance of particular beliefs held dear by the movement in question. The values associated with the movement and required of the individuals may not just be altruistic values, but also other values underlying the moral norms (Stern P. , Dietz, Abel, Guagnano, & Kalof, 1999). The second is the realization that such values and beliefs are under threat from current social actions and must be changed. The theory generalizes the AC for negative consequences against all objects and values related to the movement, and not just the altruistic values (Snow, Rochford Jr., Stephen, & Benford, 1986) (Stern P. , Dietz, Abel, Guagnano, & Kalof, 1999). Finally, it assumes that actions do not only come from the belief that one's own actions contributed to the negative consequences but in fact a feeling of obligation regardless of one's part in the creation of negative consequences (Stern P. , Dietz, Abel, Guagnano, & Kalof, 1999). Individuals must feel responsible for the environmental destruction regardless of whether or not they were a part of it, only then can personal norms be reshaped to create support for an

environmental movement. Snow et al. (1986) discuss that the most successful commitment to movement by individuals occurs when such movements amplify the needs of those values that already exist in the individual. This creates for a better relationship between the individual and the broader movement. The empirical evidence for the theory of moral norm activation and hence the generalized theory of norm activation comes from several researches focusing on a large variety of pro-environmentalist behavior and actions (Black, 1978; Van Liere & Dunlap, 1978; Widegren, 1998; Stern et al., 1995).

Additionally, Stern, Dietz and Kalof (1993) also introduce three types of value orientations that are important for environmental movements. These are self-interest, altruism towards other humans, and altruism towards other species and the overall biosphere (Stern, Dietz, & Kalof, 1993). In his 1992 research, Merchant also supports the distinctive nature of these three values and their importance for environmental movement commitments by individuals. Empirically however, a distinction between altruism towards humans and altruism towards other species and biosphere has not been observed at least for the US samples. However, Karp (1996) supports the notion that the distinction might be easier to observe in extremely environmentalist population in European countries, particularly that in Scandinavian countries. These three values also correspond with the values presented by Schwartz in his research which are self-enhancement (relating to self-interest) and self-transcendence (relating to altruism towards humans as well as towards other species and the biosphere) (Shwartz, 1977). Two more values that are central to the success of environmentalism have been described by Schwartz to be conservation (traditional) values and openness to change (Shwartz, 1977). The empirical value of the effect of these values has also been presented by Stern et al. in their 1995 paper.

Dunlap and his colleagues also propose a NEP (New Ecological Paradigm) scale in association with their belief that human actions have a substantially negative impact on the biosphere. The scale measures the broad beliefs regarding the biosphere as well as the impact of human action on it (Dunlap, D., & Liere, 1978).

I believe that the idea of moral norms, values and beliefs is central to movements demanding CSR as well since many of the CSR movements require social changes or environmental conservation in line with the research conducted for environmental movements. Individuals must believe in the impact that CSR initiatives have on their environment, that a lack of such initiatives leads to further negative consequences and that their demand for such initiatives by

various companies will result in better societal and environmental conservation and protection. These beliefs may be supported by values of self-enhancement or self-transcendence and may result from an individual's openness to change in the existing societal norms or from an individual's conservation values that the environment must be kept as is for the future generations to enjoy the same output from it as the present generation. A study of an individual's personal values, norms and beliefs can help give us a fair idea regarding whether such a person will demand CSR. An individual who is not motivated by self-enhancement or self-transcendence for example, or one who is not open to changes in the existing social norms, may not want to demand CSR as much as other individuals.

In the case of Norwegian fish farming industry, individuals must believe that eating beef or lamb, opting for poultry based protein source or even choosing to eat traditionally fished sea food is destructive to the environment due to the pollution or destruction of natural sea life habitat. This must be coupled with their belief that if they demand for farmed fishes instead (openness to change), which are carried out in an increasingly sustainable manner, then it could help reduce the pollution and environmental destruction (conservation), safeguarding the natural fish habitats (altruism towards other species and the biosphere), not only for the current generation (self-interest) but also for future generations (altruism towards other humans). Hence, we find a value under threat (i.e. environmental preservation and conservation for future generations as well as the safety of sea life), an understanding that certain actions by individuals can help change it (i.e. demanding sustainably farmed fish instead of beef, lamb, poultry or traditionally fished seafood can help solve the problem), and finally a responsibility to act (for example, if we don't act on it now, we might lose natural fish habitat for future generations, which in turn might also cause the extinction of other species dependent upon fishes for food).

5.1.1.2. Consumer Perception on Willingness to Pay

In order to describe consumers' perception to actual purchase of CSR or sustainable products and services, the model by Zeithaml (1988) has been used. This model is an adaptation of a framework first proposed in 1985 by Dodd and Monroe. The model discusses the purchase behavior of consumers using relationships with concepts like price, perceived quality of the product or service as well as the perceived value from the purchase (Zeithaml, 1988). Quality can be described broadly as excellence or superiority in a product or service (Dodds & Monroe, 1985). Likewise, perceived quality is 1) different from the concept of actual or objective quality,

2) a higher level abstraction rather than merely a specific product attribute in that it is the humanistic perception to an attribute of the product or service or the emotional payoff to the functional attributes of the product or service, 3) a broad assessment that may resemble an attitude towards the product or service, and 4) a judgement on the product or service attributes usually made within the consumer's self-educated set (Zeithaml, 1988). The model is as follows;

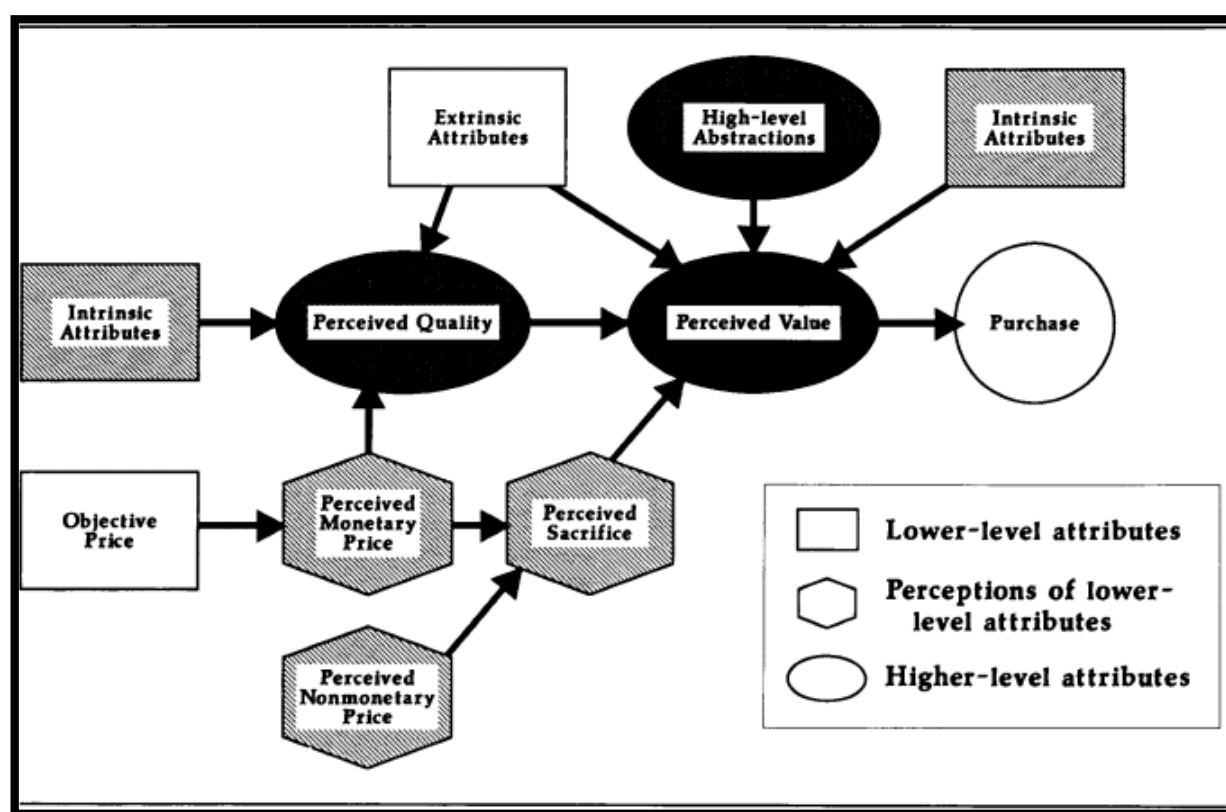


Figure 2: A means-end model relating price, quality and value. Retrieved from Zeithaml (1988).

According to the model, the final purchase decision by the consumer is related directly to the perceived value of the product or service in question which has several driving forces such as the intrinsic and extrinsic product or service attributes, the perceived quality dimension as well as the price (Zeithaml, 1988). The model starts with the actual or objective price and attributes related to the product. In the case of fish farming, this would be the objective quality of the farmed salmon vs. the naturally fished salmon as well as the price differentiation between them. This would then translate into an individual consumer's perception regarding the higher price of farmed salmon or the perceived quality and value of the farmed salmon. For example, an individual might believe that it is justified to pay a higher price for the farmed salmon due to its positive impact on the environment. This translates into the perceived sacrifice. In our case, the consumer might feel that the sacrifice on his part in terms of higher price is not as much as

the perceived value from the farmed salmon in terms of the sustainability and environmental impact. The extrinsic and intrinsic attributes of the product itself will also directly impact its perceived quality and value. In our case, the consumer might feel that the farmed salmon is softer and has better texture of flesh or skin or cooks well as opposed to its naturally fished counterpart. This would result in him having a higher perceived quality and thus higher value for the farmed salmon. The consumer might also feel that farmed salmon is safer to consume because of the way the fish is farmed and genetically enhanced such that it has a lower probability of incurring diseases and infections as compared to the traditionally fished salmon. This will also help give farmed salmon an edge over the naturally fished salmon in terms of perceived value. The consumer will make the final decision with respect to the perceived price-perceived quality payoff or in other words the perceived value. Here, perceived value is actually the perceived quality less the perceived price of the product or service (Zeithaml, 1988). If the perceived value of the product e.g. farmed salmon is high enough, the consumer will choose to consume farmed salmon over naturally fished salmon. Therefore, in order to bring about any changes in individual demand of a product or serviced, the means-end model discussed here provides an important conceptual framework of the factors that lead to demand and eventual purchase and/or consumption of a product that can also be changed to imbue reformed demand from individuals.

The higher level abstraction dimension in the model relates to Young and Feigen's (1975) depiction of the *Grey Benefit Chain* which demonstrates how a product is linked through a chain of benefits to the final perceived emotional payoff.

Product → Functional Benefits → Practical Benefits → Emotional Payoff

In our case, the product is farmed salmon. The functional benefits could be better texture or healthier protein source. Practical benefits from using farmed salmon could be lesser pollution due to slaughterhouses. The emotional payoff could be the satisfaction of knowing that one was not party to environmental destruction.

The perceived quality component itself is extremely important in this respect and has been shown in Zeithaml (1988) as a separate framework as well which not only includes the dimensions of perceived price and intrinsic product attributes but also includes the dimension

of *reputation* which is impacted by the level of advertising from the firm and the brand name for the product, service or company.

In the case of Norwegian fish farming, it is possible that due to the global success of Marine Harvest in terms of sustainability as compared to SalMar, the consumers attach a higher perceived quality of the farmed salmon from Marine Harvest. It is also possible that Marine Harvest has better reputation due to its high level of advertising its sustainable processes and environmentally friendly operations which also positively impact the consumer's perceived quality of its farmed salmon. The perceived quality model is shown below;

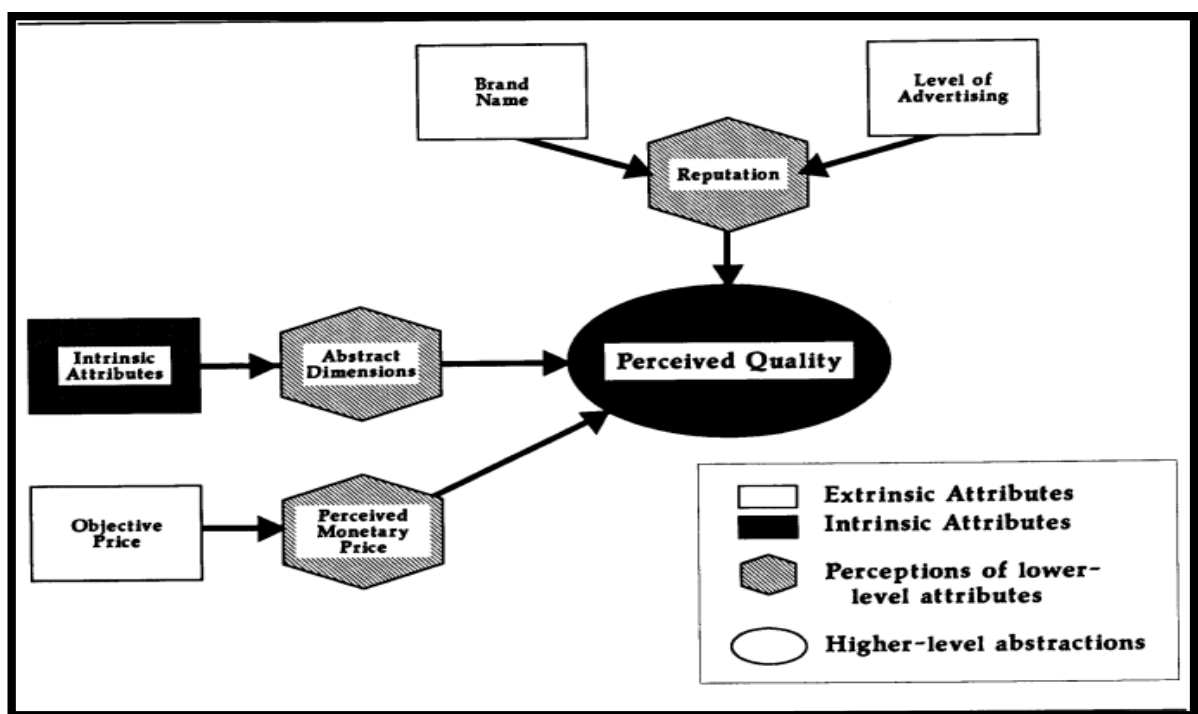


Figure 3: The perceived quality component. Retrieved from Zeithaml (1988).

5.1.1.3. Individual Perception for Credible CSR Promise

One of the most important aspects in an individual's demand for CSR initiatives is his perception of the credibility of a firm's promise for CSR. In other words, to what length does the individual believe in a firm's promise that the product or service was sustainably produced or obtained in an environmentally friendly way, or that the firm itself is engaging in CSR activities. To what length does the individual find the communication by the firm credible. A research has found that managers and consumers have very different understandings of CSR,

where managers generally acknowledge and understand the overarching concept of CSR, most of the consumers do not see CSR in its entirety because it is too large and complex for them to assess or comprehend so they distinguish different areas within this responsibility and attach different degrees of importance to them (Öberseder, Schlegelmilch, & Murphy, 2013). These different areas or factors have been defined in a Consumer Perception to CSR (CPCSR) model to be: 1) Customer domain (e.g. safe products with certain quality standards and fair prices), 2) Employee domain (e.g. decent working conditions, fair remunerations and equality), 3) Environmental domain (e.g. recycling, reduction of emissions, prevention of waste), 4) Societal domain (e.g. contribute to solving societal issues or invest in education of young people), 5) Community domain (e.g. create jobs for the people, source products and raw materials locally and respect religious and cultural values), 6) Shareholder domain (e.g. invest shareholders' capital correctly, communicate with shareholders with integrity and provide sustainability and long term success), and 7) Supplier domain (negotiate fairly with suppliers, control working conditions for suppliers and provide fair terms and conditions for them) (Öberseder, Schlegelmilch, & Murphy, 2013). Each of these factors is individually assessed by consumers for credibility based on their understanding of the factor area and what they perceive is the appropriate action on a firm's part (Öberseder, Schlegelmilch, & Murphy, 2013). Further researches demonstrate that consumers' response to CSR activities by firms also depend on the consumer's perception of a company's motives, which adds to its credibility (Ellen, Webb, & Mohr, 2006; Vlachos, Tsamakos, Vrechopoulos, & Avramidis, 2009). Ellen et al. (2006) identified three major types of attributes for consumers which are 1) Other-centered (stakeholder-driven and values-driven attributions), 2) self-centered (strategy-driven and egoistically driven attributions) and 3) win-win. Other-centered consumers see the firm as morally responsible for carrying out the CSR tasks. The self-centered consumers see companies engage in CSR only for profit or strategic motives. However, most consumers have a win-win attribute and ascribe positive feelings towards a mixture of other-centered and self-centered attributes to the firm, that is consumers value firms more if they ascribe their CSR activities to both values-driven and strategic motives (Ellen et al., 2006; Vlachos et al. 2009). In the research, it has been demonstrated that values-driven attribute positively impacts the consumers' trust and perception of credibility whereas strategic, stakeholder and egoistically driven attributes either have negative impacts on perception of credibility or no impact at all (Vlachos et al. 2009). Yet another research demonstrates that social motivation behind CSR initiatives is essential for a positive consumer response as well as increased perception of credibility whereas profit-motivated CSR initiatives have a largely negative impact on

consumers' perception of firm credibility (Becker-Olsen et al., 2006). Further adding to the credibility of the CSR promise is the type of communication used by firms to create CSR awareness among consumers. Institutional CSR communication programs offer a comprehensive approach to consumers for understanding CSR and attempt to fulfill the company's social and moral obligations (Pirsch et al., 2007). Promotional CSR is aimed at selling the product and maximizing the profits. The research finds that only institutional CSR communication programs have a positive impact on the consumers' perception of credibility (Pirsch et al., 2007). In a research, it was found that consumers specifically pay attention to two core criteria when assessing the credibility of CSR for purchase intentions; 1) information, and 2) personal concern (Öberseder, Schlegelmilch, & Gruber, 2011). Information includes the level of information i.e. the extent of knowledge already possessed by the consumers; and the type of information i.e. whether consumers perceive it as positive or negative (Öberseder, Schlegelmilch, & Gruber, 2011). If consumers do have enough information regarding the company's CSR, they will try to evaluate whether the corporate behavior can be easily reconciled with their own personal concern of the CSR issue under question (Öberseder, Schlegelmilch, & Gruber, 2011). Peripheral factors that may impact a consumer's perception of credibility in CSR activities include the company's image itself when conducting general business, the fit between a company's CSR initiatives and its core business as well as the channel of communication, and the influence of peer-groups (Öberseder, Schlegelmilch, & Gruber, 2011).

Therefore, there are many different factors that impact the consumer's credibility of CSR promise or CSR products and services offered by a firm, and different consumers may perceive this credibility differently, given the same information on the firms, due to their personal attributes and values. In the case of Norwegian fish farming, depending on a consumer's personal attributes and values associated with environmental protection, it is possible that communications by Marine Harvest are perceived as more credible as compared to SalMar that has unfortunately run into a history of sustainability issues. It is also possible that in general, consumers find CSR initiatives by the fish farming industry as credible because almost all companies hold sustainability very close to their core business values and objectives, therefore the fit between corporate values and CSR activities is definitely present. The extent of knowledge already possessed by consumers on this topic may not be very high, but this is changing rapidly due to the ground-level communication initiatives which allow for easier information to be disseminated to consumers. Most of these firms appear socially motivated to

engage in sustainable fish farming since it is a costlier process and cannot compete with traditional fish products on price alone.

5.1.2. Group Level Demand

The market demand or aggregate demand in economics is defined as the sum of all individual demand in the economy or the total amount of products or services demanded in an economy at a particular price level for a given time period (Hildenbrand, 1994). Using this definition, we can define the group level demand for CSR as the overall demand for CSR products and services in a specific geographical area for a given time period. In this section we assume that the many individual consumers demanding CSR initiatives have come together in the form of a group to put pressure on firms to comply with their demand. The very first step in creating a mass demand is creating a public protest or promoting public support to garner support of increasing number of individuals that have the same values and moral norms and expect the same behavior from firms. Also important in this respect is the next step; i.e. demand for public action for companies to create credible CSR. This demand may result in behavioral changes for the firm itself or may complement the efforts by the institutional environment to bring about such changes. As with individual level demand, the demand for credibility plays an important role on the scope of CSR and CSR communication by firms. Both these important steps have been discussed in detail in the following sub-sections.

5.1.2.1. Promoting Public Support

Promoting public support requires the introduction of a social movement for pursuit of CSR. Flynn describes social movement in 2001 as referring to “deliberate, voluntary effort to organize individuals to act in concert to achieve enough group influence to make or block changes”. According to him, instead of being participation oriented, social movements are actually power oriented which means that it is the group’s larger goal which is pursued and eventually served and not those of its individual members (Flynn, 2011).

In the field of environmental research, a lot of recent publications have been about the history of the movement, its political dimensions, and the movement’s impact on the environmental policies (for example, McLaughlin, 2000; Pellow, 2001). Some recent researches also focus on the various protest and public action strategies used in the movement (for example, Porta &

Rucht, 2002; Doyle, 2002). Barkan in his 2004 research attempted to apply the civic voluntarism model, previously introduced by Verba et al. in 1995 and applied to electoral participation, to a mass social movement such as that seen in environmentalism. This model has four components to it: 1) Resources, 2) Psychological Engagement, 3) Recruitment, and 4) Issue Engagement (Verba, Schlozman, & Brady, 1995). The first of these, *resources*, provide the means and ability to be politically active, or in our case, to be active within a public protest (Verba, Schlozman, & Brady, 1995). They include both tacit resources such as money and time, and implicit resources such as communication skills or organizational skills (Barkan, 2004). According to Verba et al., since people in the higher socio-economic classes are more likely to possess such resources, it is these socio-economic classes that are more active in a public support group or mass protest. The second component, *psychological engagement*, involves attitudes that incline people to be an active part of a protest or support group (Verba, Schlozman, & Brady, 1995). This includes having an interest in the public support movement, a belief in the leader's skills and abilities as well as in your fellow citizens (Barkan, 2004). If people with the resources lack motivation or interest in the cause of the public support group, then they will be less inclined to be a part of it (Barkan, 2004). Third we have *recruitment* to the public support group or protest by one's friends and family, or people within common networks such as places of worship, at work or in voluntary organizations (Verba, Schlozman, & Brady, 1995). Those with the resources and motivation might still remain inactive unless asked by someone to join (Barkan, 2004). The final component is *issue engagement*, which are group opinions on certain issues that induce political activity or support activity (Verba, Schlozman, & Brady, 1995).

In his resource mobilization theory, Jenkins (1983) discusses five main principles behind a social movement which are: 1) Actions of the members and participants of a social movement are rational in nature, 2) These actions are highly influenced by conflicts of interest as well as institutional power imbalances, 3) These power imbalances and conflicts are sufficient to produce grievances that eventually result in the mobilization of resources for the movement, 4) centralized and formally structured social movements are better at resource mobilization than decentralized and loosely structured ones, and 5) The final success of the movement is strongly influenced by the group strategy as well as the political climate within which it operates (Flynn, 2011). The theory further explains two types of members in a social movement: Conscience constituents and Beneficiary constituents (Jenkins, 1983). Whereas the beneficiary constituents provide the money or material resources for the social movement, the conscience constituents are the members who have an actual moral alliance with the movement's causes, goals or

missions (Flynn, 2011). Jenkins (1983) also points to four types of resources necessary for the success of a social movement, these are: 1) Instrumental resources, 2) Infra-resources, 3) Power resources, and 4) Mobilizing resources. Instrumental resources refer to those that are used to influence or motivate people to participate in the movement (Flynn, 2011). Infra-resources are the resources that control and influence the use of instrumental resources (Flynn, 2011). Power resources refers to the resources that allow for controlling the targets set out by the social movements' goals (Flynn, 2011). Finally, mobilizing resources are resources that help mobilize the power resources (Flynn, 2011).

In terms of consumer-driven CSR in the Norwegian fish farming industry, we can say that the individual interest in driving CSR will depend on Verba et al.'s four components of the civic voluntarism model, which are resources (do people in Norway have the time and money to spend on such a cause?), psychological engagement (do people in Norway have the motivation to force seafood companies to engage in sustainable practices?), recruitment (is there a tendency for Norwegians to recruit their friends and family to such a cause, or can Janteloven and the need to identify with other members of the society for example, compel them to join the cause?) and finally, issue engagement (do the members of the society hold certain opinions which may induce political changes in the future in support of the movements' goals?). We can use Jenkin's concept on resources and resource mobilization theory in the first component of the civic voluntarism movement. Here, instrumental resources could be media attention or printed brochures and information leaflets to woo in members of the society to join a cause. The infra-resources could be the money available for use in the social movement or industry contacts which may influence the amount of brochures it can print or the minutes of media time it can buy. The power resources could be an alliance with those in power, personal contacts with people in the government or the industry who can actually help the movement achieve its goals, whereas the mobilizing resources could be the leadership structure and organizational skills of the social movements' management team that brings together all individuals and resources to achieve a common goal.

5.1.2.2. Demand for Public Action to Create Credible CSR

In an auditing research, it was discovered that the public (specifically analysts that are trying to rate a company for investment purposes) generally rely on external assurances when gauging a CSR report by the firm (Pflugrath, Roebuck, & Simnett, 2011). This assurance could be by

professional accountants that have engaged in an in-depth scrutiny of the firm's activities or it could be by sustainability consultants whose very job is to assess the sustainability reporting standards and compare it to actual firm activity. The research found that the overall credibility of CSR reports is greater when they are assured, surprisingly by professional accountants as opposed to sustainability consultants, because sustainability reporting has no standard regulations mandated by the institutional bodies whereas professional accountants must follow legal regulations set forth by regulatory bodies operating in the society and this makes their scrutiny far more stringent (Pflugrath, Roebuck, & Simnett, 2011). The research also found that the credibility is context specific, in that CSR report by a firm is deemed to be more credible when assured by professional accountants if the firm belongs to an industry in which assurances are commonplace (Pflugrath, Roebuck, & Simnett, 2011).

But apart from professional accountants signing off on reports, what could significantly impact the credibility and the demand for public action is involving the public in the decision making process and keeping all lines of communications open with the general public. During the Hanford Environmental Dose Reconstruction project that aimed at calculating and reconstructing the type and quantity of radioactive materials that had been released by the Hanford Nuclear Testing Facility and gauge their environmental impact, the failure to include the leadership committees of several environmental movement and support groups almost led to the failure of the project before even its commencement (Till, 1995). With time, and a lot of pressure from these groups, the leadership committees were added to the planning committee for the study and were allowed to attend the planning meetings for the study (Till, 1995). Not only did this open up the facility to views on environment and project safety that were previously unidentified, but also gave the project credibility in the eyes of the public (Till, 1995). This was simply because the public found it easier to relate to the leadership committee that was elected from within the public as opposed to "them" – the project committee that had previously been questioned for its devastating impact on the environment (Till, 1995). Furthermore, the open communication made it easier to depose of the criticism that the project was being undertaken simply to "cover up the truth" (Till, 1995). Including public in the planning and design phase of the study actually revealed to the public that there was no cover-up and the study was being undertaken for the betterment of the society as well as the environment. This added further credibility to the facility's claims.

Today, *citizen engagement*, that is the participation and deliberative involvement by the public in the planning and decision making process as well as eventual policy making, is a growing phenomenon in many international, democratic economies (Horlick-Jones, 2007). Especially useful in the advancement of technology and its public acceptance, governments of many countries have opted for citizen engagement to create a greater credibility in their claims (Horlick-Jones, 2007).

Another research provides evidence to counter experts view that the public is irrational, or that it lacks concern and interest (Petts, 1997). The study also finds that, unlike previous claims, expert testimonials might not be as helpful in granting credibility, especially if the experts are part of the organization making the claims (Petts, 1997). On the contrary, the public is found to act extremely rationally within social movements and their perceptions to expert views is found to be more positive if the experts are found independent of the organization making the claims that need to be substantiated (Petts, 1997). Therefore, in order to gain credibility, instead of using its own panel of experts or employees within the company, firms must look to independent organizations, particularly NGOs, that support their claim and can substantiate it.

In the case of Norwegian fish farming industry, to create credibility within the public and promote public action to substantiate the actions of the companies within this industry, it is important to include the public in the decision-making or policy-making process. For certain environmental groups that exist and fight for sustainability, it will help to form industry collaborations and protest to be included on the planning committees for various research studies that are undertaken by these companies before the launch of fish feed or farmed fish breed etc. In order to demand for credibility, the public must also get NGOs or proper environmental governance bodies to substantiate the claims made by the companies regarding the sustainability of their operations. Professional accountants can be asked to sign off on these claims and assurances can be asked of from GRI auditors and evaluators. The public can also demand to organize open days at various companies in order to learn more about the process of fish farming or producing environmentally safe and sustainable fish feed, as well as to gauge the safety of such processes. Unless this credibility is not demanded of the firms, it will be very difficult to persuade the masses that the firms' actions towards sustainability are indeed sufficient.

5.2. Supply Perspective

In this section, I will discuss the firm's desire to supply CSR products and services or take part in CSR and sustainable practices due to the demand from public, and perhaps also from regulatory bodies in the institutional framework of the society. It is also important for management of the firm to ensure that its owners (i.e. shareholders) are on board since they are merely employees of the shareholders and must abide by the objectives set out for them, primarily profit maximization. Managers are bound to shareholders for providing an appropriate return on their investment and most CSR activities simply takes away from the shareholders' share of the profits. Therefore, it is important for the shareholders to be on board at all times.

5.2.1. Firm Level Desire to Supply CSR Products

Although previously viewed as peripheral or merely an external influence alone, the natural and physical environment that a firm operates in is being given increasing attention in corporate strategy making and for many firms it is now central to both marketing decisions and management strategies (Hart, 1995). Many firms have begun to include social responsibility towards the environment and society as a major part of their marketing strategies in order to remain competitive in the marketplace (Drumwright, 1994). The so called "green market" appears to be growing (Fierman, 1991) and consulting firm Arthur D. Little placed it at 280 billion dollars worldwide towards the year 2000 (Schmidheiny, 1992). Adding to this is the fact that consumers now show a growing interest in environmental concerns and a firm's response to them; in fact, most consumers intent to reward firms for being socially responsible while punishing those that fail to take up this responsibility in an appropriate manner (Carlson et al., 1993). A new term called "social investing" is now all the rage and involves integrating social values into investment decisions, which is what we see most financial analysts do these days while valuing a firm (Van Buren, 1994). Social investment is now estimated to be a 500 billion dollars' worth of influence (Van Buren, 1994). Clearly this has also helped shape future strategies for various firms. In a McKinsey survey of CEOs and other top executives, as well as in a similar survey conducted by Kanter in 1991, it was found that the CEOs and the top managements of various firms place environment and social responsibility as one of their top three management priorities for the coming decades (Walley & Whitehead, 1994). In order to

best incorporate the environment, sustainability and social responsibility into the strategy of a firm, Varadarajan (1992) proposes the term “Enviropreneurial Marketing”.

Enviropreneurial marketing emphasizes the need for an entrepreneurial approach to meld the ecological concerns with marketing strategy objectives (Menon & Menon, 1997). Environment or social responsibility did not play an important role in the development of marketing and firm strategies until the 70s. Possible reasons for this include a general lack of awareness, knowledge or interest on the topic of environmentalism or CSR up until the late 60s (Sale, 1993). Furthermore, there was a lack of regulatory framework to support such movements so there was no institutional pressure either (Sale, 1993). In the 60s, environmentalists tried to change business strategies through public opinion and pressure (Hays, 1987). Failing to do this however, they shifted tactics to change business strategies using legal pressure by bringing in the regulatory framework (Hays, 1987). With the emergence of the free market environmentalism in the mid 80s, the broader and more proactive stance by the firms towards the environment came into practice (Adler, 1995). This was termed as the “manifest environmentally based market strategy” (Adler, 1995). In the last decade or so, Enviropreneurial Marketing (EM) has been seen as more active as well as more successful than its earlier counterparts.

EM is different from the previous environmentalism based approaches to strategizing in the following respects (Varadarajan & Clark, 1994);

- 1) The solution is based on technology and innovation rather than on legal pressure or public pressure and public opinion,
- 2) It adopts an entrepreneurial approach or strategic philosophy, and
- 3) It provides for a convergence of three of the most important firm objectives which are environmental, economic, and social performance.

The nature of an EM decision depends on the locus of decision (management level at which decision was made) and scope of the strategy (corporate level, business level or function specific) (Shrivastava, 1995). For example, strategic EM decisions are taken by the top management and revolve around how to include environmental and social performance concerns in the micro- and macro-level objectives (Shrivastava, 1995). The quasi-strategic EM decisions are taken by business unit managers and revolve around bridging the gap between the

overall environmental strategy and the business unit strategy of the firm (Shrivastava, 1995). Tactical EM decision are taken by functional managers and generally include resource allocation decisions in order to meet the marketing objectives (Shrivastava, 1995). In addition, we have the strategy core values for EM which are corporate entrepreneurship, social responsibility principle and EM orientation (Menon & Menon, 1997). Finally, to support the EM strategy and its implementation, there are certain organizational infrastructures that are required, including coordination mechanisms, investment, commitment, and value chain (Menon & Menon, 1997). The overall model for EM is shown in the figure below;

Dimensions	Strategic	Quasi-Strategic	Tactical
Nature of EM Strategy Decision			
Scope of strategy	Corporate	Business	Functional
Locus of decision	Top management team (corporate)	SBU managers	Product, marketing managers
Decision focus	Macro (system) focus	Micro (firm) focus	Transaction focus
EM Strategy Core Values			
Corporate entrepreneurship	Frame-breaking	Organization renewal	Individual entrepreneurship
Social responsibility principle	Social responsibility	Social responsiveness	Social obligation
EM orientation	Conservationism and sustainability	Environmentalism	None evident
Organizational and Implementation Infrastructure			
Coordination mechanisms	Interorganizational	Intraorganizational	Intrafunctional
Investment	High and visible	Low and invisible	Low and visible
Commitment	Irreversible	Irreversible	Reversible
Value chain	Supplier and customer	Supplier	None

Figure 4: Enviropreneurial marketing strategies. Retrieved from Menon and Menon (1997)

In the case of Norwegian fish farming industry, since many firms in the industry prefer to collaborate with one another, the strategic level firm strategy can come from the industry itself so that the focus is truly macro level. This should include certain industry standards throughout the supply chain and at all product levels to ensure maximum sustainability from the overall production processes across the industry. This should also include collaboration between firms and a sharing of ideas and processes to ensure the entire industry benefits. The focus of marketing communications should be to communicate these processes and standards to the public in order to assure them of the environmental focus and actions taken to be socially responsible. A current example of the strategical level is participation of various Norwegian fish farming firms in the Aquaculture Stewardship Council (ASC), where the standards and regulations set forth for this council act as the sustainability standards and regulations. ASC

routinely publishes its meeting minutes, standards, regulations and company performance. The quasi-strategic level firm strategy should come from each individual firm and must be geared towards adapting internally the industry standards and practices. The marketing communications should be responsible for disseminating information regarding an individual firm's stance and actions undertaken to follow the industry standards. Such a style of marketing would help the public identify which firms are following the sustainability standards and to what level. In practice, this includes GRI report publication by Cermaq, or Marine Harvest's publications and conferences regarding its efforts towards sustainability. Finally, the tactical level strategy should come from the various functions within a firm. In the case of Marine Harvest for example, this should come from the research and development, and production functions which must align their processes and output towards the industry as well as the firm standards for sustainability and environmentally friendly operations. Additionally, with the expected increase in profits with a change in demand for protein exclusively from farmed fishes and seafood, the shareholders can be brought on board the CSR and sustainability movement in the industry. Moreover, shareholders will have no choice but to cooperate if all consumers in the industry start demanding for sustainably farmed fishes as opposed to traditionally harvested ones because a firm that fails to comply with the new demand structure will be punished by consumers in the form of boycotts and bad market reputation, which in turn will lead to lower or even negative returns for the shareholders.

5.3. External Factors

In this section, two of the biggest externalities for the demand and supply of credible CSR have been discussed. These include the impact of culture, which impacts all levels in the model, from individual demand, to group-level demand, and the supply of CSR from the firms; and the impact of institutional frameworks (regulatory bodies or the government operating in the state) on both the demand for public action for credible CSR and the supply of firms. Both these external factors have been discussed in detail in the following sub-sections;

5.3.1. Cultural Impact

In his research, Hofstede surveyed more than 115,000 employees of IBM from around 40 different countries over a six years' period starting from 1967 and ending in 1973 in order to understand their preferences in management styles and their work environments (Hofstede,

1980). The analysis of these survey questionnaires resulted in his famous four cultural value dimensions which are, 1) Power Distance, 2) Uncertainty avoidance, 3) Masculinity-Femininity and 4) Individualism-Collectivism (Hofstede, 1980). Power distance refers to the extent to which a given society expects and accepts inequality in power distribution within institutions and organizations (Hofstede a., 1980). Uncertainty avoidance refers to which members of the society prefer stability and predictability of the environment, such that organizations deploy formal rules and procedures to ensure structured work and stable processes for its employees (Hofstede a., 1980). Masculinity refers to a society's preference for assertiveness, competitiveness and materialism whereas feminism refers to a society valuing relationships and the quality of life (Hofstede a., 1980). Finally, individualism refers to the extent to which people only identify with themselves or their immediate families rather than binding to a larger group, clan or collective family system (Hofstede a., 1980). In a separate research conducted by Ringov and Zollo (2007) from INSEAD, the impact of these cultural values on corporate social performance were discovered through hypothesis testing with data from 34 countries. Their research found an extremely high correlation between power distance and corporate social performance, as well as masculinity and corporate social performance. In particular, their hypotheses that cultures with higher power distance exhibit lower level of CSR and cultures with higher masculinity exhibit lower level of CSR were found to be significant (Ringov & Zollo, 2007). Another research finds that a more collectivist nature (GLOBE study's communitarianism) also leads to higher corporate social performance (Waldman, de Luque, Washburn, & House, 2006). Comparing the Hofstede scores of Norway to those from US, Germany and UK, we find that Norway ranks the lowest on power distance (score of 31 compared to US, UK and German scores of 40, 35 and 35 respectively), low on individualism (score of 67 compared to US, UK and German scores of 91, 89 and 67 respectively), and lowest on masculinity (score of 8 compared to US, UK and German scores of 62, 66 and 66 respectively) (Hofstede b., 2015; Hofstede c., 2015; Hofstede d., 2015; Hofstede e., 2015). In comparative terms therefore, based on the results from the studies quoted above, Norway must have a higher corporate social performance due to its lower power distance, higher feminism and higher collectivism. The consumers from Norway would in comparison care more about the community and would feel a greater sense of belonging to the community and thus would want to try and conserve it. Similarly, in an effort to value quality of life and relationships over masculine preferences of assertiveness and competition, the consumers in Norway would want to try and increase the quality of life not just for their own sake, but also for sake of future generations, by preserving the environment for example or engaging in sustainable production.

Other than the Hofstede's cultural dimensions, there are further researches into cultural and social practices that impede or promote environmentalism and CSR. For example, in a research by Dryzek et al. (2002), on the two dimensions of active-passive (in the orientation of who gets represented in the final regulatory framework of a state) and Inclusive-Exclusive (towards the social interests prevalent in a society), Norway was found to be actively inclusive. This means that the Norwegian government is found to actively include organizations like environmental groups or social groups in its decision making for regulatory purposes and includes social interests of the society in its regulatory framework. However, another research posits that with the focus on economic interest that the Norwegian state seems to be developing in its people, the Norwegian consumers have started ignoring climate change and other environmental impacts in order because the Norwegian economic propensity is tied to the oil production which is harmful to the environment (Norgaard, 2006). Yet another research posits that in Norway, childhood experiences are a great source for environmental and CSR support since they provide individuals with emotional reasons to support preservation of the environment (Chawla, 1999). Therefore, Norway seems to have more cultural factors working in favor of consumers supporting and demanding sustainability, environmental preservation and corporate responsibility from firms. In such an environment, the firms will also feel compelled to meet with the cultural requirements of the society.

5.3.2. Institutional Environment

The institutional environment refers to a characterization "of rules and requirements to which individual organizations must conform in order to receive legitimacy and support" (Scott, 1987). In this way, the organizations working within this environment are not assessed on the quality of output but whether the output meets certain requirements set out by regulatory bodies. In the case of Norwegian fish farming industry for example, the production processes and waste management has to be evaluated by certain industry standards or country standards as specified by the relevant regulatory bodies. However, in Norway, in order to be legitimate, the state plays a major role and is deemed culturally important for all decision-making. As previously stated, Norwegian state is actively inclusive which means it includes groups like NGOs and other bodies in pursuit of social interests (Dryzek, Hunold, Schlosberg, Downes, & Hernes, 2002). Thus, by corollary effect, the expectations of NGOs and social bodies are also important in the Norwegian institutional environment. In a separate research, it was found that the robustness of

the legal system within a society also greatly impacts the firms' propensity to adapt to CSR practices (Yang & Rivers, 2009).

In general, environmentalism has seen certain important developments in the global institutional environment. Starting from the 1970s, where the focus was replacing public opinion with legal pressures to act on environmental concerns (Menon & Menon, 1997), most of the laws and regulations passed during this decade came to be known as *command-and-control* or *end-of-pipe* due to their focus on the inputs to the production process (for example, technology used) instead of the actual outputs or outcomes of those operations (Adler, 1995). As an example, many laws were passed to control pollution through the use of technology, but the actual outcome was not controlled because no methods were developed to measure the emissions and even the type of technology required for this purpose was not clearly defined (Menon & Menon, 1997). Between the late 1970s and 1985 however, changes were made to the institutional environment which is discussed in one of the critiques as *resistant-adaptation* whereby firms were mandated to follow certain rules and regulations in terms of emissions or their production processes, and this led to certain larger firms developing proper teams or departments responsible for the CSR initiatives (Fischer & Schott, 1993). After this, in the mid to late 80s, the focus shifted to outputs and firms started being results oriented in a move to align with the free market environmentalism (Sale, 1993). Together with this change in focus orientation, the relationship between law-makers and organizations also changed from a confrontational one to a more accommodative one (Sale, 1993). Today, in actively inclusive states like Norway, the law-makers not only accommodate organizations but also the general public with respect to their social interests. For example, Norway has a strong freedom to roam or everyman's right (*allemannsretten*) which was codified in 1957 together with the implementation of the Outdoor Recreation Act, and as per this right, all countrymen and outsiders are required to show a certain amount of respect to farmers, landowners, other users and the environment (Regjeringen, 1957).

Norway's interest in the environmental preservation and sustainability also seems to be higher than that in most other countries (Dryzek, Hunold, Schlosberg, Downes, & Hernes, 2002). The Norwegian government bodies willingly accept environmental concern as their most important point of focus and international development and cooperation is now also aiming at environmental protection and sustainable development. According to Erik Solheim, the ex-Norwegian minister for international development, part of the Norwegian ministry of foreign

affairs, “the government’s aim for Norway to play a leading role in making environmental concerns an integral part of all development cooperation” and “Norway will support measures targeted specifically at environmental and natural resource management, and ensure that environmental concerns are an integral part of Norway’s general development cooperation” (Norwegian Ministry of Foreign Affairs, 2006).

Therefore, for the purpose of this case, the institutional environment would not only include the Norwegian government with its relevant ministries (for example, ministry of agriculture and food, ministry of fisheries and coastal affairs, and ministry of the environment), but also international bodies relevant to the fish farming industry such as World Wildlife Fund (WWF), Global Salmon Initiative (GSI) which helps set certain global standards specifically in the area of salmon farming, Aquaculture Stewardship Council (ASC) which also sets unprecedented standards for sustainable food production and whose dialogues are attended by more than 500 individuals annually from major salmon farming regions, representing farmers, conservationists, NGOs, scientists, seafood buyers, government officials, and other stakeholders working in or affected by fish farming (Marine Harvest e., 2016). ASC also offers certifications based on certain regulations and standards for all sustainable food production companies (Aquaculture Stewardship Council, 2010). Within such a strong institutional environment, consumers must demand CSR and firms must be willing to supply credible CSR product and services within the fish farming industry.

5.4. A Bottom-Up Framework

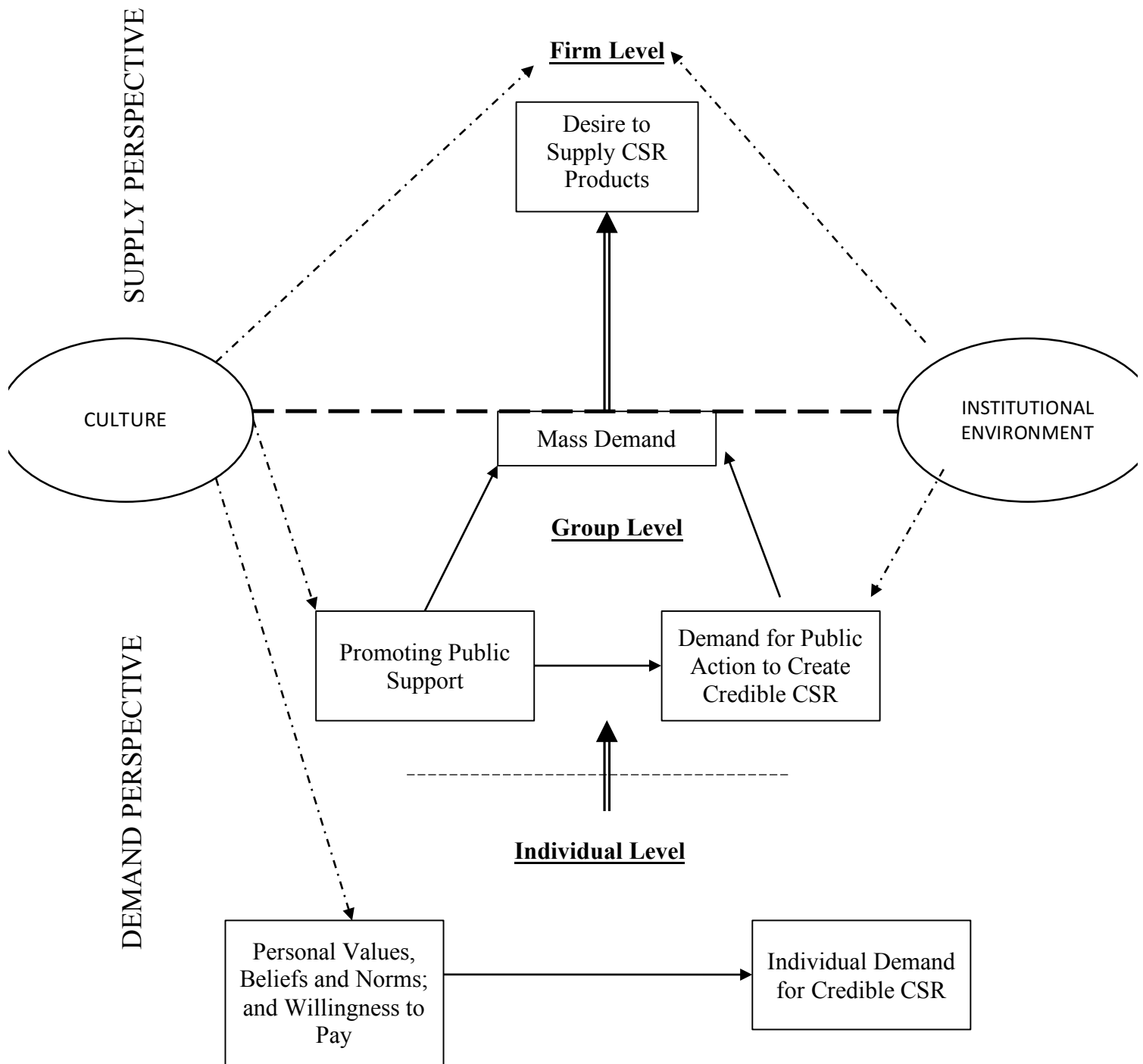


Figure 5: A bottom-up framework to summarize the model discussed in this section

6. Discussion on Firm Strategy

6.1. Firm's Impact on Individual Values & Willingness to Pay

Marketing in firms is all about creating new customer values, shifting customer preferences and changing consumer behavior to align it with what the company is offering. Traditionally this power of firms has primarily been used to sell the goods and services that the firm produces. For example, the campaign “Got Milk?” was an American advertising campaign promoting the consumption of cow’s milk used initially by the Californian Milk Processing board and later extended to use by a wide variety of milk processors, producers and dairy farmers alike (Holt, 2002). The campaign was undertaken to change mindsets of the younger generation and to coax them into consuming more milk, highlighting milk as a trendy drink, a must-have product for everyone (Holt, 2002). Nike’s “Just Do It” campaign helped change consumer mindset about its products from being primarily for marathon runners to offering something for every sporty soul (Kolowich, 2015). The tagline itself encapsulated the very feeling people had while trying to exercise and together with other campaigns in the industry, helped spike the demand for sports shoes and apparel by changing consumer values and beliefs towards sports and exercise (Kolowich, 2015). Many companies in Norway have similarly started using marketing campaigns to target changes in individual values, beliefs and norms. The largest financial services group in Norway, DNB, together with Trigger and Good Morning, has produced several school campaigns termed “Lærepengene Prosjekt” in Norway aimed at teaching children the value of money by not only visiting schools to give children a very basic understanding of economics, finance, and banking, but also through several online games and webinars (Good Morning, 2015).

Companies around the world have also used marketing for CSR activities, social concerns and community involvement to bring about changes in values, beliefs, and norms in support of a particular social cause. The “Have-a-Cow” campaign in Stonyfield, New Hampshire has helped teach the people of the county the importance of organic farming and has helped change and meld their values and beliefs in order to garner an increased support for the organic movement in New Hampshire (Forbes, 2010). Dove’s “Campaign for Real Beauty” has worked to broaden the definition of beauty among women by bringing in women of different shapes, sizes, and skin color for their advertisements as well as by launching an interactive website where young girls can also get a “self-esteem certificate (Forbes, 2010). This campaign has helped shape

great values and beliefs regarding feminine beauty around the world and has taught many girls to be stronger and to believe in themselves (Forbes, 2010). H&R Block's "Dollar and Sense" campaign, much like DNB's lærepengene campaign, addresses the issue of financial literacy among teenagers, especially in the field of debt avoidance, which aims at great behavioral changes in a society riddled with college debt for teenagers (Forbes, 2010). Similarly, there are many campaigns that seek to change individual values or norms regarding pollution (via Greenpeace for example), wild life preservation (through World Wildlife Fund for example), or marine life preservation. In Norway, the "Campaign Whale" has been introduced to protect the whale habitat in the Norwegian seas from commercial whaling which has drastically reduced the size of several natural breed habitats (Campaign Whale, 2016). The campaign seeks not only to change consumer behavior regarding commercial whaling, but also change consumer values and moral norms regarding whales and the importance of marine life protection (Campaign Whale, 2016). People for the Ethical Treatment of Animals (PETA) in Europe has launched several important campaigns regarding farmed animals and the pollution caused by slaughterhouses. In the German Capital of Berlin, this has helped change values and behaviors for a huge mass of people that have now turned to a vegan lifestyle to contribute to the preservation of animals as well as the environment (PETA, 2016).

Since, traditionally, marketing campaigns have been used to change values, beliefs, norms and behaviors, it makes sense to have a strong marketing based-firm strategy to bring about the required individual changes for a consumer-driven CSR approach. For the Norwegian fish farming industry, this can include several strategic efforts for example;

- Engaging in marketing campaigns similar to PETA's campaigns against farmed animals and slaughterhouses in order to bring to the public's attention the pollution and environmental harm caused by engaging in such activities, and at the same time, presenting fish as a viable, comparatively less polluting option. PETA's campaigns generally speak to the humanity in people by showing extremely violent images of the viciousness with which farmed animals are treated till before their slaughter as well as the slaughterhouses dumping blood and other animal waste from slaughtering into rivers or grassy fields. Norwegian fish farming industry can use a similar approach in developing campaigns that beg of human empathy to such animals and exhibit the process of fish farming or consumption of fishes in general as pollution-free.

- Engaging in marketing campaigns similar to “Got Milk” or “Just Do It” where fishes are presented as the “cooler” product to consume for the masses or a must-have product in the daily meal. This can be done in one of two ways. Firstly, product innovation can be used to come up with fish-snack options that are easy to prepare and can be taken to schools or colleges, or those that come in attractive packaging. For example, a store-able bucket of fried farmed shrimps with sauce, or a lunchables-style packaging for fish sticks and sour cream sauce. This will help better market fish to the younger generation. Secondly, the focus of the advertisement can also be on people that are already health and fitness conscious (as most people in Norway generally are) and can rely on the protein content of fishes to make a case for consuming more fishes than other protein sources such as red meat, poultry or vegetables and lentils.
- Grass-root level campaigns in kindergartens and junior school must be spearheaded by different firms in order to make children aware of sustainability and environmental preservation issues as well as to make a case for fish as a primary protein source and farmed fish as the choice of fish in this regard. This might better help the message sink in, as has been the case with DNB’s lærepenge and H&R block’s dollar & sense. It might also help in this regard to offer free field trips to sustainable fish farms for kindergartens and junior schools in Norway.
- In order to capitalize on the various campaigns already existing within the society due to the existence of NGOs and other social-concerns bodies, it might help the firm to look for a strategic partnership or an alliance with such organizations to promote the sustainability and environmentally friendly feature of its own products. For example, Marine Harvest could sign an alliance with the Norwegian Pure Salmon Campaign (PSC) so that the promotional campaigns by PSC mention Marine Harvest’s farmed seafood as the safest to consume or be guaranteed as the most sustainable.

Furthermore, using the consumer’s willingness to pay model by Zeithaml (1988), the firms within the Norwegian fish farming industry must also work on the perceived quality and perceived price elements of the farmed seafood and its derived products. Such products are bound to be more expensive than their naturally fished counterpart. It is thus important to create a high perceived quality as well as high perceived value from the purchase decision. This can be achieved using the following methods,

- Partnering with sustainability standards firms such as Aquaculture Stewardship Council (ASC), Global Salmon Initiative (GSI) or GRI G4, which can provide the farmed seafood products with a quality stamp. Care must be taken while choosing such a standards regulator to ensure that masses recognize the name of the certifying entity. In Norway in particular, since the state holds a very important place in the society and the hearts of its people, it may be an excellent idea to partner with the relevant industries and ask them for product testimonials and guarantees on its sustainability or environmental impact.
- Marketing campaigns can also be used specifically to pinpoint how and why farmed fishes are better in quality than the naturally bred ones. A very important product attribute in this regard is the health of the farmed seafood itself which is claimed by the fish farming companies in Norway to be far superior compared to those of naturally bred breeds. The farmed fishes tend to have better immunity against bacterial and viral infections that are common to the natural breeds. Thus, the farmed fishes' better immunity can be used to market its promise of higher quality and thus value for money.
- In addition, focus groups should be conducted to better understand the consumers and which product features they attribute their perceived quality and value to. Different individuals might have different concerns and different features that they would care for more. For example, a health conscious individual would put a greater stress on the farmed fishes' nutritional information in comparison to other protein sources. Someone who cares greatly for the environment would care more for environmental impact of the farmed fishes. Mothers might care more for the consumption safety of the farmed fishes to ensure that they are safer to eat for the family and would result in lower likelihood of infections as opposed to the chances of getting salmonella from consuming improperly cooked chicken or tapeworms from consuming improperly cooked pork. Different advertisements under the same broader campaign must be made to cater to all these concerns and more.

6.2. Firm's Impact on Public Support

According to Barkan's 2004 application of civic voluntarism model to environmental movements and protests, there are four components that are of extreme importance for the success of social movements; these are resources, psychological engagement, recruitment, and issue engagement. A firm can easily impact two of these components, which are resources and

recruitment. The resources highlighted by Verba et al. (1995) and Barkan (2004) include money, time, leadership skills and communication skills for example. Many firms have been known to be generous providers of financial resources to back non-profit organizations or charitable funds. For example, Disney has been a major financial donor in times of natural disasters, such as the 2010 earthquake in Haiti (B2C, 2014). Disney also taken a great interest in protecting the environment and readily gives out proceeds for causes surrounding rain forest protection or preservation of coastal coral reefs (B2C, 2014). NuSkin is a personal and skin-care company that has launched its own initiative called Nourish the Children (B2C, 2014). The company not only motivates its employees and management to donate money to feed the hungry children in famine-ridden countries, but also provides a platform to operate through for the general public to participate in this initiative (B2C, 2014). Microsoft also has an Employee Giving Campaign that motivates its employees to raise funds and donations for other non-profit organizations (B2C, 2014). The initiative was started in 1983, and has to date raised more than a billion US dollars for more than 31,000 organizations (B2C, 2014). These companies have also lent their communication and leadership skills in putting together different initiatives and bringing in more and more people to join several social causes and movements. Based on the civic voluntarism model, companies within the Norwegian fish farming industry can engage in one of the following strategic actions;

- Firms can develop their own awareness initiatives regarding pollution from slaughterhouses and treatment of farmed animals or the issue of sustainability in consuming naturally bred fish, extinction of certain fish species etc. Such awareness campaigns and membership initiatives can help in two ways. Firstly, it will allow for better marketing and dissemination of important knowledge to the general public. Secondly, it will provide for a platform for like-minded people who believe in sustainability through artificial sea-life farming to come together and act for the cause they believe in.
- Firms can also provide financial donations to existing movements, initiatives, campaigns, NGOs or social concerns groups. The firm can provide money to causes such as Campaign Whale, Global Salmon Initiative, World Wildlife Funds (WWF), Greenpeace among others.
- The management of these firms can also provide their communication skills to such causes by agreeing to speak at seminars or awareness lectures, recording webinars, or attending as guest lecturers in universities. They might even make for better, and more

informed speakers at various events, since their companies actually conduct R&D in marine life and its protection as well as processes that could be sustainable for the coming generations. Their credentials will also provide for more believable and relatable arguments for the general public.

- Firms can also develop petitions for the protection of marine life, coastal coral reef, certain fish species etc. from damaging impacts of industrial waste dumping or oil spills. These firms can easily use their reach and the marketing tools available at hand to amass a great number of people that believe in the cause and ask them to sign such petitions so that these cases can be heard or considered by relevant government and other regulatory bodies. In this regard, companies can develop special online forums or bulletin boards that members can join in order to get more information as well as sign petitions. In this digital age, it will provide for a better, cheaper and easier method of gathering people for a social movement.
- Firms can also further help in recruitment towards different social causes since they already have fully developed marketing channels available for use. Most of the larger firms in the industry such as Marine Harvest, Cermaq, SalMar and Lerøy have dedicated media space or can easily avail media space for TVCs, radio adverts, newspapers, magazines, online marketing on google, Facebook and other websites. These firms also have a well-established brand name in the consumer market. Call for help, call for recruitment, and call for sign-ups can thus be easily placed for these firms and a great number of pledges can be expected due to their established name. These companies also have the money, resources, and perhaps the infrastructure to host campaign meetings for pledgers or awareness and fundraising events that can serve as grounds for recruiting new members to the cause.

Finally, in accordance with Jenkin's 1983 Resource Mobilization Theory, since the firms within the Norwegian fish farming industry can provide several different types of resources to support the development of a public support group or social movement, these firms are beneficiary constituents within the social movements since they provide the monetary and other resource support for the movement. The participants or general public in this regard are the conscience constituents who have moral alignment with the cause. It is interesting to note here that firms will inadvertently also create a moral alignment with the cause by following the strategies given in the previous section to change individual values, norms, beliefs and behaviors to align with

their preferred social causes concerning fish farming and natural fish habitats. Thus firms are not only beneficiary constituents but also help create conscience constituents for movements.

6.3. Firm's Impact on Public Demand for Credible CSR

As previously noted, assessment by public auditors or financial analysts as well as citizen engagement creates for a better public demand for credible CSR. A firm can use several strategies for impacting both these criteria. In terms of citizen involvement, as previously discussed it is important for the firms to have a clear communication process to disseminate information regarding certain CSR and sustainability issues as well as how the firm plans to tackle them. Good communication is necessary for the public to understand why the issue is important as well as the mechanics behind different processes being used to ensure environmental safety or sustainability in operations. Most firms use certain reporting standards such as GRI or 3BL (triple bottom line). Not only do these serve as assessed public reports by professionals, but also serve as a means to communicate to the public. Furthermore, firms also employ citizen engagement methods by using focus groups or consumer meetings to discuss certain changes in the product or service being offered. Usually focus groups are conducted for product feature or attribute changes but they can also be used to test sustainable or environmentally friendly products and their public appeal.

In this regard, there are the following strategies that can be employed by the Norwegian fish farming industry to impact the public's demand for credible CSR;

- The first way to impact the public's demand for credible CSR is to actual ensure that the public does demand for credibility. Firms can do this by communicating to the public the importance of asking for credible information. This can be done using public service messages that share examples of times when the public failed to demand for credibility behind certain claims made by firms and it resulted in negative outcomes for people or the environment. Firms within the Norwegian fish farming industry can use environmentally friendly or sustainability claims made by oil companies operating in Norwegian waters as an example to show the devastating impact of oil spills or oil drilling operations on marine life or the negative environmental impact of slaughterhouses that claim to be environmentally friendly by following certain standards that are not enough to ensure reduced pollution.

- Whereas the public might have larger knowledge that there are certain reporting standards for financial statements and accounting decisions, sustainability reporting standards like GRI or 3BL are still in their infancy and are not generally known by the public at large. It is important to educate the people in the area of sustainability reporting so that they may start demanding it from the firms. Norwegian fish farming firms can do this by using TVCs to educate the masses on these standards or using pamphlets, websites, helplines or other mediums specifically established to teach the masses about different kinds of sustainability reporting and how such reporting is carried out or what GRI rankings mean. The companies in this regard can also partner with the institutions behind these standards by providing them with funds to educate the masses.
- Firms can also use focus groups or arrange a public general meeting that can be attended by public support groups, in order to ask them to help write and brainstorm better sustainable practices or discuss their environmental concerns within the fish farming industry which they feel must be taken up by the company. Their involvement in the process will also help these companies unearth new concerns, as well as help build a certain level of trust within the public support groups. By asking for the public to share ideas on how to solve certain problems and actually implementing these in their operations, further trust and credibility can be built, such that the public starts demanding for the same credibility from other firms operating within the industry.
- Firms can also have their processes “audited” by these public support groups in an effort to bring them on the same page and ensure that they understand the processes, the operations, the research and the effort towards achieving sustainability. This will help create transparency in a way that the public will demand a similar level of transparency from other firms operating within this industry.

6.4. Firm’s Relationship to the Institutional Environment

In their book on social psychology in organizations, Katz & Kahn (1978) write that larger organizations often feel that it is easier to change the environment than to modify internal structures in response to the environment. They gave the classic example of when manufacturers face tough overseas competition, they often call for import tariffs instead of becoming more efficient (Katz & Kahn, 1966). Therefore, in case of the firms’ impact on the institutional environment, we expect that not only will firms be forced to modify their internal structure due to this very environment (because of the pressure from public for credible CSR

practices) but that they will also modify the institutional environment in order to reach this goal. Many companies already have an excellent relationship with the government or regulatory bodies. In the United States, almost all presidents in the current election cycle have been financed by PACs and super PACs consisting of large commercial banks, wall street institutions, oil and gas companies, tech companies, farming industry, US postal services, law firms, and real estate companies (Thomas, 2016). In return, these companies have a very strong backing by the winning president and his government in terms of favorable policy making (Thomas, 2016). Among the largest companies backing the presidential candidates this year are, Chevron, Google, Microsoft, Walmart, Pfizer, AT&T, Lockheed Martin, Koch Industries, Goldman Sachs and Las Vegas Sands (Murphy N. , 2015).

Similarly, as discussed in the literature, countries with an actively inclusive state, generally involve everyone in the policy making, from concerned individuals to NGOs and multinational corporations. Norway's approach to CSR can be viewed in the context of the Nordic Welfare Model which posits that egalitarian values, equal distribution of income, lower poverty, income level maintenance, and good healthcare and education services are the key elements for guaranteeing a welfare state (Aarhus, 2010). Since Norway is an actively inclusive state, the government involves various different stakeholders from scientific experts to concerned individuals, NGOs, and big and small corporations alike. In 2007, the Norwegian Ministry of Foreign Affairs held a global conference on CSR and partnership for sustainability development and invited all key stakeholders to participate and voice their concerns or opinions (Aarhus, 2010). In the aftermath of this conference, almost all Norwegian businesses and organizations complied. The Federation of Norwegian Commercial and Service Enterprises (FNCSE) as well as the Confederation of Norwegian Enterprises (CNE) have both launched several CSR tools as guidance for different companies (Aarhus, 2010). These tools were created with the help of the top management from many different companies as well as keeping into consideration the views of NGOs and social and environmental concerns groups (Aarhus, 2010).

Therefore, we see firms in Norway already modifying their institutional environment for CSR by voicing their opinions and concerns to impact policy-making. Globally, firms have also achieved this by modifying the regulatory environment by having them regulate and standardize certain production and environmental standards that are already being followed by one or more firms in the industry. General Electric (GE) for example, has worked with several state governments in the US as well as several governments within the European Union and Africa

to build incentive programs for the use of renewable energy which were later regulated by these governments (US Office of Energy Efficiency & Renewable Energy, 2015). Unilever's ex-Chief Sustainability Officer (CSO) Gail Klintworth also claims to have participated and aided the governments in various countries to write particular legislations or make industry standards out of certain sustainability practices that were already followed by Unilever and deemed to be extremely potent both for sustainability as well as environmental protection (Edie Newsroom, 2013). In another example, McDonalds and Pepsi worked with the UK government's healthy and safety department to re-write UK's health policy (The Guardian, 2010). Whole Foods, an organic food retailer in the US, helps the USDA shape its National Organic Standards by sitting on the board responsible for discussing and writing these standards. Whole Foods admits that it is the only company on the board and most of the standards it dictates helps give it a major competitive advantage over other firms within this industry (Whole Foods Market, 2000).

With the above examples in mind, firms within the Norwegian fish farming industry can use the following strategies to impact their institutional environment into promoting a consumer-driven CSR;

- Many firms within the Norwegian fish farming industry are already using different processes to guarantee sustainability in their operations. In order to ensure industry-wide sustainability standards, the firms must seek out partnerships with the government and the state's regulatory bodies to regulate and standardize such practices within the industry. Standardizing some of these practices might mean losing patents and copyrights, however, it will also improve the profitability within the industry and ensure competition primarily on the basis of product placement and promotion instead of pricing. This works well in the favor of companies producing farmed seafood since these are pricier than the naturally bred fishes.
- Some of the firms within the Norwegian fish farming industry, for example Cermaq, are using GRI reporting standards. These reporting standards mostly employ a pick-and-choose system whereby the reporting company can choose certain impact areas to report on while ignoring the rest. In this way, the GRI rankings could be extremely inaccurate and biased since companies may choose to report only those areas where they have something positive to share and ignore other areas where they currently lack focus or have an abysmal performance. It is important that the companies operating within this industry partner with GRI to re-write standards and their reporting methods

specifically for the fish farming industry and then mandate the dissemination of annual GRI reports (as is the case with financial statements) by having the state regulate these for the fish industry.

- Most of the Norwegian fish farming firms are members of one or more environmental protection, farmed salmon standards, or general aquaculture sustainability groups. For example, Marine Harvest has partnered with WWF, ASC, and GSI among other institutions (Marine Harvest e., 2016). These institutions may in general pose similar standards, but a closer look shows wide gaps and huge differences not only in focus, but also in the required sustainability standards for membership. GSI primarily focuses on farmed salmon, the health of farmed salmon, the impact of farmed salmon on the natural environment, the fish feed for farmed salmon and the processes behind the farming of artificial salmon and its fish feed. The ASC on the other hand deals with all aquacultures. WWF deals primarily with natural breeds, especially those in danger of extinction. The companies within the fish farming industry can work to create a super-regulatory organization, which picks standards from all these initiatives and regulates them for the industry in a way that companies operating within the fish farming or fishing industry are forced to comply to these standards by mandating their membership before conducting any business in Norway. This can also be enforced for international fishing companies that are looking to do business in Norway.
- Based on Unilever's efforts to gain competitive advantage in the market by having its own sustainability standards regulated and mandated for the industry as well as the example of Whole Foods discussed previously, individual companies such as Marine harvest can also have their higher standards on sustainability and environmental protection mandated in the industry so that the other companies are forced to follow their example. In such a case, companies that choose not to follow the regulations will be penalized heavily by the regulatory framework or by the consumers who would clearly see them in violation of the food safety requirements set out by the state.

6.5. Industry-wide Collaboration

For most of the cases discussed above, it is important that more than one company tries to impact a certain facet of the model. A single company cannot be expected to fully change consumer's values or perceptions through marketing. In such a case, a consumer would be more likely to shift over to the products and services by a competing firm that may not be as

sustainable or environmentally friendly, but have a lower price tag to them. Similarly, a single company cannot be expected to garner the support of the entire public and have the entire public support a single cause. Even in the case of organic farming, the cry for help came not from a single farmer but from a whole consortium of farmers and organizations supporting organic farming that eventually led to the greater support by the public at large. A single company can also not be expected to completely modify the institutional environment. Although some companies as discussed in the previous sub-section, did manage to change certain regulations in the industry, a larger change and support can only be garnered through a group of companies within an industry. Therefore, industry-wide collaboration is extremely important to bring about mass changes that are required for consumer-driven CSR.

In terms of the Norwegian fish farming industry, we can already note a certain trend towards industry collaboration as more and more firms publicly admit that in order to ensure sustainability in the industry, it is important to collaborate with the competing firms and share results from sustainability R&D as well as process information for sustainable production. These firms also admit that industry collaboration is needed to change consumer mindset on a larger scale. In order to have industry collaboration, there are a few strategies that firms within this industry can employ;

- Firms within the Norwegian fish-farming industry can form an industry collaboration by creating a common research institution that specifically hires marine biologists and engineers to look into production process improvements or biological factors to improve the sustainability of fish farming operations within Norway. In this regard, the companies operating within this industry can seek a partnership with a university such as University of Oslo, University of Bergen, Norwegian University of Science and Technology, The Arctic University of Norway etc. to create a fund for PhD students and faculty researchers to research primarily within the field of aquaculture and fish farming. The companies can all redirect a certain percentage of their earnings to this fund on an annual basis to guarantee a membership. The findings of these research studies can then be applied by all member firms within the industry for the betterment of their existing processes.
- Firms in the Norwegian fish farming institution can form a collaboration for sharing production processes that leads to greater sustainability by having an annual conference where firms come together and share their own R&D, their efforts in the past year and

the results of changes to certain processes. The shared process information and R&D output can then be used by the other companies within the industry at their own will. Another benefit of sharing this information is that other companies can also work on further improving the process and making it even more beneficial for the natural environment.

- The firms in this industry can also collaborate on pricing decisions by having a certain percentage of the quoted price as fixed by the industry standards that are decided by a consortium of all firms within the industry. Competition must come primarily from marketing and product placement or packaging at least in the initial few years so that firms that employ sustainable practices or care to change consumer mindset regarding the same, don't suffer a reduced market share simply due to the higher costs, and hence higher prices from sustainable operations. This can be further achieved easily, if the firms are already sharing R&D output and production process information so that all firms can use similar processes to achieve operational sustainability, and product and environmental safety.

To summarize, in this section certain effective strategies and action plans have been listed for the firms operating within the Norwegian fish farming industry for impacting the individual consumer values, creation of public demand, the demand of public for credible action as well as the institutional environment. Industry collaboration is deemed to be an important asset to bring about the changes that firms like Marine Harvest and Cermaq are looking to impart. These strategies not only help firms implement a consumer-driven CSR approach but in terms of academia, also help us understand the model not merely as a bottom-up model but a highly complex two-way process.

7. Limitations & Future Research Scope

The research presented in this thesis explores the concept of consumer-driven CSR in a conceptual manner using existing theories and literature from comparable topics. It should be appropriated as more of a literature review or critique. Likewise, the problem statement for this thesis has been specified in theoretical terms and not hypothesized. A formal hypothesis testing or data-based statistical analysis was not considered feasible for the scope of this research since most companies, especially those within the Norwegian fish farming industry, are currently in

the process of exploring the area of consumer-driven CSR and, at present, concrete data is not available. Currently, a few companies in the industry have merely presented their intent to move towards this direction. Data for survey analysis or statistical analysis to actually explore the causal relationships between the different objects within the model will be more applicable (and practical) once this process has been completed by the industry. Another possible way to research the application by Norwegian fish farming industry is to conduct a long term exploratory study of the industry which was not possible within the time prescribed for this thesis. Therefore, both the theoretical model as well as the complex model constructed in this paper cannot be tested for validity and the inherent validity only comes from the validity of the theories and frameworks used to construct the model. The section on discussion contains the application and modification of a basic theoretical (literature-based) model to include effective firm strategy. The examples for firm strategy have been taken from real-life examples of various other firms currently exploring this option and their relevant actions to include consumers in the CSR decisions. Current strategy and actions of Norwegian fish farming companies were also studied for this purpose. Once again, the validity of the effective firm strategy discussed was beyond the scope of this research thesis.

However, this thesis does provide a lot of scope for future research studies in the area of consumer-driven CSR. With the completion of such projects in the industry, it will be easier to collect relevant data both from the demand side (consumers) and the supply side (firms). Furthermore, if certain industry standards are also regulated by the institutional framework in a given society (e.g. GRI G4), research into the impact of institutional framework on the consumer demand for CSR and its supply will be made possible. Future research studies may also conduct an empirical testing of the model presented in this research to find out causal relationships and the predictive strength of the model. Future researches may also focus on case study reviews of certain companies employing a consumer-driven CSR approach to study this model in practice or conduct an in-depth exploratory analysis of an entire industry employing such an approach to further develop this model. Additional factors that impact the demand and supply of CSR in this framework, or externalities that impact the demand and supply can also be identified in future research studies using case based analysis. Further research can also be conducted on the impact of consumers' perception of credibility, both at an individual as well as group level, on the model presented here.

Finally, in this thesis, only a single type of strategy for the supply of CSR by firms has been presented, i.e. the enviropreneurial marketing strategy. Further strategies can be researched into the supply of credible CSR by firms and research can also be conducted to assess their fit in the given model.

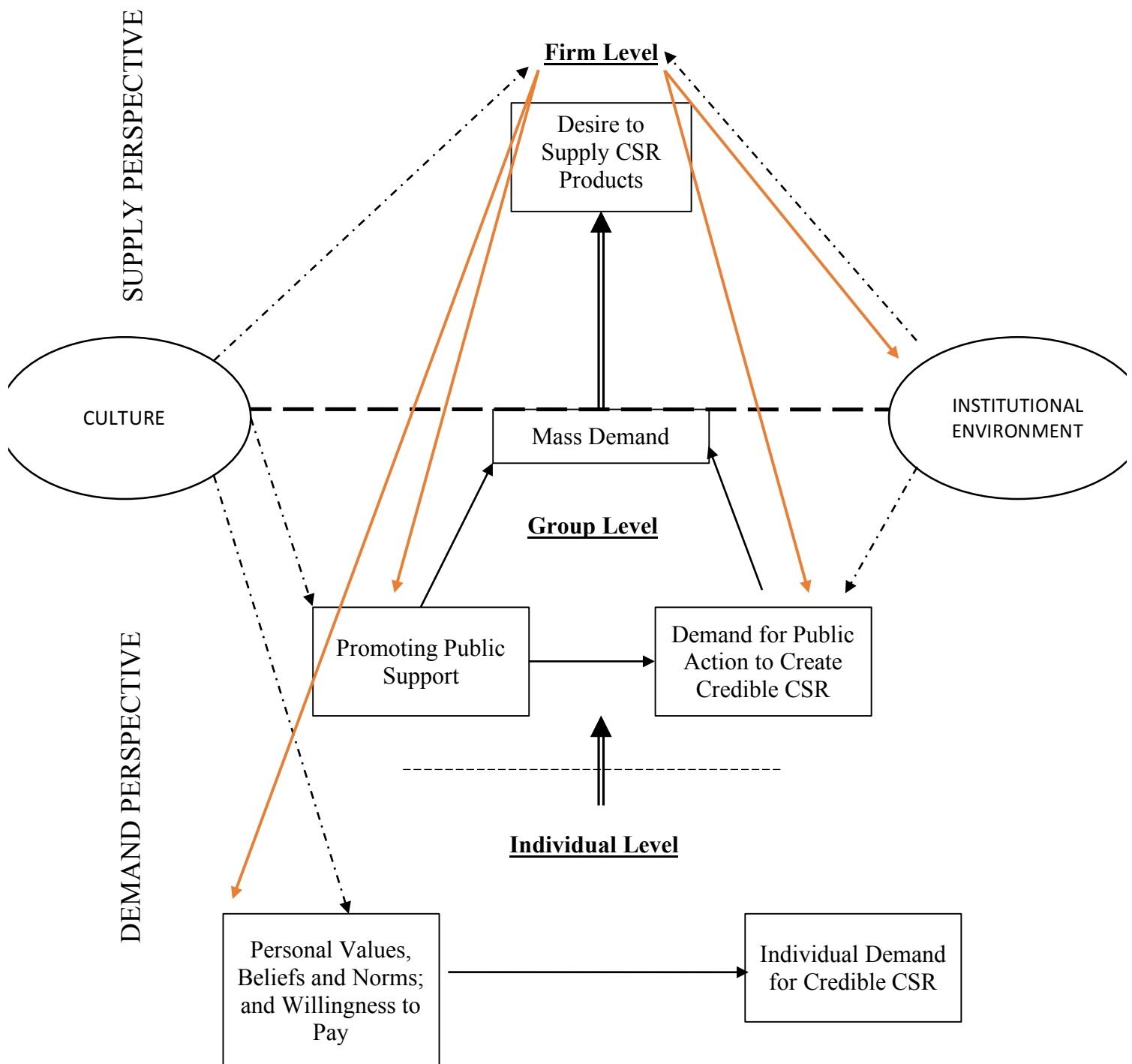
8. Conclusion

This thesis discusses the notion of consumer-driven Corporate Social Responsibility as a concept put forward by Marine Harvest, a company operating within the Norwegian fish farming industry which would like to bring about broader industrial changes and standardized sustainability regulations by focusing on consumer demand for CSR and how this can be imparted using effective firm strategy. In order to understand the process of the development of so called consumer-driven CSR, a conceptual model was firstly built using a literature review of the existing theories and frameworks for comparable topics such as the environmental movement, the ecological modernization, and the organic movement. These movements were found comparable due to their move from demand of a handful of individuals, to demand through public support and public actions or large-scale social movements which finally resulted in industrial and institutional changes leading to a supply of the demanded actions. The model hence developed focuses on two perspectives: demand of CSR and supply of CSR. The demand side focuses on demand from a few individuals depending on certain personal characteristics such as values, beliefs and moral norms that lead to an agreement with the objectives of CSR. This demand from individuals also relies on their willingness to pay for CSR by covering for the increased prices of products and services resulting from sustainable or socially responsible operations. Finally, the demand for individuals culminates into a question of credibility, that is how can such consumers perceive a credibility in the promise by a firm to be sustainable or socially responsible. The aggregated overall individual demand leads to a group level demand that consists of two facets. These are the development of a mass movement in the form of social support groups or public protests, and the demand for public action in order for firms to create credibility in their CSR communications. Once the mass demand for CSR has been created, it puts pressure on the firms to supply credible CSR products and services. This supply side in the model has been discussed using an enviropreneurial marketing strategy which research has found to be extremely effective for firms to endorse and adapt CSR initiatives as well as market the same to all stakeholders in the society. Finally, some

externalities to this demand-supply model have been discussed. These include the impact of national and organizational culture in the pursuit of CSR as well as the impact of institutional framework which includes regulatory bodies or auditing firms and organizations responsible for setting industry standards for sustainable and socially responsible practices. This model presents as a simple bottom-up model, where firms largely play a passive role by simply supplying whatever is demanded of them, to whichever extent it is being demanded (by the public) or mandated (by the institutional framework). In reality however, specifically in the case of the Norwegian fish farming industry, companies are looking for ways to construct effective firm strategies that would allow them to impact the consumers' drive and demand for CSR, so that sustainable changes to the current production processes and industry-wide regulations can be brought about much more easily, and with a lower backlash from the shareholders. This is important because the managers of a firm have their first and foremost responsibility to the shareholders and this primarily involves profit maximization. Therefore, shareholders must have an excellent motivation to allow for company resources to be used in activities that are not necessarily profit maximizing in nature. However, if the consumers demand such CSR activities from the firm, such that a failure to supply credible CSR products and services will lead to a decrease in profitability from a decreasing consumer base and customer satisfaction, or decrease in sales due to consumer boycotts, then this would compel shareholders to comply with the demand for CSR. In order to discuss this complex, top-down model where the firm is in fact an active player, certain firm strategies have been discussed, particularly for firms operating within the Norwegian fish farming industry, in the areas of the firm's impact on individual values, impact on public support, impact on public's demand for credible CSR, the firm's relationship to the institutional environment as well as industry-wide collaboration between all firms. The discussion on effective firm strategy not only helps us understand the actions that firms can undertake to ensure a successful implementation of a consumer driven CSR model but also modifies our understanding of the model as not merely a bottom-up process but a complex two-way process where the firm can proactively impact certain facets of the original model by helping create individual demand and providing a platform and resources for a social movement to shape up. The revised model is presented on the next page as a two-way model where the arrows in orange represent the effective firm strategy from the section on discussion i.e. the actions by firms that can help establish a consumer driven CSR approach. Finally, certain limitations of the report have been discussed and future areas of research within this scope have been identified for the researchers interested

in pursuing an exploration of consumer-driven CSR in different companies, industries, and countries.

Figure 6: A complex two-way model with paths identified to effective firm strategy



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