CORPORATE SOCIAL RESPONSIBILITY BRANDING

Linking CSR and branding

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Concurrently with increased stakeholder expectations for companies to demonstrate responsible behaviour, questions of sustainability and green agendas permeate companies all over the world. To create awareness among stakeholders about responsible behaviour, more companies include CSR in the branding to demonstrate a social responsible mindset and hereby ascribe attractiveness to the company. However, the increased stakeholder expectations have resulted in companies being exposed to criticism for promising more than they deliver.

This thesis treats CSR branding with focus on the world’s largest food and beverages company Nestlé. The main purpose of the thesis is to clarify why Nestlé is targeted by the stakeholders’ criticism despite the company’s engagement within CSR. The thesis focuses attention on Nestlé given that the company’s CSR branding is in variance with the stakeholders’ criticism of Nestlé’s business operations.

To examine why Nestlé is targeted by the stakeholders’ criticism regarding the company’s water and chocolate production, the thesis has a triangular focus on stakeholders, CSR and branding, respectively. This is due to the assumption that it is factors within Nestlé’s stakeholder perspective, CSR or branding approach that are the underlying reason for the criticism. These theoretical fields are combined with Nestlé’s own portrayal of its CSR branding and the stakeholders’ criticism in a comparative analysis in order to obtain a nuanced picture of Nestlé’s CSR branding. Given that Nestlé declined participating in the thesis, the analysis is based on the company’s corporate website, while two documentaries in the form of YouTube videos represent the stakeholders’ criticism.

In the analysis of why Nestlé is targeted by the stakeholders’ criticism, it is evident that in the company’s constant pursuit of creating value for shareholders, it overrules other stakeholder groups. Hence, Nestlé’s narrow stakeholder perspective is argued to be one of the underlying reasons for the stakeholders’ criticism. Given that Nestlé predominantly focuses on creating
value for shareholders, the overall purpose of the CSR initiatives appears to be profit maximisation resulting in the company’s CSR being dishonest and misleading. Thus, we argue that the CSR content on the website is words rather than deeds, and that Nestlé’s communicated CSR hereby does not appear to reflect reality. This implies that Nestlé’s CSR only functions as a tool to promote the company with no concern for the truth-value of the information. Given that Nestlé brands itself on CSR that appears both dishonest and untrustworthy, the branding approach is argued to be a tool for appearing responsible and promoting the company rather than actually being rooted in ethical matters and sincere motives.

The findings in the thesis imply that it is factors in Nestlé’s stakeholder perspective, approach to CSR and branding that are the reason for the stakeholders’ criticism. However, it is argued that a domino effect has occurred stemming from Nestlé’s narrow perspective on stakeholders in which profit maximisation and creating value for shareholders overshadow the good intentions of Nestlé’s numerous CSR initiatives. This has further negatively impacted Nestlé’s branding given that the company brands itself on CSR which appears as a tool solely for profit maximisation and not a sincere motive for positively contributing to society. Hereby, it is predominantly Nestlé’s narrow stakeholder perspective that results in the continuous criticism of Nestlé and its business operations.

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CHAPTER I
INTRODUCTION: CSR BRANDING
1. INTRODUCTION: CSR BRANDING (Jessica and Katrine)

Today, numerous companies engage in the field of CSR. However, several of these companies are in the media’s spotlight and targeted by criticism for not complying with own statements with regard to CSR initiatives. This has resulted in companies’ CSR appearing as a tool for promotion through branding rather than a sincere motive for positively contributing to and improving society. This has made us question what it is that goes wrong when companies link CSR and branding.

Concurrently with an increased competitive landscape, companies are obliged to go the extra mile in order to differentiate from competitors and hereby both attract and maintain stakeholders. Given that stakeholders expect companies to demonstrate CSR, questions of sustainability and green agendas now permeate companies all over the world (Bhattacharya 2009; McElhaney 2008; Van Riel and Fombrun 2007: 109). To create awareness among stakeholders about the responsible behaviour, more companies include CSR in the branding to demonstrate a social responsible mindset, and hereby ascribe attractiveness to the company (Schultz 2005: 28). Paradoxically, the more companies communicate these activities, the more critical attention they receive (Morsing and Schultz 2010: 87).

Numerous companies are exposed to criticism for promising more than they deliver. This has entailed the creation of ‘greenwashing’ referring to companies marketing themselves as green although they do not live up to their promises (Norrbom 2008). The global organisation Nestlé, the world’s largest food and beverages company, has experienced backlash for its CSR efforts and received criticism for, among others, using child labour in chocolate production, unsustainable forest clearing in production of palm oil, declaring that water is not a human right, and unethical promotion and sales of infant formula (Ader 2010; Controversialfiles: 2013; Fox 2010; Hawksley 2012; Joetait 2011; MsKandyrose’s channel: 2012; Muller 2013; Rosemann 2005; Samson 2013; Silverstein 2012). With Nestlé’s enormous volume and resources, the company’s business activities have great impact on the societies in which it operates. This entails great expectations from stakeholders implying that Nestlé not only minimises its negative impact on society but also improves initiatives that contribute positively to society.
Nestlé’s overall mission and strategy is to “be the leader in Nutrition Health and Wellness, [...] and trusted by all stakeholders.” (Nestlé 2014A). The company’s conviction is that leadership is about behaviour and trust, and it recognises that trust is achieved only over a long period of time by consistently delivering on promises. These objectives are captured in the company’s tag line ‘Good Food, Good Life’ (Nestlé 2014A). Nestlé not only engages in CSR, but states that the company is going a step beyond CSR to create value for the entire value chain and not only the communities as CSR suggests (Aaberg 2012; Nestlé 2012: 8). This entails that Nestlé is in the media’s spotlight and that stakeholders hold higher expectations for Nestlé’s CSR activities.

Over the last 30 to 40 years, Nestlé has been target of criticism which has negatively impacted the organisation’s image and reputation. According to the website, Nestlé engages in numerous CSR projects (Nestlé 2014B), however, due to the criticism, we presume that stakeholders still question the company’s motives for its CSR and critically respond to it. Hence, we find it interesting to research which factors of Nestlé’s CSR branding cause the criticism.

1.1 Problem statement  (Jessica and Katrine)

Despite communicating a great amount of CSR engagement, the stakeholders’ critical attitude and questioning of Nestlé’s actions suggest that aspects of the company’s CSR branding are not working. This has led to the following problem statement:

Why is Nestlé’s CSR branding targeted by the stakeholders’ criticism regarding the company’s water and chocolate production, when Nestlé is actively engaging in the field of CSR?

Our problem statement relates to “a gap between official versions of reality and the facts on the ground” (Marx 1997: 113). Applying a qualitative research (this will be explained in chapter 4: Methodology) tends to be open-ended, hence we have formulated research questions to narrow the focus within our area of interest to avoid collecting too much data and confusion about focus. These questions will systematically be researched and eventually lead to answering the problem statement.
1. How does Nestlé articulate its perspective on stakeholders on its corporate website, and how does it conflict the stakeholders’ criticism?

Answering this question provides knowledge on Nestlé’s perspective on its stakeholders, if some stakeholders are favoured over others and if any stakeholders are neglected in the CSR branding decisions. This facilitates discussing whether Nestlé takes a narrow perspective on stakeholders and hereby not acknowledges all stakeholders being influential and important to consider in regard to CSR decisions.

2. What characterises Nestlé’s approach to CSR and which CSR strategy does the company employ?

Answering this question provides knowledge on Nestlé’s commitment to CSR and hereby which strategy to CSR the company employs. This facilitates discussing whether CSR is an integrated part of the core business strategy or functions as a separate initiative. Furthermore, it facilitates discussing whether the stakeholders’ criticism is rooted in a misalignment between Nestlé’s engagement in CSR and Nestlé branding itself as socially responsible.

2a. How does Nestlé communicate CSR to its stakeholders?

By researching how Nestlé communicates its CSR initiatives, it is possible to identify which communication strategy the company employs. This facilitates discussing if the stakeholders are involved in the communication and decision of CSR projects. This contributes to identifying whether it is the communication of CSR rather than the approach to the concept that is misinterpreted by Nestlé thus the reason for the stakeholders’ criticism.

3. What characterises Nestlé’s approach to corporate branding?

Answering this research question provides knowledge on whether Nestlé includes ethical factors in its branding decisions or if the CSR branding functions as a tool to create attractiveness and persuade stakeholders thus gain competitive advantage. Furthermore, defining Nestlé’s approach to branding enables a discussion of whether
the CSR branding reflects the corporate identity and is anchored in the core business strategy.

By combining the three theoretical fields of stakeholders, CSR and branding and answering the above research questions all relating to these concepts, it is possible to answer the problem statement: Why is Nestlé’s CSR branding targeted by the stakeholders’ criticism regarding the company’s water and chocolate production, when the Nestlé is actively engaging in the field of CSR? Hereby, we can determine whether it is Nestlé’s perspective and weighting of its stakeholders, the company’s approach to CSR or its branding approach, or a combination of them, that are the underlying factor for the criticism.

1.2 Purpose (Jessica and Katrine)

The overall purpose of the thesis is to research why Nestlé’s CSR branding is targeted by the stakeholders’ criticism regarding Nestlé’s water and chocolate production. Therefore, our objective is not to create a general method for exploring gaps and wrongdoings in CSR branding, but rather examine the specific aspects of Nestlé’s CSR branding that are the underlying factor for the stakeholders’ criticism.

We are aware of the discussion of whether a company like Nestlé, a global player with a strong market position, should use the resources required to identify the factors leading to the enormous amount of criticism of its CSR engagement. However, our conviction is that Nestlé already spends enormous resources on reacting and responding to the continuous criticism. Hereby, Nestlé’s CSR initiatives appear reactive rather than proactive thus one hypothesis is that Nestlé does not receive credit for its responsible actions. Consequently, we presume that by identifying the aspects of Nestlé’s CSR branding that are not working as intended will contribute to a stronger brand. This will have positive impact on the company’s image and reputation thus strengthen Nestlé’s competitive advantage and contribute to maintain the position as market leader.
1.3 Scope  (Jessica and Katrine)

With regard to the criticism targeted at Nestlé, we have narrowed our focus to the criticism regarding the company’s water and chocolate production. Despite Nestlé branding itself on CSR, the company receives criticism for its water production regarding draining water streams, harming the communities’ water supplies etc. (Jacquelinemaxine 2009). Water is the planet’s most essential resource as it is fundamental for all existence on earth (Catsoulis 2008). Given that Nestlé brands itself on CSR yet criticised for harming a fundamental human right (Right to Water 2014), Nestlé’s water production is interesting to research.

In relation to human rights, Nestlé is further criticised for being instrumental in child labour in the production of chocolate. First and foremost, this point of criticism is essential to research as Nestlé brands itself on CSR which the criticism contradicts. Furthermore, in today’s society in which we have great focus on responsible behaviour through the entire supply chain, it is absurd that a company as Nestlé receives criticism for child labour. Additionally, Nestlé has signed the Harkin-Engel Protocol to stop child labour and trafficking in the Ivory Coast by 2005 and later in 2008 as the terms of the protocol were not met by the companies.

We focus on the two documentaries on YouTube, ‘Flow: Nestlé Bottled Water’ and ‘The Dark Side of Chocolate’ treating the stakeholders’ criticism of Nestlé’s water and chocolate production. It is impossible to include all Nestlé’s stakeholders in the research given that the company’s wide range of products entails the stakeholders covering all from coffee farmers to the media and the end-user (children, adults, new parents, the elderly etc.). Consequently, we focus on the stakeholders represented in the two documentaries posted on YouTube. This social media platform reaches enormous amounts of people; a video treating the criticism of Nestlé reached almost 80,000 views in a few hours¹, which is a clear indicator of this medium’s power to reach an enormous amount of people within short time.

¹ Greenpeace’s anti-Nestlé campaign ‘Kit Kat Killer, debating the issue of Nestlé’s Kit Kat containing palm oil resulting in deforestation and threatening the livelihood of the endangered orangutans (Veronica 2013)
1.4 Reading guide (Jessica and Katrine)

This reading guide presents the chapters of the thesis and their purpose and key findings, respectively. Each chapter contributes to answer why Nestlé’s CSR branding is targeted by the stakeholders’ criticism regarding the company’s water and chocolate production, when Nestlé is actively engaging in the field of CSR.

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>PURPOSE</th>
<th>KEY FINDINGS</th>
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<tbody>
<tr>
<td>1. INTRODUCTION</td>
<td>To clarify the overall realm of understanding necessary for the further comprehension and reading of the thesis.</td>
<td>More companies include CSR in the branding in order to create awareness among stakeholders about their responsible behaviour. Nestlé is targeted by criticism for its CSR branding despite actively engaging in the field. This has raised the question of why Nestlé’s CSR branding is targeted by the stakeholders’ criticism regarding the company’s water and chocolate production.</td>
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<tr>
<td>2. LITERATURE REVIEW</td>
<td>To discuss and create an understanding of the fields of stakeholders, CSR and branding in order to identify useful concepts for examining why Nestlé’s CSR branding is targeted by the stakeholders’ criticism.</td>
<td>Stakeholders are fundamental for any company’s livelihood. Concurrently with stakeholders’ increased expectations for companies to demonstrate responsible behaviour, CSR now permeates the majority of large corporations. Companies must employ the right CSR communication strategy to appear trustworthy. More companies make use of the benefits of CSR by incorporating it in the branding strategy.</td>
</tr>
<tr>
<td>3. THEORY OF SCIENCE</td>
<td>To present the fundamental scientific perspective guiding the thesis’ understanding and interpretation.</td>
<td>The thesis is rooted in a social constructivist perspective including a hermeneutic approach in which our subjective stance and pre-understanding affect our research choices.</td>
</tr>
<tr>
<td>4. METHODOLOGY</td>
<td>To clarify and substantiate methodological choices.</td>
<td>The thesis treats a case study of Nestlé’s CSR branding in which a qualitative strategy in the form of</td>
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To examine Nestlé’s perspective on stakeholders, its CSR approach, the company’s CSR communication and finally its branding approach.

Nestlé has a narrow stakeholder perspective with focus on consumers and predominantly shareholders. This results in the CSR initiatives appearing solely as a tool for creating value for shareholders. This further negatively impacts the branding which appears to function as a way to promote the company with no ethical factors despite Nestlé branding itself on CSR.

To sum up the thesis’ findings in order to conclude why Nestlé’s CSR branding is targeted by the stakeholders’ criticism regarding the company’s water and chocolate production, when Nestlé is actively engaging in the field of CSR.

A domino effect has occurred stemming from Nestlé’s narrow perspective on stakeholders in which profit maximisation and creating value for shareholders overshadow the good intentions of Nestlé’s numerous CSR initiatives. This has further negatively impacted Nestlé’s branding.

Table 1: Chapter purposes and key findings (source: own construction)
CHAPTER II
LITERATURE REVIEW
2. LITERATURE REVIEW  

(Jessica and Katrine)

The concepts of stakeholders, CSR and branding are combined in the research of why Nestlé’s CSR branding is targeted by the stakeholders’ criticism regarding the company’s water and chocolate production. This facilitates researching whether it is Nestlé’s perspective and weighting of its stakeholders, the company’s approach to CSR or its branding approach that result in the criticism of Nestlé’s water and chocolate production.

Stakeholders have great impact on a company, and they are an essential factor for the livelihood of any corporation. Hence, companies must consider their impact on all stakeholder groups with regard to organisational decisions. Given that the criticism is directed at Nestlé’s CSR activities, we include CSR to identify the company’s motive and strategy in order to research whether it is Nestlé’s approach to CSR that is the underlying factor for the criticism. Branding is included as it is through this practice the CSR projects are communicated – Nestlé brands itself as a social responsible company. Hence, we study whether Nestlé’s understanding of and approach to branding is the actual reason for the criticism rather than the CSR projects.

The section on stakeholders includes the company/stakeholder relationship model and a discussion of different stakeholder types in terms of power, legitimacy and urgency. This facilitates answering research question 1: How does Nestlé articulate its perspective on stakeholders on its corporate website, and how does it conflict the stakeholders’ criticism? The section on CSR includes the Spectrum of CSR, Strategic CSR and CSR commitment in order to examine Nestlé’s approach and hereby answer research question 2: What characterises Nestlé’s approach to CSR and which CSR strategy does the company employ? Hereafter, the section includes CSR communication in order to examine whether Nestlé includes its stakeholders and thus answer research question 2a: How does Nestlé communicate CSR to its stakeholders? The section on branding includes a discussion of branding being persuasive or ethical, followed by blind spots that companies are to be aware of when seeking differentiation and uniqueness through branding. Given that identity is fundamental in the creation of a brand, the AC2ID test is included. This facilitates answering research question 3: What characterises Nestlé’s approach to corporate branding?
### CONCEPTS

<table>
<thead>
<tr>
<th>STAKEHOLDERS</th>
<th>PURPOSE</th>
</tr>
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<tbody>
<tr>
<td>The company/stakeholder relationship model</td>
<td>To identify Nestlé’s perspective and weighting of respective stakeholder groups</td>
</tr>
<tr>
<td>Stakeholder salience</td>
<td>To emphasise the importance of not only identifying but also categorising stakeholders based on their level of salience in order to respond to their claims in the best possible way to avoid criticism.</td>
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<tr>
<td>CSR</td>
<td>To identify Nestlé’s CSR approach and strategy</td>
</tr>
<tr>
<td>The spectrum of CSR</td>
<td>To present an insight into the various interpretations of the field of CSR in order to determine this thesis’ definition of the concept.</td>
</tr>
<tr>
<td>Strategic CSR – taking it a step further</td>
<td>To discuss the strategic aspects of CSR and how it can contribute to competitive advantage by incorporating it in the core business strategy.</td>
</tr>
<tr>
<td>Commitment to CSR</td>
<td>To discuss the different levels of CSR commitment in order to determine a CSR strategy.</td>
</tr>
<tr>
<td>CSR communication</td>
<td>To present distinctive strategies for CSR communication dependent on whether stakeholders are involved or excluded from the communication.</td>
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<tr>
<td>BRANDING</td>
<td>To identify Nestlé’s approach to branding</td>
</tr>
<tr>
<td>Ethical branding</td>
<td>To present the ethical factors of branding and how ethics have become an essential part of branding in order for it to appear trustworthy.</td>
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<tr>
<td>The conformity trap</td>
<td>To discuss possible blind spots that companies may fall into when branding themselves.</td>
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<tr>
<td>An inside-out vs. and outside-in perspective on branding</td>
<td>To present two opposing brand positions suggesting a company’s perspective on branding.</td>
</tr>
<tr>
<td>The AC²ID test</td>
<td>To include the important aspect of identity and present a multidimensional framework on corporate identity suggesting that companies have several identities between which congruence must exist.</td>
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Table 2: Literature concepts and their purpose (source: own construction)
2.1 Stakeholders – who really counts  (Jessica and Katrine)

This section discusses the concept of stakeholders and accounts for our interpretation of the concept through the company/stakeholder relationship model in which the company and its stakeholders mutually affect each other under constant influence of the culture and context in which they exist. Additionally, we include a discussion of different stakeholder types in terms of power, legitimacy and urgency. This facilitates discussing Nestlé’s understanding of its stakeholders and whether the company takes a narrow perspective on these in its CSR branding which may be a central reason for why Nestlé’s CSR branding is target of criticism, and hereby answer research question 1: How does Nestlé articulate its perspective on stakeholders on its corporate website, and how does it conflict the stakeholders’ criticism?

2.1.1 Company/stakeholder relationship model  (Jessica and Katrine)

Literature ascribes different meanings to the concept of stakeholders; however, Edward Freeman is known as the founder of the stakeholder theory. In his book ‘Strategic Management: A Stakeholder Approach’ (1984:25), Freeman defines stakeholders as:

“Any group or individual who can affect or is affected by the achievement of the firm’s objective”

- Edward Freeman

Contrary to Freeman’s definition, Schermerhorn (1996: 115) proposes that stakeholders are those who are affected by the company through its behaviour and CSR engagement, however, not someone who affect the company.

“[…] persons and groups who are affected in one way or another by the behaviour of an organization. They are people affected by the organization’s performance, and who may be affected in one way or another by its commitment to social responsibility.”

- John R. Schermerhorn
According to the above definitions, a company’s stakeholders play an important role in the success of the company. We ascribe to Freeman’s definition as we are of the perception that stakeholders not only are affected by the company’s actions, but also are able to affect the company and its actions. Hereby, we disclaim Schermerhorn’s definition as he only considers the impact as being one-way – from the company to the stakeholders. However, we find his inclusion of CSR relevant when defining stakeholders as they play an essential role in a company’s CSR engagement. A company should take the stakeholders’ expectations into consideration when determining which areas of CSR to engage in as they are affected by the company’s CSR activities, either positively or negatively. Consequently, a company ought to take its stakeholders seriously, not only in CSR matters, but also in all business operations. This has entailed an increased awareness of the importance of communicating with stakeholders in order to develop and protect the company’s image and reputation (Cornelissen 2011: 39-40).

With regard to stakeholder, Kampf (2007) argues the importance of acknowledging the culture and how it affects the connection between the company and its stakeholders. Cornelissen (2011: 40) argues that companies are increasingly including stakeholder management in its business. This indicates a move away from a neo-classical economic theory to a socio-economic theory. The neo-classical theory suggests that the overall responsibility of a company is profit maximisation, both for the company itself and its shareholders. In contrary, the socio-economic theory indicates that this responsibility extends to groups beyond the company’s shareholders. These groups are considered essential for the company’s livelihood and the welfare of society. For this reason, the socio-economic theory is also known as the ‘stakeholder perspective’.

Our approach to a company, its stakeholders and their mutual influence on one another is illustrated in Figure 1: The company/stakeholder relationship model on the following page.
The figure places the company in the centre and the stakeholder groups as surrounding it. In regard to the company’s position in the centre of the figure, it is relevant to state that this is not an indication of the company being the most important player in the company/stakeholder relationship model, but rather an indication of stakeholders being identified based on the specific company in question. Additionally, it is assumed that all stakeholders with legitimate interests in a company affect it in order to obtain certain benefits. Furthermore, the company’s behaviour, strategies and operations have impact on the stakeholders; hence, the arrows running in both directions illustrate a mutual impact on the involved parties. The interaction between the company and each stakeholder group is not considered as individual instances.

Figure 1: The company/stakeholder relationship model (source: own construction inspired by Donaldson and Preston: 1995; Freeman 1984: 25; Kampf 2007; Schermerhorn 1996: 115)
given that the stakeholders also affect each other. Hereby, we consider the influence between stakeholder groups just as important as the influence between the company and the groups.

In line with a social constructivist perspective, concepts are social constructions under constant influence of the culture and context in which they exist. This is further in alignment with Kampf’s suggestion of culture influencing the relationship between a company and its stakeholders. Therefore, we have included a cultural and contextual aspect which overall influences all interaction, communication and expectation in the company/stakeholder relationship model. In the research of what aspects of Nestlé’s CSR branding are not working, we consider the cultural and contextual aspects in the figure relevant as these factors reflect what is commonly agreed upon in society in terms of responsible behaviour for companies to demonstrate.

In consequence of our perspective on stakeholders encompassing all people affecting or being affected by the company, Nestlé’s stakeholders involve almost everyone. This is due to Nestlé’s product range covering all from infant formula, ready meals and bottled water to chocolate and coffee (Nestlé 2014H). Hereby, Nestlé touches a large part of the population that all have a stake in the company. Given that Nestlé cannot meet the expectations of all stakeholders, the company is to be able to categorise the stakeholders in terms of their relevance to the company. Hence, stakeholder types are clarified in the following based on their power, legitimacy and urgency.

2.1.2 Stakeholder relevance - power, legitimacy and urgency  (Jessica and Katrine)
The purpose of this section is to discuss the relevance of Nestlé’s various stakeholders in terms of their level of power, legitimacy and urgency. This facilitates identifying whether Nestlé neglects any relevant stakeholders that affect or is affected by its CSR branding decisions. This contributes identifying whether a possible neglect is the reason for the criticism and answering research question 1: How does Nestlé articulate its perspective on stakeholders on its corporate website, and how does it conflict the stakeholders’ criticism?
Stakeholders can be categorised depending on whether they have, or are perceived to have, one or more of the following three attributes; *power* to influence, *legitimacy* of their claim and/or *urgency* of their claim (Mitchell et al. 1997: 854).

Stakeholder power exists when a stakeholder is able to influence the company to act upon its claims, which the company would not otherwise have done (Mitchell et al., 1997: 865). Stakeholder legitimacy exists when a company believes that the actions of a stakeholder or stakeholder group are desirable or appropriate within the company’s accepted norms and values or those socially accepted and expected. A stakeholder’s amount of legitimacy determines its justifiable right to make a claim (Mitchell et al., 1997: 866). Stakeholder urgency ‘calls for immediate attention’ and exists only when the following two conditions are present: when a relationship or claim is of a time-sensitive nature, and when that relationship or claim is important or critical to the stakeholder. Urgency is based on the two attributes: time-sensitivity and criticality. Time-sensitivity is the degree to which a delay in the company’s response to the claim or relationship is unacceptable to the stakeholder. Criticality is the importance of the claim or the relationship to the stakeholder (Mitchell et al., 1997: 867).

Based on the above, powerful stakeholders can influence the company, however, some stakeholders are not perceived powerful yet influential due to their claims being legitimate. Though stakeholders are both powerful and legitimate and their claims are acknowledged, the company may not respond due to lack of urgency (Mitchell et al., 1997: 867). Depending on a company’s perception of stakeholders possessing one, two or all of the above attributes, their level of salience towards a company is determined. Salience is defined as; “*The degree to which managers give priority to competing stakeholder claims.*” (Mitchell et al., 1997: 869).

The various combinations of the three attributes: power, legitimacy and urgency, thus the stakeholders’ level of salience, have created seven distinct stakeholder types. These types are elaborated subsequently.
2.1.2.1 Stakeholder types  (Jessica and Katrine)

The framework of stakeholder types is a tool for managers to identify and prioritise their stakeholders. As illustrated in Figure 2: Stakeholder salience model, the framework distinguishes between seven stakeholder types divided into three groups, latent stakeholders, expectant stakeholders and definitive stakeholders, based on possessed number of attributes (Mitchell et al., 1997: 874; Neville et al. 2011: 357). The framework facilitates categorising the stakeholders in terms of their relevance to the company, and furthermore discussing if some stakeholder types are neglected in Nestlé’s CSR branding decisions. This contributes to examining if Nestlé does not accommodate stakeholder expectations thus answer research question 1: How does Nestlé articulate its perspective on stakeholders on its corporate website, and how does it conflict the stakeholders’ criticism?

Figure 2: Stakeholder salience model (source: Mitchell et al. 1997: 874)
2.1.2.1.1 Latent stakeholder – low level of salience  

Latent stakeholders only possess one attribute and have a low salience hence their existence is often not recognised by the company. Moreover, these stakeholders are not acknowledging or paying attention to the company. The latent stakeholder group consists of the three stakeholder types: dormant stakeholder, discretionary stakeholder and demanding stakeholder. The dormant stakeholders’ main attribute is power, however, by only possessing this attribute, companies do not recognise their power. These stakeholders are able to spend much money or direct the media’s attention towards the company. The company must consider these stakeholders as they are able to acquire other attributes through their power thus increase level of salience. Discretionary stakeholders are those possessing legitimacy, however, without power to influence the company and without urgent claims. Hence, there is no pressure on the company to engage with these stakeholders. Examples of these stakeholders are non-profit organisations. The attribute of demanding stakeholders is urgency, however, they have neither power, legitimacy nor is considered dangerous. If these stakeholders are not acquiring power or legitimacy, the company does not consider them dangerous or important but rather irritating (Mitchell et al. 1997: 874-876).

2.1.2.1.2 Expectant stakeholder – moderate level of salience  

Stakeholders possessing two attributes are referred to as expectant stakeholders. In contrast to the latent stakeholders, the company considers these more influential due to the combination of two attributes creating an active position. This active position results in the company’s responsiveness being higher in regard to these stakeholders as this group has moderate salience. The expectant stakeholder group consists of the three stakeholder types; dominant stakeholder, dangerous stakeholder and dependent stakeholder. Dominant stakeholders posses both power and legitimacy, hence, their influence is high and relevant to the company. These stakeholders are dominant due to their legitimate claims as well as their ability to act upon these claims. Dangerous stakeholders possess urgency and power, and are coercive in their claims. Dependent stakeholders have urgent legitimate claims yet lack power and, therefore, depend on other stakeholders to implement their claim (Mitchel et al. 1997: 876-877).
2.1.2.1.3 Definitive stakeholder  (Jessica and Katrine)

Definitive stakeholders possess all three attributes thus the company highly prioritises and attends these stakeholders’ claims. This group of stakeholders has a high level of salience as all attributes are perceived to be present by the company (Mitchell et al. 1997: 876-878).

2.1.2.2 Critical reflection and our approach to stakeholder salience  (Jessica and Katrine)

We critically relate to the framework as it solely categorises the stakeholders based on possessed number of attributes and does not include the dimension of stakeholders cooperating, interacting and forming alliances against the company which increase their level of salience. Moreover, determining salience based on the accumulation of dichotomous attributes does not include the varying levels or degrees of the attributes. The framework does not distinguish between very powerful stakeholders and less powerful but instead categorises them within same group. A very powerful latent or expectant stakeholder (those possessing one or two attributes) may have a higher level of salience than a definitive stakeholder (possess all three attributes) with a low degree of each attribute. Hereby, considering only the number of attributes may result in a wrong response from the company, which can harm the company and its stakeholders.

Overall, the framework lacks clarity; Mitchel et al. (1997) have not clearly defined the meaning of each attribute and what they cover, hence their meaning is created based on the researcher’s own interpretation. The framework does not distinct between legitimacy of the stakeholder and of the claim. There is no clear definition of legitimacy hence some researchers interpret it as a social construct based on ethical criteria whereas others emphasise its instrumental role as a necessary resource of the company (Neville et al. 2011: 364). Due to our key area being CSR branding, we emphasise the importance of moral legitimacy and hereby what is morally right and proper.

Like Neville et al. (2011), we do not consider urgency important when identifying the stakeholders’ salience. Urgency is categorised by the stakeholders’ willingness to exercise power, hence urgency is included in the power attribute. Furthermore, companies will not consider the claim if it does not have power to affect the company or a legitimate claim upon
the company. However, we do acknowledge that urgent claims cannot be overlooked as they are likely to seek power and/or legitimacy through other stakeholders. Power cannot be thought of only in terms of possessing or not possessing given that stakeholders possess different levels of power, and this level determines their salience. Furthermore, the stakeholder salience varies in changing contexts; the salience of activist groups and local communities increases during environmental crises while the media’s salience increases when the transgression is discovered. Based on these critical reflections and critique points of the framework, we ascribe to Neville et al.’s (2011: 369) definition of stakeholder salience: “Stakeholder salience is the prioritization of stakeholder claims by managers based on their perception of the degree of power of the stakeholder and the degree of moral legitimacy and urgency of the claim.”

Despite the above, the framework is indeed a useful tool as it enables identifying and categorising Nestlé’s stakeholders. Nestlé’s is to be able to clearly identify and categorise its stakeholders in order to balance their claims and hereby respond correctly to them. Correctly identifying the stakeholders and accurately prioritising their claims are key processes in successful companies (Neville et al. 2011: 357). Being aware of our critique points of the framework and incorporating them when applying the framework in the analysis of Nestlé’s communicated perspective on its stakeholders, facilitates a more accurate examination of the stakeholders’ salience.

The section on stakeholders has provided concepts for researching who is relevant in the CSR branding decisions and whether Nestlé’ takes a narrow perspective on its stakeholders, which may be the reason for the criticism targeted at the company. Given that the criticism is directed at the company’s CSR activities specifically, it is not sufficient only to examine whether Nestlé’s approach to stakeholders is the reason for the criticism; thus we include a discussion of the concept of CSR in the following.
2.2 Corporate social responsibility  (Jessica)

Nestlé brands itself as a social responsible organisation; however, the company is exposed to continuous criticism. Therefore, the spectrum of CSR, strategic CSR and CSR commitment are discussed in order to identify Nestlé’s approach to CSR and answer research question 2: What characterises Nestlé’s approach to CSR and which CSR strategy does the company employ? Hereafter, we discuss CSR communication in order to answer research question 2a: How does Nestlé communicate CSR to its stakeholders?

2.2.1 The spectrum of CSR  (Jessica)

CSR is a complex and ambiguous concept to define as it covers a wide range of interpretations in literature varying from Milton Friedman (1970) to Archie B. Carroll (1999). According to Friedman (1970: 25) the responsibility of any business is to make as much money as possible. Friedman’s perhaps most well known quote reads as follows:

“There is one and only one social responsibility of business — to use its resources and engage in activities designed to increase its profits.”

- Milton Friedman

Archie B. Carroll (1999: 286) extends Friedman’s definition and includes more soft values in his definition of CSR:

“[...] CSR involves the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive. To be socially responsible... then means that profitability and obedience to the law are foremost conditions to discussing the firm’s ethics and the extent to which it supports the society in which it exists with contributions of money, time and talent. Thus, CSR is composed of four parts: economic, legal, ethical and voluntary or philanthropic.”

- Archie B. Carroll

Carroll proposes CSR to consist of four responsibility types: economic, legal, ethical and philanthropic responsibilities. Like Friedman, Carroll acknowledges the importance of a
company’s financial performance, however, it should not only benefit the company but society as well (Carroll and Shabana 2010: 90). We acknowledge Friedman’s argument about profit maximisation being an essential factor with regard to CSR, as this is fundamental for companies to even be able to act socially responsible. However, at the same time we also disclaim Friedman’s definition as it is too simple and single-minded at profit maximisation as a company’s businesses operations always create side effects, thus companies are to be held responsible for them. Carroll takes the concept of CSR a step further by including the aspect of philanthropy as being the highest level of CSR responsibility. Yet, we also disclaim this definition as according to Carroll, philanthropic responsibilities are equivalent to donating money to society. This implicitly indicates that a company can be socially responsible despite polluting and using sweatshops as long as it donates money to a good cause. When solely donating money, a company is not actively working to improve social and environmental issues, and therefore not performing CSR in our perspective.

Compared to Friedman and Carroll, McElhaney (2008: 5) takes CSR a step further and defines it with regard to corporate strategy as she believes that CSR should be incorporated in the business strategy. Her definition of strategic corporate social responsibility reads:

“A business strategy that is integrated with core business objectives and core competencies of the firm and from the outset is designed to create business value and positive social change, and is embedded in day-to-day business culture and operations”

- Kellie McElhaney

Thus, McElhaney moves CSR from being strategically disconnected philanthropic initiatives to being integrated in core objectives and competencies. She does not consider whether the actions are voluntary nor expected, rather she focuses on the importance of CSR being strategic, hence integrated in core business objectives and in alignment with the organisational culture in order to create both business value and positive social change (McElhaney 2008: 5).
2.2.2 Strategic CSR – taking it a step further  

This section discusses the strategic aspects of CSR and how it can be linked to competitive advantages. Given that Nestlé brands itself as socially responsible, we research if the company’s CSR functions as a separate initiative or as an integrated part of Nestlé’s core business strategy in order to answer research question 2: What characterises Nestlé’s approach to CSR and which CSR strategy does the company employ? If Nestlé’s CSR initiatives function separately from the core business strategy, a gap between words and deeds may be an underlying factor for the criticism.

Despite the variety of definitions of CSR, companies should define the concept for themselves. If CSR is to be treated as a part of the corporate strategy, the definition is then unique to that specific company dependent on its competencies, objectives and risks. Whether companies label their CSR initiatives as corporate citizen, corporate responsibility or sustainable development is not what is important, but rather that it is applied consistently, incorporated in the business strategy, communicated and branded (McElhaney 2008: 5-6). In order for companies to strategically apply CSR, Porter and Kramer (2006: 83) emphasise the importance of the relationship between company and society;

“To advance CSR, we must root it in a broad understanding of the inter-relationship between a corporation and society while at the same time anchoring it in the strategies and activities of specific companies”

- Michael Porter and Mark Kramer

Hereby, companies and society are interdependent; successful companies need a healthy society and at the same time a healthy society needs successful companies. When companies apply CSR strategically, and not just as a separate business initiative, CSR has the power to not only improve society but also the company’s bottom line. When applied effectively, strategic CSR can enhance employee loyalty, productivity, and retention. It further grants a company license to operate in new markets while providing a brand story to tell and finally a competitive advantage (McElhaney 2009: 31-32; Porter and Kramer 2006: 80). Strategic CSR involves deep engagement with external stakeholders that can benefit the company by exposure to future
trends, opportunities, and risks. Thus, truly listening, engaging and using this information in the business strategy can make the brand relevant both today and in the future (McElhaney 2008: 36-37).

One of the most important drivers for CSR today is the gap between perception and reality. The public’s expectations for companies to act in society’s best interest has increased whereas the perception of companies actually acting in society’s best interest has declined. This gap has created a situation in which trust in business is eroding. This gap is an indicator of misalignment between image and identity, thus in order to avoid this gap, companies are to strategically incorporate their CSR engagement into both internal and external brand stories (McElhaney 2008: 6-7). We acknowledge that CSR is to be integrated in both external and internal brand stories; however, this is not sufficient to avoid this gap. Companies must insure alignment between words and deeds in order to appear credible and trustworthy, and hereby build trust between the company and its stakeholders.

A clear vision for CSR engagement reflects core values in the company and is linked to the company’s vision and mission, thus management is to take an authentic, firm and public commitment to CSR efforts and engage with them. Management must determine which objectives the CSR strategy is to support such as talent attraction and retention, taking market share from competitors or growth in new markets. Aligning the CSR strategy with core business is essential in order for the company only to engage in activities that they have knowledge about and expertise in (McElhaney 2009: 33-34). Du et al. (2010: 12-13) refers to the linkage between CSR engagement and core business as CSR Fit. They argue that stakeholders expect companies only to engage in those social issues that fit or have a logical association with core business activities. A low CSR fit is likely to make extrinsic motives more salient thus reduce stakeholders’ positive reactions to a company’s CSR activities. In situations where the company has no natural fit for supporting and engaging is a social cause, it is crucial for the company to justify its engagement in order to create a perceived fit. Under certain circumstances,

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2 Stakeholders’ attribution of a company’s CSR motives can be of two kinds: extrinsic, in which the company is perceived as attempting to increase profits; or intrinsic, in which the company is perceived as acting out of a genuine concern for the focal issue (Du et al. 2010: 9).
communicating a low fit can lead to more favourable stakeholder reactions as engaging in low-fit issues might portray the company as being more sincere in its motive. The CSR fit is relevant in terms of continues criticism of Nestlé’s CSR projects as this may be an underlying factor for the criticism.

As demonstrated in the spectrum of CSR and strategic CSR, the concept is distinct from focusing on profit maximisation to philanthropy and strategically incorporating it in the business strategy. Therefore, in order to discuss Nestlé’s strategy to the concept, CSR commitment is accounted for in the following.

2.2.3 Commitment to CSR (Jessica)

The purpose of this section is to categorise Nestlé’s commitment to CSR by including Schermerhorn’s (1996) four levels of commitment to CSR. This further contributes answering research question 2: What characterises Nestlé’s approach to CSR and which CSR strategy does the company employ? Furthermore, this facilitates examining if Nestlé’s commitment to CSR is in line with the company branding itself as socially responsible. Misalignment between Nestlé’s commitment and this brand focus may result in failing to deliver on the brand promises and this may be the reason for the criticism.

The framework distinguishes between the four strategies: obstructionist strategy, defensive strategy, accommodative strategy and proactive strategy. The emphasis within the different levels is remarkably distinctive from acting obstructionist to displaying progressive citizenship (Schermerhorn 1996: 117). The four strategies and their level of commitment including their respective responsibilities are illustrated in Figure 3: Commitment to CSR on the following page. The figure enables placing Nestlé based on the responsibilities met by the company, thus identifying Nestlé’s level of commitment to CSR and its CSR strategy.
The first strategy, the obstructionist strategy, avoids social responsibilities and any social demands that are outside the company’s perceived self-interest. Furthermore, companies applying this strategy will most likely deny any criticism or claims for wrongdoings. Therefore, companies applying this strategy only meet economic responsibilities (Schermerhorn 1996: 117). The defensive strategy seeks to protect the company by doing what is minimum legally required in order to satisfy expectations from stakeholders. Companies within this strategy only conform to social responsibility due to legal requirements and competitive market pressures. Moreover, they only comply with economic and legal responsibilities, and if criticised, intentional wrongdoings are likely to be denied; however, a legally acceptable response will be made (Schermerhorn 1996: 118). Companies pursuing the accommodative strategy accept their social responsibility and strive to satisfy economic, legal and ethical responsibilities. Outside pressure is the main reason for companies following this strategy to behave in accordance with norms, values and expectations. Within the proactive strategy companies are committed to meet all the criteria of CSR, including discretionary responsibilities, hence, the highest level of commitment to CSR is reached. Discretionary responsibility is solely voluntary and guided by an organisation’s desire to make social contributions not mandated by economics, laws or ethics. Discretionary activities include generous philanthropic contributions that offer no payback to
the organisation and are not expected. Discretionary responsibility is the highest criterion of social responsibility, because it goes beyond societal expectations to contribute to the community’s welfare. Companies act proactively in order to avoid negative social impact from company activities and take the lead in identifying and responding to emerging social matters (Schermerhorn 1996: 118).

In relation to Schermerhorn’s commitments to CSR, we recognise that the responsibilities within the framework are not clearly defined. This entails an individual interpretation of the responsibilities, which can make them diffuse and unclear to apply, as one’s perceived meaning of what the responsibilities involve may not be in accordance with Schermerhorn’s perception. This can create uncertainty in relation to the analysed results that are based on this theory.

In addition to researching whether the criticism of Nestlé’s CSR branding originates in the company’s CSR approach and strategy, it is relevant to include Nestlé’s CSR communication. This enables a discussion of whether Nestlé’s stakeholders are taken into consideration when communicating CSR, as a misunderstanding of how to communicate may be one of the factors resulting in the stakeholders’ criticism regarding Nestlé’s water and chocolate production.

2.2.4 CSR communication – you cannot not communicate (Jessica and Katrine)

The purpose of including a discussion of Nestlé’s CSR communication facilitates examining whether the stakeholders are actively included in the communication and if their expectations to CSR are accommodated. This makes it possible to answer research question 2a: How does Nestlé communicate CSR to its stakeholders?

Society has increased its focus on CSR, and more companies are aware of the importance of communicating their CSR initiatives; and more importantly, communicating their CSR initiatives in the best possible way (Morsing and Schultz 2010: 87). Communicating CSR activities often results in positive feedback from stakeholders, however, communicating CSR activities is also associated with challenges as stakeholders constantly evaluate the actions and often through a critical lens. Moreover, stakeholders’ expectations for CSR change as the concept develops, and therefore, companies have to be updated with these expectations and adjust their CSR
communication with regard to the institutional context in which they operate (Morsing and Schultz 2006: 323; Morsing and Schultz 2010: 87-88). In continuation hereof, Morsing and Schultz argue that CSR engagement more than ever requires refined and on-going stakeholder awareness and calls for refined CSR communication strategies (2006: 323). A company must consider the most appropriate strategy for its CSR communication with stakeholders in order to match its identity. By considering the relationship between company and stakeholders, the company is able to identify whether it should apply a one-way or a two-way communication strategy. The following will account for three distinct strategies to CSR communication.

2.2.4.1 CSR Communication Strategies

Based on Grunig and Hunt’s PR Model, Morsing and Schultz (2006) have unfolded three strategies for companies to strategically engage in CSR communication with stakeholders. The strategies are: the stakeholder information strategy, the stakeholder response strategy and the stakeholder involvement strategy. The strategies reflect to what extent companies use sense-making and sense-giving in its communication with stakeholders (Morsing and Schultz 2006: 325).

2.2.4.1.1 The stakeholder information strategy

Within this strategy, communication is always one-way from the company to its stakeholders. The purpose of the strategy is to inform stakeholders as objectively as possible about the company without persuading them. The company gives sense to its stakeholders, and the only way stakeholders can raise their opinion about the company is through either buying or boycotting the company’s products. Hence, the company must communicate its good practices to stakeholders in order to maintain a positive relationship and ensure positive stakeholder support. Given that all CSR activities are initiatives made by the company, the strategy is proactive. Companies applying this strategy are actively working with the media about communicating information about the company as well as participating in public relations. Companies working actively with CSR often apply this strategy, as managers have a sincere wish

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3 Sense-making is the process in which stakeholders develop meaning and understanding of the communicated message. Sense-giving occurs when the company attempts to influence the stakeholders’ meaning construction towards what is preferred by the company (Gioia and Chittipeddi 1991: 442)
to contribute positively to society. When companies work with CSR due to ethical reasons and apply this strategy, the focus is directed at communicating the company’s actions to its stakeholders in an appealing and trustworthy way in order to maintain a positive stakeholder relation (Morsing & Schultz 2006: 326-327; Morsing and Schultz 2010: 93-94).

2.2.4.1.2 The stakeholder response strategy (Jessica and Katrine)

The stakeholder response strategy is a two-way asymmetric communication strategy, in which communication flows to and from the stakeholders. However, an imbalance exists in the communication relationship between the company and its stakeholders as the company is the dominating part and does not necessarily change because of public relations; rather the company attempts to change public attitudes and behaviour. Stakeholders are important for the company as they contribute with external endorsement. Consequently, the company conducts market surveys or opinion polls to analyse positive or negative attitudes from stakeholders to be able to respond to these. The actions from the company must be relevant for the stakeholders in order to maintain their support and convince them about the company’s attractiveness. Managers will use market surveys to make sense, and hereafter decisions are communicated as sense-giving to stakeholders, thus, the stakeholder response strategy is a reactive strategy (Morsing and Schultz 2006: 327).

2.2.4.1.3 The stakeholder involvement strategy (Jessica and Katrine)

In contrast to the stakeholder response strategy, the stakeholder involvement strategy is a two-way symmetric communication strategy with focus on dialogue between the company and its stakeholders. Both parties might attempt to persuade one another to CSR initiatives, but as the relationship between the two is mutual, both parties are willing to change. Instead of forcing the stakeholders to change, the company accepts suggested changes and initiatives from the stakeholders, which positively affects the stakeholders’ willingness to change. The relationship involves both giving sense and making sense as both the company and stakeholders benefit from each other’s initiatives. In contrast to the other strategies, the stakeholder involvement strategy emphasises that stakeholders should be involved in frequent dialogue in order to promote positive support about the company and its CSR activities (Morsing and Schultz 2006: 328).
In continuation of the three CSR communication strategies, Table 3 illustrates eight aspects functioning as tools for analysis in order to examine a company’s applied CSR communication strategy. The eight aspects are: communication ideal: sense-making and sense-giving, stakeholders, stakeholder role, identification of CSR focus, strategic communication task, corporate communication department’s task, and third party endorsement of CSR initiatives (Morsing and Schultz 2006: 326).

<table>
<thead>
<tr>
<th>Communication ideal</th>
<th>Communication ideal: Sense-making and sense-giving</th>
<th>Stakeholders</th>
<th>Stakeholder role</th>
<th>Identification of CSR focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public information, one-way communication</td>
<td>Sense-giving</td>
<td>Request more information on corporate CSR efforts</td>
<td>Stakeholder influence: support or oppose</td>
<td>Decided by top management</td>
</tr>
<tr>
<td>Two-way asymmetric communication</td>
<td>Sense-making → Sense-giving</td>
<td>Must be reassured that the company is ethical and socially responsible</td>
<td>Stakeholders respond to corporate actions</td>
<td>Investigated in feedback via opinion polls, dialogue, networks and partnerships</td>
</tr>
<tr>
<td>Two-way symmetric communication</td>
<td>Sense-making ↔ Sense-giving</td>
<td>Co-construct corporate CSR efforts</td>
<td>Stakeholders are involved, participate and suggest corporate actions</td>
<td>Negotiated continuously in interaction with stakeholders</td>
</tr>
</tbody>
</table>
In relation to the above CSR communication strategies, Morsing and Schultz (2006) exclude the press agency/publicity strategy from Grunig and Hunt’s PR model given that it is based on propaganda by creating publicity without considering the truth-value of the information. Hence, they consider this strategy inappropriate for CSR communication, as the public expects CSR to reflect the truth (Morsing and Schultz 2010: 91; Morsing and Schultz: 2006: 325). However, we critically relate to the exclusion of the press agency/publicity strategy, and hereby the discussion of whether CSR communication could be based on this specific strategy. Though CSR communication is supposed to be reliable and present the company as transparent, ethical and socially responsible and thus not correspond with the essence of the press agency/publicity strategy, it is important to consider that some companies’ CSR communication might reflect this exact strategy.

In continuation of identifying a company’s communication strategy, a discussion of the CSR communication also being a paradox must be considered. Stakeholders tend to become both sceptical and cynical when companies are too committed to communicate CSR as it may appear as overstated self-promotions; stakeholders demand CSR facts rather than CSR promotions.
(Waddock and Googins 2011: 23). In line with our previous statement ‘you cannot not communicate’ (cf. 2.2.4 CSR communication – you cannot not communicate), if companies do not communicate CSR, they have no chance of drawing any reputational benefit from it. However, too much CSR communication might create a boomerang effect and result in a backlash. Another implication of CSR communication is the variety of interests from stakeholders, hence, companies must acknowledge that stakeholders do not appreciate same information (Coombs and Holladay 2012: 110-111).

This section has provided concepts for researching Nestlé’s approach to CSR in terms of commitment and strategy as well as a company’s CSR communication. This facilitates discussing whether it is Nestlé’s approach to CSR or the communication of it that is the fundamental reason for the stakeholders’ criticism. Given that Nestlé employs CSR as a branding feature, it is relevant to examine how the company approaches branding in terms of whether it considers solely own wellbeing or if the company’s impact on society is considered in the branding decisions. This facilitates not only examining whether it is a narrow perspective on stakeholders or the approach or communication of CSR but also examining if it is Nestlé’s approach to branding that is the reason for the stakeholders’ criticism of Nestlé’s CSR branding. Therefore, the concept of branding is discussed in the following.

2.3 Branding (Katrine)

Nestlé brands itself as a social responsible organisation; however, the company is exposed to continuous criticism for these activities. This has made us question whether it is Nestlé’s approach to and understanding of branding that is the reason for the criticism. Therefore, the section initially contains a critical discussion of the concept by including ethical branding, followed by two contrary approaches to branding. This facilitates examining Nestlé’s approach to branding and if ethical factors are included in branding decisions. Given that identity is fundamental in the creation of a brand, the AC²ID test is included. This facilitates answering research question 3: What characterises Nestlé’s approach to corporate branding?
2.3.1 Branding – a dynamic process to enhance image and reputation

Today, consumers buy the company behind the product thus they want to know this company. This calls for companies not only revealing more about themselves, but also revealing themselves in favourable ways. Corporate branding refers to the attempt to brand a company as one unified entity and add distinction to the company through values, distinctive design, a shared story or other symbols (Christensen, Morsing and Cheney 2008: 64-65). While some aspects of branding provide differentiation and uniqueness, others focus on establishing goodwill and legitimacy through socially accepted behaviour.

According to Schultz (2005:24), corporate branding focuses on “how an organisation can formulate an enduring identity that is relevant to all its stakeholders”. Schultz (2005:24) further emphasises the core of corporate branding being the alignment between the company’s vision, culture and image with identity as the centre of the constellation;

“Alignments between the origin and everyday practices of the organisation (organisational culture); where the organisation aspires to go (strategic vision); how the organisation is perceived by external stakeholders (images); all nested in perceptions of who the organisation is (identity).”

- Majken Schultz

Corporate branding should be founded on an integrated and cross-disciplinary mindset based on who the organisation is. Corporate branding is not a definitive character but a dynamic process in which the company continually rethinks questions of identity in order to propel it forward as a competitive and innovative company. This means that for companies today it is a necessity to be able to change yet still hold on to the identity. This is in line with our approach to stakeholders and their relationship with companies, which we have argued to be affected by the culture and context in which they exist (cf. 2.1.1 The company/stakeholder relationship model). Due to stakeholder images playing an essential role in branding, the company ought to continuously adapt to changes in the culture and context in order to be competitive and accommodate the expectations from stakeholders. In continuation of Schultz’ definition, Ries and Trout (1981) argue that brand managers should draw heavily on the corporate identity as it
also refers to the idea that the company can visually express its uniqueness and hereby
differentiate from competitors in order to gain a special position in the minds of stakeholders.
The concepts of uniqueness and differentiation both play a central role in corporate branding.
As Aaker (2003: 83) puts it;

“If a brand fails to develop or maintain differentiation, consumers have no
basis for choosing it over others. The product’s price will then become the
determining factor in a decision of purchase. Absent differentiation, the core
of any brand and its associated business – a loyal customer base – cannot be
created or sustained.”

- David Aaker

In continuation hereof, Aaker considers the following types of audiences for brands; brand
owners, the company behind the brand, and brand users, the consumers of the product or
service, and the shareholders. In this narrow distinction of brand audiences, Aaker neglects a
wider public that is also affected by the branding decisions. This correlates with the
company/stakeholder model emphasising that all stakeholder groups are important and that
the company and the stakeholders mutually affect each other in a cultural context (cf. 2.1.1:
The company/stakeholder relationship model).

We understand branding as the activities undertaken by the company to build favourable
images and reputation among its stakeholders, both internal and external. We consider
corporate identity to be an essential aspect of corporate branding in order for the branding
strategy to reflect everyday practices and the organisational culture – to be an integrated part
of the organisation and not function independently. However, this inside-out perspective on
branding cannot alone establish a strong brand as we recognise that companies never truly
own a brand; they only try to manage it. Brands exist primarily in the eyes of stakeholders, thus
a brand can have millions of perceptions and interpretations attached to it. Therefore, we
understand brand management as a promise to deliver on and reinforce the stakeholders’
expectations hence external factors must be considered.
The ultimate objectives of branding are summarised into: dominate the market (eliminate any competition), increase customer loyalty (by increasing switch costs) and finally, raise entry barriers (fend off possible threads). These objectives may benefit the company, however, branding should be evaluated from a moral perspective. In the ruthless competition to gain market shares, moral principles are likely to be the last concern for the companies. This raises a paradox: the more successful a brand is in the marketplace, the more likely the branding strategy becomes ethically questionable (Fan 2005: 343-344). Given that Nestlé brands itself through CSR, ethical branding is discussed in the following.

2.3.2 Ethical branding  (Katrine)

Nestlé has created a CSR brand that is continuously targeted by stakeholders’ criticism. In line with more ethical conscious consumers and society in general, the emphasis on ethical branding has increased (Fan 2005: 341). Given that Nestlé brands itself on CSR, ethical aspects of branding are discussed. This contributes discussing Nestlé’s branding approach thus answer research 3: What characterises Nestlé’s approach to corporate branding?

Society experiences the power of branding; brands are dominant within every aspect of human life and is no longer just about adding value to a product or company but about promoting lifestyles; hence brands themselves become a kind of culture. Lasn (1999A), a significant voice in the anti-brand movement, is concerned with culture going from ‘bottom-up’ to now being ‘top down’; culture is no longer created by people but by major organisations and brand corporations. He further argues that human desires are manipulated by advertising and an authentic life is therefore no longer possible. This concern and criticism is referred to as culture jamming. Culture jammers are media activists fighting a protracted war against the mass media and against the consumerism, which they believe has overtaken the world. They believe that it is only by ‘uncooling’ or neutralising the symbols of culture (brand names, products, celebrities, fashions, and entertainments) that we can restore authentic life in our country, change the way information flows, and build a new world with a non-commercial heart and soul (Lasn 1999B).

Today, brands are the face of the companies – a synonym of the companies’ policies hence we argue that the brand must be ethical. In this connection, defining what is ethical is complex as
ethics refer to moral rules or principles of behaviour for deciding what is right or wrong. These ethical values vary between individuals and organisations, and between different cultures, and are changing over time. In order for companies to perform ethical branding, there is great emphasis on stakeholders. Companies must consider their stakeholders and what they define as ethically correct (Fan 2005: 341-343). We hereby understand ethical branding as relating to moral principles that define right and wrong behaviour in branding decisions. This implies that an ethical brand should not harm the society in which it operates but rather contribute to public good.

Ethical branding is closely related to the company’s reputation. A company’s reputation is the stakeholders’ perception of the company to whether it is good or bad, reliable, trustworthy, reputable and believable based on whatever information and misinformation the stakeholders have. An ethical brand enhances the reputation while the reputation reinforces the brand in turn. Any unethical behaviour will severely damage or even destroy the total intangible asset. Branding is a way to interact with society and by creating an ethical brand, the company can enhance its reputation and competitive advantage (Fan 2005: 346-347). However, when communicating the ethical brand, it is important for companies to be aware of the risk of falling into the conformity trap’s blind spots as this may have negative impact on the reputation and competitive advantage, hence the conformity trap is discussed subsequently.

2.3.3 The conformity trap  (Katrine)

The purpose of including the conformity trap is to examine if Nestlé has fallen into one or more of the four blind spots in its CSR branding as this may have negatively affected the reputation and hereby the stakeholders’ criticism. In a company’s search for brand uniqueness and differentiation, Antorini and Schultz (2005: 57-60) have identified four blind spots: the uniqueness paradox, the narcissism dynamic, the leadership monopoly, and finally path dependency. These blind spots reflect issues that are neither recognised nor considered; yet push the company towards the conformity trap.

The uniqueness paradox refers to a company’s attempt to express its uniqueness and differentiation through corporate branding which often result in unintentional and clichéd
expressions and statements given that the vast majority of companies define themselves through identical values. The narcissism dynamic emphasises the argument that a company’s quest for uniqueness verges on narcissism. Thus, the more intense the pursuit of uniqueness is, the more likely the company is to detach itself from stakeholders. It is important for companies not to exaggerate its capabilities in its attempt to express uniqueness but rather take the environment’s perception of the company into account. Leadership monopoly refers to the idea that management exclusively owns the processes of corporate branding, thus solely decides how perceptions of the company should develop. Hereby, management is being sense-givers dictating meaning rather than sense-makers creating meaning. The final blind spot, path dependency, addresses the issue of corporate branding often being linked to promises to stakeholders and hereby commit management to remain a specific course. Moreover, the management’s loyalty towards the corporate brand can be both positive and necessary, however, in times where the market faces fundamental changes, it may be a necessity for management to recognise that changes are crucial in order to survive (Antorini and Schultz 2005: 60-67).

The conformity trap challenges the perception of companies being capable of identifying their own uniqueness and actually communicate it in ways that differentiates the company. In this relation, it is important to state that both uniqueness and differentiation play important roles in terms of corporate branding. The critical thing is not what values the company has but that these values result in a specific way of doing things – it is how the company acts that identifies its uniqueness and differentiation.

Having discussed the importance of ethics in corporate branding and possible blind spots in relation to differentiating the company through an ethical brand, the contrasting branding paradigms in the form of an inside-out vs. outside-in perspective is included. This contributes examining Nestlé’s approach to branding in terms a company-centred perspective and a stakeholder oriented one.
2.3.4 An inside-out vs. and outside-in perspective on branding  

This section presents two distinct brand management paradigms taking an inside-out and outside-in perspective on branding, respectively. Including the opposing perspectives facilitates discussing Nestlé’s perspective on branding and whether the company applies a company-centred approach rather than an external approach which includes the stakeholders’ opinions and expectations. This contributes answering research question 3: What characterises Nestlé’s approach to corporate branding?

Especially two overriding paradigms are present within the field of corporate branding: one with a positivistic viewpoint and one with a constructivist or interpretive nature. Within the positivistic approach, the brand is ‘owned’ by the marketer who controls the communication to a passive consumer. The assumption is that the marketer creates brand equity and the brand is perceived as a ‘manipulable lifeless artifact’. This paradigm implies an inside-out perspective on brand management (Hanby 1999: 11-12; Heding et al. 2009: 21-22). On the other hand, within the interpretive paradigm the notion is that brand and brand equity is created in the interaction between marketer and active consumer. As opposed to the positivistic paradigm, this paradigm perceives brands as ‘living entities’ with personalities with which we can form relationships and that can change and evolve over time. This paradigm adopts an outside-in perspective and is hereby a more subjective orientation (Hanby 1999: 11-12; Heding et al. 2009: 21-22).

The paradigm shift is an incremental process changing the discipline from a more functionalistic brand perspective to a constructivist perspective. Despite the significant shift in brand management, both paradigms coexist today (Hanby 1999: 12). We critically relate to the positivistic paradigm as CSR is a concept in which meaning is socially constructed. Hereby, a CSR brand cannot be solely be owned by the company and neither can the company solely control the communication. Rather, we presume that a strong CSR brand is co-created by the company and its stakeholders and should be adaptable and changeable to societal expectations.

In the discussion of branding, it is argued that a fundamental element of the strategy is the corporate identity given that the brand strategy must be anchored in the identity in order for
the strategy to reflect core business and hereby be trustworthy. Therefore, Balmer and Greyser’s AC²ID test is accounted for in the following.

2.3.5 The AC²ID test  (Katrine)

The purpose of this section is to identify Nestlé’s multiple identities in order to discuss whether the CSR branding reflects Nestlé’s core identity. This contributes answering research question 3: What characterises Nestlé’s approach to corporate branding? If alignment between the identity and branding strategy does not exist, Nestlé’s CSR branding cannot be rooted in the company’s core business nor perceived sincere and trustworthy which may be an underlying factor for the criticism. As Heding et al. (2009: 62) puts it: “since it is that multiple identities exist and only when they are aligned continually can a strong brand identity emerge and strive.”

As illustrated in Figure 4: The AC²ID test (see following page), the framework divides corporate identity into five sub-identities that together form the identity of a company; actual identity, communicated identity, conceived identity, ideal identity and desired identity. The primary purpose is to determine the different types of identities within a company and to examine whether congruence between them exists. The five identities can co-exist, however, significant incongruence between any two or more of the identities can cause problems for the company and weaken its overall credibility and public image given that different identities will create confusion among stakeholders (Balmer and Greyser 2003: 16-18). The following describes the five identities with the purpose of applying them in a later analysis of whether congruence between Nestlé’s sub-identities exists.
The actual identity is created through elements including corporate ownership, management style, structure of the company, business activities, markets in which the company operates, range and quality of products and services, and overall business performance. The identity type consists of the overall values held by both management and employees (Balmer and Greyser 2003: 16). The communicated identity is visible in both controllable and non-controllable corporate communication. As the name suggests, controllable communication refers to the communication that the organisation is able to control including advertising, sponsorship and public relations. On the other hand, non-controllable communication is the communication which the organisation is unable to control; such as word-of-mouth and the media in general. The identity is most clearly expressed in the controllable communication as it includes the company’s own communication activities (Balmer and Greyser 2003: 16-17).

The conceived identity refers to the overall perceptions of the company held by relevant stakeholders, thus image and reputation are essential when identifying this identity.
Management must recognise that different stakeholders hold different perceptions of the organisation thus consider which perceptions are most essential (Balmer and Greyser 2002: 18). The ideal identity refers to the optimum positioning of the company in its market(s) within a specific time. The identity is created based on strategic planning, the company’s own possibilities and limitations, and the overall competitive landscape. External factors such as new legislation, terror, crisis, and natural disasters all have an impact on the ideal identity thus it can be categorised as dynamic – the identity changes concurrently with these external factors (Balmer and Greyser 2003: 17). The desired identity indicates the corporate leaders’ vision for the company, hence, what the management strives to achieve. Balmer and Greyser emphasise the close link between the ideal identity and the desired identity. However, the ideal identity emerges from rational consideration based on research and analysis whereas desired identity reflects the management’s vision and hopes for the future (Balmer and Greyser 2003: 17-18). We find it natural to combine these identities as both focus on what the management strive to achieve for the future, hence the two identities are analysed as one unified identity.

According to Balmer and Greyser, corporate identity is a way to differentiate a company and thus create competitive advantage. Corporate identity can be perceived as a company’s livelihood and it is therefore crucial for the management to strategically incorporate it in all parts of the company (Balmer and Greyser 2003: 16-20).
CHAPTER III
THEORY OF SCIENCE
3. THEORY OF SCIENCE  (Jessica and Katrine)

This chapter seeks to clarify the scientific approach in which the thesis is constructed. The thesis’ scientific perspective is rooted in social constructivism thus this paradigm is clarified in connection with the relating concepts of epistemology and ontology which is relevant for the understanding of the thesis.

3.1 Scientific perspective  (Jessica and Katrine)

Scientific researches are influenced by different assumptions about reality. These assumptions can all be placed within different paradigms that frame the views of the world and its reality in the research. In other words, theory of science can be thought of as a “basic set of beliefs that guide action” (Guba 1990: 17).

Given that the themes within this thesis are stakeholders, CSR and branding, we find it natural to include a social constructivist perspective as the concepts can be defined as social constructions. The overall perception in social constructivism is that everything is human-induced. The fundamental view is that reality not only exists but is constructed through communication or interaction with those around us, and through our shared history. Meaning is not a standardised concept; it evolves out of who we are and the interactions we have, thus there is no meaning in the world until we construct it. Therefore, shared meanings are something we accomplish together and these meanings shape our social reality (Keaton and Bodie 2011). Hereby, culture and context play an essential role in understanding what occurs in society and the construction of knowledge is based on this understanding. The perspective on reality being socially constructed reflects a perception of reality being changeable and dynamic. Reality is constructed by people and can hereby be changed by people. In this connection, ontology is included. Ontology refers to what reality is, thus how the field of research is perceived (Holden and Lynch 2004: 403). According to Heldbjerg (1997), social constructivism implies a relativistic ontology based on the assumption that each individual has its own perception of reality thus several realities exist. Within the ontological position, constructivism, categories such as branding, CSR and culture are emergent realities in a continuous construction and reconstruction in contrast to the opposing ontological position, objectivism, in
which the categories are pre-given and in which social phenomena are external facts beyond our reach and influence. The constructivist ontology entails that phenomena and categories are not only produced through social interaction but are in a constant state of revision (Bryman 2012: 32-34). However, the constructivist stance appreciates that the objects of interest in the research have a pre-existence yet stresses the active role of individuals in the social construction of social reality. Hereby, the existence, or at least importance, of an objective reality is acknowledged. This entails that the categories and phenomena we employ in the research of why Nestlé’s CSR branding is targeted by stakeholders’ criticism are social constructs and do not have incorporated essences; instead their meanings are constructed in and through interaction. In other words, a category like branding or CSR is treated like a social construction. This notion suggests that rather than being treated as a distinct inert entity, branding and CSR are construed as something where meaning is built during interaction. The meaning of these concepts is likely to be ephemeral, as it will vary by time and place. All this indicate that ontology cannot be excluded when conducting a research as the ontological assumptions and commitments impact the ways in which research questions are formulated and the research is carried out.

Epistemology refers to what is or should be regarded as acceptable knowledge in a discipline (Bryman 2012: 27). With an epistemological position in interpretivism, in contrast to a natural scientific model in quantitative research, the emphasis is on the understanding of the social world through a research of how the people in that world interpret it. Hereby, the epistemology underlying qualitative research involves face-to-face interaction, as this is the fullest condition of participating in the mind of others and taking views of the people studied in order to get social knowledge. As the observer within the constructivist paradigm constructs reality, it is impossible to hold an objective position, as the observer’s pre-understanding, culture, and context all influence the interpretations. Therefore, within the social constructivist paradigm, the epistemology is subjective (Holden and Lynch 2004: 400-403). In continuation of an interpretivist epistemology, we include hermeneutics as it emphasises the researcher’s pre-understanding to affect the research choices.
Opposed to positivism, hermeneutics place emphasis on the understanding of human behaviour rather than explaining it. Hermeneutics mean interpretation and, like social constructivism, hermeneutics focus on how reality is understood through the interpretation of it. Understanding is attained through the hermeneutic circle in which the understanding as a whole is established by reference to the individual parts and understanding of individual parts by reference to the whole. Neither the whole text nor any individual part can be understood without reference to the other. The researcher’s pre-understanding affects the process in which hypotheses are continually confirmed and disconfirmed and new understanding is acquired. The interpretation is hereby affected by the researcher’s subjective pre-understanding (Bryman 2012; Creswell 2012; Højbjerg 2009). We therefore acknowledge that our pre-understanding affects the data and literature included, and that our interpretation of this material affects the content of the thesis. Given that we work within the hermeneutic circle in which we continuously acquire understanding and meaning, the research in this thesis is a dynamic process; hence we do not strive to discover one definitive truth but rather an understanding of the field of research; an understanding of why Nestlé’s CSR branding is targeted by the stakeholders criticism regarding the company’s water and chocolate production.

Based on a constructivist approach, there is no objective truth, rather theoretical concepts are socially constructed and influenced by the researcher’s own background and culture, and the context in which they are applied. Hereby, we perceive CSR and corporate branding as social constructs both affected by individuals’ interaction, communication and subjective interpretations. Concepts are dynamic and changeable dependent on the culture and context in which they exist and are researched.

Having discussed the scientific perspective and ontological and epistemological orientations of the thesis, the following chapter clarifies the methodology.
4. METHODOLOGY (Jessica and Katrine)

This chapter presents the methodology of the thesis in terms of the research design that guides the fundamental choices in the thesis. We apply Fairclough’s critical discourse analysis (henceforth CDA) to identify Nestlé’s stakeholder perspective articulated on the corporate website and in the YouTube videos, respectively. Hereafter, apply qualitative content analysis in order to derive themes and patterns about Nestlé’s CSR and branding approach presented on the corporate website and in the YouTube videos. Finally, we account for how and why each research question is answered, and how these contribute to identify why Nestlé’s CSR branding is targeted by the stakeholders’ criticism regarding the company’s water and chocolate production.

4.1 Dimensions and key points (Jessica and Katrine)

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Key points</th>
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<tr>
<td>Key areas</td>
<td>Stakeholders&lt;br&gt;CSR&lt;br&gt;Branding</td>
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<tr>
<td>Purpose</td>
<td>To identify why Nestlé’s CSR branding is targeted by the stakeholders’ criticism regarding the company’s water and chocolate production, when Nestlé is actively engaging in the field of CSR</td>
</tr>
<tr>
<td>Research design</td>
<td>Case study design with focus on the global food and beverages company Nestlé. The comparative design is included as we compare the two contrasting viewpoints: Nestlé and the stakeholders&lt;br&gt;⇒ We have formulated research questions on Nestlé’s approach to stakeholders, CSR and branding to guide the research in order to answer the problem statement</td>
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<tr>
<td>Data collection</td>
<td>Official documents from Nestlé&lt;br&gt;⇒ Nestlé’s corporate website with emphasis on</td>
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<td>Researcher’s position</td>
<td>Subjective position</td>
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<td></td>
<td>Based on a hermeneutic approach, our pre-understanding of Nestlé and the criticism targeted at the company has affected choices in the research process in terms of presuming that aspects of Nestlé’s CSR branding is the reason for the criticism</td>
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<tr>
<th>Data analysis</th>
<th>Fairclough’s CDA</th>
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<td></td>
<td>Text analysis, with focus on modality, transitivity and wording, of Nestlé’s corporate website compared to the stakeholders’ opinion expressed in YouTube videos in order to examine the power relationship between Nestlé and its stakeholders</td>
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<tr>
<td></td>
<td>Qualitative content analysis</td>
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<td></td>
<td>To derive themes and patterns indicating Nestlé’s approach to CSR and branding with focus on the corporate website and YouTube videos</td>
</tr>
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Table 4: Dimensions and key points in methodology (source: own construction)
4.2 Research design (Jessica and Katrine)

The research design is a case study design in which focus is on the food and beverages company Nestlé and more specifically why the company’s CSR branding is targeted by the stakeholders’ criticism regarding Nestlé’s water and chocolate production. The data collection focuses on documents as source of data in which we include Nestlé’s corporate website and documentaries in the form of YouTube videos to examine how Nestlé portrays itself with regard to CSR, and how the stakeholders’ portray Nestlé. We apply qualitative content analysis and Fairclough’s CDA to analyse the data and answer the research questions.

4.2.1 Case study (Jessica and Katrine)

Bryman (2012) identifies five different research designs: experimental design, cross-sectional or survey design, longitudinal design, case study design and comparative design. Nestlé is focal point of this thesis and we aim at researching why this specific company’s CSR branding is targeted by the stakeholders’ criticism regarding Nestlé’s water and chocolate production. The aim is not to provide a general guide for all companies with regard to CSR branding but rather develop a framework for Nestlé specifically. Hence, the research design of this thesis is a case study in which Nestlé is the focus of interest.

In its basic sense, a case study refers to the detailed and intensive analysis of a single case and is concerned with the complexity and nature of that particular case. Case studies include research on a single community, a single school, a person, or a single organisation; instances where the case is the focus of interest in its own right (Bryman 2012: 66-69).

Especially the question concerning external validity and generalizability within case study research has created a great deal of discussion. Therefore, we note that the single case cannot be representative hence the findings of the Nestlé case cannot be applied to other cases. We do however acknowledge that aspects of the findings can relate more generally to the notion of CSR branding though this is not, as previously stated, the aim of the thesis. The lack of generalizability implies restricted external validity given that the purpose is not to apply the findings to cases beyond the specific company in question, in this case Nestlé (Bryman 2012: 69-76). In addition to the case study design, the comparative design is included as we compare
the two viewpoints on Nestlé and the stakeholders, respectively, in order to obtain a realistic and deeper understanding of Nestlé’s CSR branding. A comparative research entails studying two contrasting cases applying same research methods. This design suggests that social phenomena are better understood when they are compared to two or more contrasting cases or situations (Bryman 2012: 72).

Having determined the research design, the following presents our data collection in the form of Nestlé’s corporate website and the YouTube videos ‘The Dark Side of Chocolate’, ‘Flow: Nestlé Bottled Water’ and ‘Water is not a human right, should be privatized’, and why these videos are argued to be sufficient in representing the stakeholders’ criticism regarding Nestlé’s water and chocolate production.

4.2.2 Data Collection (Jessica and Katrine)

According to Bryman (2012: 12) data collection is the key point of any research project. The data consists of official documents from Nestlé in the form of the corporate website and virtual documents. Finally, we critically reflect on the data given that it reflects subjective viewpoints from both Nestlé and the stakeholders. Thus we acknowledge that the given context in which the data is produced has impacted the content and focus on Nestlé.

![Figure 5: Data collection sources](source: own construction)
In line with a scientific perspective rooted in social constructivism, we apply a qualitative method to examine why Nestlé’s CSR branding is criticised by stakeholders. This method enables interpretation and a deeper understanding of the stakeholders’ perceptions and expectations, and to identify certain patterns in Nestlé’s CSR branding that may have led to the criticism. In regard to sampling, our research revolves around a purposive sampling approach as the selection of documents and stakeholders is directly referenced to the problem statement and research questions as these guides what should be in focus and sampled. Hereby, the sampled units allow answering the problem statement (Bryman 2012: 416-419). In order to answer the problem statement, we have two focus points in our data collection: how Nestlé portrays itself in regard to its CSR branding, and how the stakeholders portray Nestlé in the documentaries regarding water and chocolate production. This facilitates identifying possible gaps between the two portrayals thus the interpretation of Nestlé’s CSR branding which may be one of the cornerstones in the stakeholders’ criticism of Nestlé. In this connection, Bryman (2012: 383) distinguishes between five main research methods associated with qualitative research when collecting data; ethnography/participant observation, qualitative interviewing, focus groups, discourse analysis/conversation analysis and finally texts and documents.

To examine Nestlé’s own portrayal, the intention was to conduct interviews with managers and employees at different organisational levels in order to get a more thorough and comprehensive insight and knowledge about Nestlé and its CSR branding. However, Nestlé declined to participate in interviews. The company’s departments in the Nordic countries did not have sufficient competencies within CSR to contribute to a master thesis and instead referred to Nestlé’s corporate website for information (Appendix 1: Correspondence with Nestlé). Given that the response was that the Nordic departments do not have sufficient knowledge on CSR questions whether CSR is as integrated in the company as the corporate website suggests. If these departments lack knowledge on CSR, it cannot be an integrated part of the company’s business strategy but rather a separate business unit; otherwise we argue that these departments would have knowledge on CSR. This further entails that Nestlé’s CSR engagement is a management project and not something that employees are involved in. This is an interesting aspect to consider when researching why Nestlé’s CSR branding is target of
criticism. What seems to be a shallow approach to CSR at Nestlé does not match the information on the corporate website.

Given that Nestlé does not have the required resources to participate in interviews, we apply texts and documents in the form of Nestlé’s corporate website to gain knowledge on how the company portrays itself with regard to CSR. We apply Fairclough’s CDA to analyse the texts in terms of what language and words Nestlé uses to portray itself (this is further explained in section 4.2.3: Data analysis). Bryman (2012) distinguishes between personal documents, official documents deriving from the state, official documents deriving from private sources, mass-media outputs, and finally virtual documents. We include official documents deriving from private sources, when researching how Nestlé portrays its CSR branding, by mainly focusing on CSR on Nestlé’s corporate website. We have to rely on public-domain documents alone, as Nestlé was not interested in participating in our research. These documents cannot be considered objective, as Nestlé is likely to have a certain point of view it want to get across. Given that the management primarily formulates the data, the employees’ attitudes and opinions on Nestlé’s CSR branding are not manifested, hence we acknowledge that using documents as data of source rather than interviews cannot provide same varied and correct picture of Nestlé’s CSR branding. Nonetheless, the data is still considered relevant for our research as it provides information on how Nestlé portrays itself.

In relation to the virtual documents, we focus on three YouTube videos; two of them are based on documentaries and the final one is a statement from Nestlé’s chairman Peter Brabeck-Letmathe. Table 5 provides an overview of the three videos in terms of name, URL, main focus and key purpose.
### YouTube video

<table>
<thead>
<tr>
<th>YouTube video</th>
<th>URL</th>
<th>Focus</th>
<th>Purpose</th>
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<tbody>
<tr>
<td>The Dark Side of Chocolate</td>
<td><a href="http://www.youtube.com/watch?v=7Vfbv6hNeng">http://www.youtube.com/watch?v=7Vfbv6hNeng</a></td>
<td>Treats the issue of major corporations using child labour in their supply chain, including Nestlé.</td>
<td>The documentaries contribute illustrating a more nuanced picture and deeper understanding of Nestlé’s perspective on stakeholders, and its approach to CSR and branding compared to the corporate website.</td>
</tr>
<tr>
<td>Flow: Nestlé Bottled Water</td>
<td><a href="http://www.youtube.com/watch?v=cucVKZj-c00">http://www.youtube.com/watch?v=cucVKZj-c00</a></td>
<td>Treats the consequences of Nestlé’s business operations in Michigan.</td>
<td></td>
</tr>
<tr>
<td>Water is not a Human Right, Should be Privatized</td>
<td><a href="http://www.youtube.com/watch?v=SEFL8EIXHaU">http://www.youtube.com/watch?v=SEFL8EIXHaU</a></td>
<td>Chairman Peter Brabeck-Letmathe expresses his opinion on water being privatised as opposed to the NGOs’ opinion on water being a human right.</td>
<td>Contributes to identify Nestlé’s approach and perspective on stakeholders and CSR as we presume the chairman’s opinion to reflect Nestlé’s.</td>
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Table 5: Overview of the YouTube videos’ focus and purpose (source: own construction)

**Flow: Nestlé Bottled Water**

The first YouTube video ‘Flow: Nestlé Bottled Water’ is an excerpt from the documentary ‘Flow – for love of water’ (Hornaday 2008). The award-winning documentary “diving into our planet’s most essential resource — and third-largest industry — to find pollution, scarcity, human suffering and corporate profit. And that’s just in the United States.” (Catsoulis 2008). The excerpt treats the Michigan community’s battle against Nestlé’s water extraction in the land where Nestlé’s extraction has resulted in drained water streams and damaged water supplies. The video includes comments and opinions from a journalist, environmental attorney, the president of Michigan Citizens for Water Conservation, and Michigan citizens in general (Jacquelinemaxine 2009).
The documentary’s criticism of Nestlé’s water production is substantiated by the YouTube video ‘Nestlé and China stealing water from the Great Lakes’ (Ayvean 2013). The video treats the issue of the Great Lakes being destroyed by Nestlé’s water extraction in the land. The perspective is that Nestlé steals water, bottles it or ships it off to China making enormous amounts of profits. The video points out the necessity of stopping Nestlé’s water extraction as the water levels in the Great Lakes are decreasing. Environmental and educational groups support the battle against Nestlé in the attempt to preserve the Great Lakes. Additionally, the official trailer for the documentary ‘Bottled Life – the truth about Nestlé’s business with water’ (DokLabCom 2011) is another example of the criticism of Nestlé’s water production. The video refers to Nestlé as a predator and water hunter looking for the last pure water in the world in order to make profits. The YouTube video ‘Nestlé – sucking the world dry’ further substantiates the critical attitude presented in ‘Flow: Nestlé Bottled Water’ as the video raises the issues of Nestlé’s continuous water pumping during drought, the enormous profits that Nestlé makes by taking ownership of water, and the absurdity of Nestlé’s perception of water being privatised.

These YouTube videos all substantiate the criticism of Nestlé’s water production presented in the documentary ‘Flow: Nestlé Bottled Water’. Hereby, this documentary is argued to be representative in terms of the stakeholders’ criticism of Nestlé’s water production as it does not represent a single perspective. Furthermore, the documentary ‘Flow: Nestlé Bottled Water’ is based on five years of research to which the director Irena Salina states, “I would do a lot of research, becoming more aware of all the issues as I went along. Some of the stories would lead me to others. After many years, all of the traveling, the people I encountered along the way and the stories, the footage and the information was compiled into hundreds of tapes in an editing room” (White 2008). The documentary is award-winning with reviews in acknowledged newspapers such as The New York Times, The Washington Post, and Huffington Post (Flow The Film 2014). This further contributes to the documentary’s sufficiency in representing the stakeholders’ criticism regarding Nestlé’s water production.

Water is not a Human Right, Should be Privatized

With regard to the stakeholders’ criticism of Nestlé’s water production, we include the YouTube video ‘Water is not a human right, should be privatized’ in which Nestlé’s chairman
Peter Brabeck-Letmathe relates to two opposing opinions; one opinion on water being privatised and one on water being a human right presented by the NGOs. The chairman clearly opposes the NGOs opinion on water being a human right as he clearly supports the opinion of water being privatized. This video substantiates the perspective in the documentary ‘Flow: Nestlé Bottled Water’ given that it suggests that Nestlé’s chairman does not consider water a human right.

The Dark Side of Chocolate

The third and final video ‘The Dark Side of Chocolate’ places focus on the dark side of the chocolate industry’s success by informing of well-known corporation’s use of child labour, especially Nestlé. The documentary raises the concern of child labour still existing in the Ivory Coast despite major corporations, including Nestlé, have signed the Harkin-Engel Protocol with the purpose of eliminating child labour and trafficking by 2008. In this connection, the documentary includes a statement from ILO director Frank Hagemann, regarding the protocol’s results, who says, “[...] in terms of real change, we have seen relatively little so far” (Ms Kandyrose’s channel 2012). The people behind the documentary asked the companies involved in the protocol for an interview to comment on the film and utter their view on the issue. However, the companies declined participating and only issued a joint statement saying, “The vast majority of cocoa farms are not owned by the companies that make chocolate or supply cocoa, and we therefore don’t have direct control over cocoa farming and labour practices” (MsKandyrose’s channel 2012). The documentary’s criticism of Nestlé’s chocolate production is substantiated by the YouTube video ‘KitKat: Give the child slaves a break’ (Ken Symes 2011) which treats the issue of child labour in the Ivory Coast and mentions Nestlé as one of the customers of the chocolate beans from the farmers using child labour. The beans are used in Nestlé’s popular chocolate bar KitKat. Another YouTube video substantiating the perspective in the documentary ‘The Dark Side of Chocolate’ is ‘Nestlé Chocolate Brought to you by Child Slavery’ which states that child labour is still happening 13 years after Congress passed the Harkin-Engel Protocol (Breaking the Set 2014).

The YouTube videos ‘KitKat: Give the child slaves a break’ and ‘Nestlé Chocolate Brought to you by Child Slavery’ substantiate the criticism of Nestlé’s chocolate production presented in the
documentary ‘The Dark Side of Chocolate’. Hereby, this documentary is argued to be representative in terms of the stakeholders’ criticism of Nestlé’s chocolate production as it does not represent a single perspective. Furthermore, the documentary is award winning and has, among others, won the Humanity Category for the Best Programme on ‘Promoting Children’s Rights’ in 2014 and the Cinema for Peace Foundation ‘Most valuable Documentary’ in 2012 (DR 2014). ‘The Dark Side of Chocolate’ is produced by the award-winning journalist Miki Mistrati who has produced more than 40 documentaries and reportages. This further contributes to the documentary’s sufficiency in representing the stakeholders’ criticism regarding Nestlé’s chocolate production.

The two documentaries ‘Flow: Nestlé Bottled Water’ and ‘The Dark Side of Chocolate’ on YouTube represent the criticism of Nestlé’s water and chocolate production. The documentaries are compared to Nestlé’s corporate website in the analysis of why Nestlé’s CSR branding is targeted by the stakeholders’ criticism regarding Nestlé’s water and chocolate production in order to obtain a more nuanced picture and deeper understanding of Nestlé’s CSR branding.

In line with a social constructivist perspective and hermeneutic approach, we acknowledge that our subjective position and pre-understanding of Nestlé have affected the chosen videos and hereby the research of Nestlé’s CSR branding; hence other videos might have resulted in another outcome of the research. We acknowledge that documents exist within a certain context, which affect the content and focus of the document. Furthermore, documents all have a certain purpose to accomplish; they are written to communicate an impression, one that is favourable to the authors and its audience. Hereby, documents have a distinctive ontological status as they form a separate reality. Hence, we perceive documents for what they are, namely texts written with a distinctive purpose and not always reflecting reality; they try to give sense and shape people’s perceptions of reality. Therefore, combining this data with interviews of managers and employees would have provided further knowledge on the subject and created a foundation for critically evaluating the data from the documents in terms of what is simply documentary reality (Bryman 2012: 555).
4.2.3 Data analysis (Jessica and Katrine)

Data analysis refers to the management, analysis and interpretation of the collected data (Bryman 2012: 14). Within qualitative data analysis, iterative approaches are often applied which means that a repetitive interplay between collecting and analysing data exists. This implies that the analysis starts already after collecting some of the data, which then impacts the following process of collecting data (Bryman 2012: 565-566). Our qualitative research strategy emphasises word choices rather than quantification in both the collection and analysis of the data.

Given that Nestlé is targeted by the stakeholders’ criticism, we apply Fairclough’s critical discourse analysis to analyse the power relation between Nestlé and its stakeholders and hereby answer research question 1: How does Nestlé articulate its perspective on stakeholders on its corporate website, and how does it conflict the stakeholders’ criticism? To analyse Nestlé’s approach to CSR and branding, respectively, we apply qualitative content analysis in terms of thematic analysis in order to discover certain thematic patterns on the corporate website and in the YouTube videos that contribute to identifying Nestlé’s approach to CSR and branding. This facilitate answering research question 2: What characterises Nestlé’s approach to CSR and which CSR strategy does the company employ?, research question 2a: How does Nestlé communicate CSR to its stakeholders? and research question 3: What characterises Nestlé’s approach to corporate branding?

4.2.3.1 Critical discourse analysis (Jessica and Katrine)

In line with a social constructivist perspective and hermeneutic approach in which reality is a social construct, we apply CDA as a way of systematically approaching the relationship between language and social structure. In other words, social reality is produced and made real through discourses, and social interactions cannot be fully understood without reference to the discourses that give them meaning (Bryman 2012: 536). This implies that the authors’ of the aforementioned documents present Nestlé in a specific way to give sense and shape the audiences’ perceptions of Nestlé. CDA is the study of language in its relation to power in order to identify power structures and how these are produced and reproduced through discursive practices (Fairclough 1995). What makes CDA critical is that it aims at revealing, uncovering or
disclosing what is implicit or nor immediately obvious. CDA takes a critical and opposing stance against the powerful and especially those abusing their power (Van Dijk 1995: 18).

We examine why Nestlé is targeted by the stakeholders’ criticism, hence, we seek to analyse factors that are not directly communicated by the company, thus, applying CDA facilitates uncovering and revealing what is implicitly communicated about Nestlé’s CSR branding. Furthermore, we seek to analyse if Nestlé, in its position as market leader, abuses its power by consciously neglecting stakeholders in the CSR branding decisions and only focuses on own interests. Hence, we use CDA to examine hidden agendas revealing how Nestlé articulates its stakeholders.

Discourse can be seen as the words and signs we apply when writing and talking. Choosing specific words to explain something reflects ones opinion and attitude towards it. In CDA, language is a carrier of change given that the way in which we address a certain topic can change our understanding and opinion of it. Language is not neutral; rather it includes certain values and attitudes which the sender wants to mediate to the receiver. Language is closely related to society and culture in which certain values and norms exist. CDA is when the concepts of language, social structure and culture are combined (Fairclough 1995).

Fairclough, one of the most influential practitioners in CDA (Poole 2010: 138), has developed a three-dimensional conception of discursive with the aim of combining three separate forms of analysis which together form discourse: text, discursive practice and socio-cultural practice. Hereby, the framework includes linguistic description of the language text, interpretation of the relationship between the productive and interpretative discursive processes and the text, and explanation of the relationship between the discursive and social processes. This relationship is illustrated in Figure 6: Fairclough’s dimensions of CDA on the following page.
In the text dimension, the analysis is of language texts (spoken or written) is on word level. This facilitates examining how specific words are used to describe specific subjects and hereby how a specific opinion is articulated. Analysis of discourse practice refers to the production of text, hence the analysis is on text level. When a subject is articulated, it is discursive practice. This means that the producer of the text, through the discursive practices, points out how reality is perceived, interpreted and constructed. The third dimension treats an analysis of the norms and practices in society, thus this analysis is on norm level. The social practice influences how reality is described and articulated in the discursive practice (Fairclough, N. 2008: 124-131; Jørgensen and Phillips 2005: 81-100).

In other words, Fairclough’s approach is that language creates change and can be used to change certain behaviour or reflect the behaviour one seeks to mediate. This entails that language is a power tool. An example of how language reflects a certain attitude can be seen in whether we refer to the Danes who opposed the Germans during World War II as terrorists or patriots depending on ones attitude (Fairclough 1995: 97-98).

In the textual and linguistic analysis of Nestlé’s corporate website and YouTube videos, we include the following concepts in CDA: wording, transitivity and modality. An explanation of each CDA concept and its purpose is presented in Table 6 on the following page.
The wording in the text mainly refers to the use of words and word choices in the text in terms of how some words and topics are articulated over others. The wording affects meaning and hereby the attitude towards a given subject (Fairclough 2006: 191). For example, wording the Danes that opposed the Germans as terrorists or patriots affects the meaning and hereby reflects the attitude towards these Danes. Wording them ‘terrorists’ reflects a negative attitude and meaning whereas ‘patriots’ reflects a positive one. This implies that when one changes the wording, one also changes the meaning (Fairclough 2006: 191). Transitivity refers to whether some relationships or participants are emphasised more than others to identify whom the text mainly focuses on (Fairclough 2006: 177-185). Modality seeks to determine patterns in the text and refers to the level a text asserts. Modality examines the producer’s level of connection to the utterance and which consequences that have for the dialogue and construction of reality. Fairclough emphasises the importance of distinguishing between subjective and objective
modality. Objective modality refers to utterances in which attitudes and opinions are expressed as a categorical truth (Fairclough 2006: 158-162). This entails that the receiver gets the impression that a given utterance reflects a truth with no modification, and hereby other interpretations become faulty. On the other hand, subjective modality is utterances in which the producer of the text points out that the utterance is personal opinion (Fairclough 2006: 158-162). Hence, other interpretations within this modality occur.

Basing the CDA on wording, transitivity and modality enable identifying how Nestlé portrays itself through specific discourses, and how the company is portrayed in the YouTube videos. Combining the CDA with the concept of stakeholders facilitates examining if a power relation exists between Nestlé and its stakeholders.

We point out that CDA is applied to analyse the texts in order to identify the themes and words that both Nestlé and the YouTube videos use to portray Nestlé’s CSR. Hereby, the purpose is not to conduct a complete CDA but rather a partial one focusing on the first dimension in Fairclough’s three-dimensional framework (Figure 6: Fairclough’s dimensions of CDA). As previously stated, discourse is the words we apply, and we use specific words to reflect a certain attitude or opinion. Given that we examine how Nestlé’s CSR branding is portrayed both by Nestlé and the stakeholders in the documentaries, it is comprehensive to focus on text analysis. However, as Fairclough (2008: 73-74) states, the three dimensions cannot be stringently separated as they to some extent overlap, thus we include aspects from the other dimensions, yet main focus is on identifying the specific words applied to portray Nestlé’s CSR in a text analysis. The purpose of identifying the words used to describe Nestlé’s CSR is to combine them with the concepts from literature review to examine the research question on Nestlé’s stakeholder perspective.

4.2.3.2 Qualitative content analysis (Jessica and Katrine)

To identify Nestlé’s approach to CSR and branding, and hereby answer research question 2: what characterises Nestlé’s approach to CSR and which strategy does the company employ?, research question 2a: How does Nestlé communicate CSR to its stakeholders? and research question 3: What characterises Nestlé’s approach to corporate branding?, we apply qualitative
content analysis to identify certain patterns and themes expressed on Nestlé’s website in relation to CSR and branding, and in the YouTube videos as well to get a more nuanced and truthful picture of Nestlé’s approach to CSR and branding. In contrast to content analysis in quantitative research, which seeks to quantify content in terms of predetermined categories; qualitative content analysis emphasises the role of the researcher in the construction of the meaning of the texts. Moreover, it allows categories to emerge out of the data (Bryman 2012: 291). The goal of content analysis is to provide knowledge and understanding of the phenomena being researched (Hsieh and Shannon 2005: 1278). We ascribe to Hsieh and Shannon’s (2005:1278) definition of qualitative content analysis:

“Qualitative content analysis is a research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns.”

- Hsiu-Fang Hsieh and Sarah E. Shannon

While collecting our data, we have continuously identified themes in relation to Nestlé’s portrayal of its CSR branding on the corporate website and the stakeholders’ perspective of same matter presented in the documentaries in order to identify possible gaps and different interpretations. Accumulating knowledge on this facilitates identifying possible aspects of Nestlé’s CSR branding that is ineffective and the reason for the criticism. The themes identified and constructed through Nestlé’s corporate website are ‘Responsible corporate citizen’, ‘Focus on commitments’, ‘Focus on stakeholder dialogue’, ‘Main focus on shareholders and consumers’ and ‘Health, nutrition and wellness’. The themes are illustrated in a thematic coding scheme in Appendix 2: Coding scheme – Nestlé’s portrayal of its CSR and branding. The themes identified and constructed through the documentaries on YouTube ‘Flow: Nestlé Bottled Water’, ‘The Dark Side of Chocolate’ and ‘Water is not a human right, should be privatized’ are ‘Voracious company’, ‘Harming society’, ‘Not living up to promises’, ‘Ignoring stakeholder demands’ and ‘Focus on profit maximisation’. These themes are illustrated in a thematic coding scheme in Appendix 3: Coding scheme – Stakeholders’ portrayal of Nestlé’s CSR and branding.
4.3 The how and why of research questions  
(Jessica and Katrine)

This section identifies how the concepts from literature review allow answering the research questions and why each question contributes answering the problem statement. The concepts of stakeholders, CSR and branding are combined in the research of why Nestlé’s CSR branding is targeted by the stakeholders’ criticism regarding the company’s water and chocolate production. This facilitates researching whether it is Nestlé’s approach to and weighting of its stakeholders, the company’s approach to CSR; or its branding approach that is the underlying factor for the criticism.

Research question 1: How does Nestlé articulate its perspective on stakeholders on its corporate website, and how does it conflict the stakeholders’ criticism?

To answer this research question we initially include the company/stakeholder relationship model in order to discuss Nestlé’s perspective on stakeholders and if the company recognises their mutual impact on one another in the company’s CSR branding decisions. Given that Nestlé’s stakeholders are perceived to cover a majority of the population, and that the company cannot meet all expectations in every brand decision, the stakeholder salience is included. This facilitates categorising the stakeholders in terms of their salience towards the company, and furthermore discussing if some stakeholder types, due to their limited relevance, are neglected in the company’s CSR branding decisions. This contributes to examine whether the criticism of Nestlé’s CSR branding is based on a narrow perspective on stakeholders resulting in Nestlé not considering all important stakeholders in its business operations. Given that the criticism is directed at the company’s CSR activities specifically, it is not sufficient only to examine whether Nestlé’s approach to stakeholders is the reason for the criticism; thus an examination of the company’s approach to CSR is included.

Research question 2: What characterises Nestlé’s approach to CSR and which CSR strategy does the company employ?

We include the spectrum of CSR to discuss Nestlé’s understanding of the concept in terms of profit maximisation and philanthropy. Given that CSR is a central feature of Nestlé’s branding, we include strategic CSR to discuss if Nestlé takes a strategic perspective on the field. Next, we include commitment to CSR in order to discuss Nestlé’s level of commitment and if CSR
functions separately or as an integrated part of the core business strategy. This all contributes to determine Nestlé’s CSR strategy and approach, and whether this is the reason for the criticism presented in the documentaries of the company’s CSR branding.

In addition to researching whether the criticism of Nestlé’s CSR branding originates in a misalignment between level of commitment and the fact that the company brands itself as socially responsible, we include Nestlé’s CSR communication in order to discuss if the company’s stakeholders are taken into consideration when communicating CSR; a misunderstanding of how to communicate CSR can be one of the factors resulting in the criticism.

Research question 2a: How does Nestlé communicate CSR to its stakeholders?

To examine this we include CSR communication strategies as this facilitates determining Nestlé’s strategy and whether the stakeholders are involved. Given that it is Nestlé’s water and chocolate production that is targeted by the stakeholders’ criticism in the documentaries, it is relevant to examine whether it is the communication of Nestlé’s CSR that is the root of the criticism rather than the actual CSR approach. Additionally, we include a brief discussion of the paradox involved with CSR communication to highlight the importance of being aware of the challenges of communicating CSR activities as well as the importance of meeting the expectations of the company’s stakeholders. This facilitates determining if the CSR communication is the underlying factor for the stakeholders’ criticism.

Given that Nestlé employs CSR as a branding feature, we examine how the company approach branding in terms of whether it considers solely own wellbeing or if the impact on society is considered in the brand decisions. Nestlé brands itself as a socially responsible organisation; however, the company is exposed to continuous criticism for these activities. This has made us question whether it is Nestlé’s approach to branding that is the reason for the criticism.
Research question 3: What characterises Nestlé’s approach to corporate branding?

To answer this question, we initiate a critical discussion of branding by including concepts on ethical aspects of branding. This facilitates identifying if Nestlé considers ethical factors in its brand decisions, and if branding is applied as a persuasive tool to win customers or as an ethical tool to positively contribute to society. We include the conformity trap due to the importance of being aware of the risk of falling into blind spots and to examine if Nestlé has fallen into one or more of the blind spots in its CSR branding. Hereafter, two contrary perspectives on branding are included. This facilitates examining whether Nestlé takes an inside-out perspective with a company-centred focus or an outside-in perspective with a more external focus on branding. Further, it enables discussing if Nestlé considers the stakeholders’ opinions and expectations in the brand decisions and CSR projects. Given that identity is fundamental in the creation of a brand, the AC²ID test is included. This enables identifying Nestlé’s multiple identities and discussing whether the CSR branding reflects Nestlé’s core identity. If alignment between Nestlé’s identity and its branding strategy does not exist, the CSR branding cannot be rooted in the company’s core business nor perceived sincere and trustworthy which may be an underlying factor for the criticism.

By combining the three theoretical fields of stakeholders, CSR and branding and answering the above research questions all relating to these concepts, it is possible to answer the problem statement: Why is Nestlé’s CSR branding targeted by the stakeholders’ criticism regarding the company’s water and chocolate production, when Nestlé is actively engaging in the field of CSR? This facilitates determining whether it is Nestlé’s perspective and weighting of its stakeholders, the company’s approach to CSR or its branding approach that is the underlying factor for the criticism. The above discussed concepts within stakeholders, CSR and branding compared to data on Nestlé’s portrayal of its CSR branding on the corporate website and data on the stakeholders’ criticism regarding Nestlé’s water and chocolate production from the two documentaries on YouTube contribute to answer the problem statement. The data analysis is conducted in the following chapter.
CHAPTER V
DATA ANALYSIS
5. DATA ANALYSIS (Jessica and Katrine)

The purpose of the analysis is to examine why Nestlé’s CSR branding is targeted by the stakeholders’ criticism regarding the company’s water and chocolate production. Thus, the thesis is divided into a triangular focus on Nestlé’s perspective on stakeholders, CSR and branding, respectively, as we presume that it is factors within one or more of these areas that result in the criticism. The chapter is structured based on the research questions hence these form the layout of the chapter as illustrated in Figure 7: Structure of analysis.

![Figure 7: Structure of analysis (source: own construction)](image)

The first step in the analysis is to examine if a power relation exists between Nestlé and its stakeholders in order to answer research question 1: *How does Nestlé articulate its perspective on stakeholders on its corporate website, and how does this conflict the stakeholders’ criticism.* We include Fairclough’s CDA in the form of text analysis in which we focus on wording, transitivity and modality to examine how and which stakeholders are articulated in Nestlé’s CSR
branding on the corporate website and to what extent a power relation exists resulting in stakeholders being neglected in the company’s CSR branding decisions. This facilitates deriving Nestlé’s perspective on stakeholders. Additionally, we include the stakeholder salience model in order to examine the stakeholders’ level of salience. This facilitates discussing possible neglected stakeholders’ salience towards Nestlé and whether they should be included in Nestlé’s CSR branding decisions as a fallacy of stakeholder salience creates discontented stakeholders and hereby criticism.

The next step in the analysis is to examine Nestlé’s approach to CSR through qualitative content analysis to derive themes and patterns characterising Nestlé’s approach to CSR and how Nestlé communicates this to its stakeholders. We include the spectrum of CSR and strategic CSR in order to analyse whether profit maximisation or a sincere intention to improve society is the driving force behind Nestlé’s CSR engagement. This is followed by an analysis of Nestlé’s CSR commitment to identify the company’s strategy to CSR and hereby level of commitment. The latter part of the CSR analysis concerns Nestlé’s CSR communication in terms of whether stakeholders are involved in the communication. This facilitates identifying if it is Nestlé’s approach to CSR or the communication of it that is the underlying factor for the criticism. In order to obtain a nuanced picture of Nestlé’s CSR perspective and communication, we conduct a comparative analysis of Nestlé’s corporate website and the two documentaries, ‘Flow: Nestlé Bottled Water’ and ‘The Dark Side of Chocolate’ treating the stakeholders’ criticism.

The final step of the analysis is to examine Nestlé’s approach to branding through qualitative content analysis to derive themes and patterns characterising Nestlé’s approach to branding. We include ethical branding in order to analyse if Nestlé’s branding reflects ethical aspects or is a tool to persuade stakeholders and promote the company. This is followed by an analysis of whether Nestlé has fallen into one or more of the four blind spots from the conformity trap in its CSR branding, as this may have negatively affected Nestlé’s reputation and hereby resulted in the stakeholders’ criticism. Hereafter, we include the two opposing brand paradigms, a positivist vs. a constructivist perspective, in order to discuss Nestlé’s approach to CSR. This is followed by the AC²ID test in order to examine if congruence between Nestlé’s sub-identities
exists and to what extent Nestlé’s CSR branding reflects the company’s core identity. In order to obtain a nuanced picture of Nestlé’s branding, we conduct a comparative analysis of the company’s corporate website and the two documentaries, ‘Flow: Nestlé Bottled Water’ and ‘The Dark Side of Chocolate’ treating the stakeholders’ criticism.

This triangular analysis facilitates answering the research questions and identifying whether it is Nestlé’s stakeholder perspective, CSR approach, CSR communication or approach to branding that is the reason for the stakeholders’ criticism presented in the documentaries, ‘Flow: Nestlé Bottled Water’ and ‘The Dark Side of Chocolate’, thus answering the problem statement.

5.1 Nestlé’s stakeholder perspective  (Jessica and Katrine)

Research question 1: How does Nestlé articulate its perspective on stakeholders on its corporate website, and how does it conflict the stakeholders’ criticism?

We use the first dimension of CDA, text analysis, to examine how Nestlé articulates its stakeholder perspective. However, cf. 4.2.3.1: Critical discourse analysis, the three dimensions in CDA cannot be stringently separated as they, to some extent, overlap (Fairclough 2008: 73-74). Thus we include aspects from the other dimensions, yet main focus is on identifying the specific words applied to portray Nestlé’s stakeholder perspective in a text analysis. We use the selected concepts from CDA (wording, transitivity, and modality) combined with the company/stakeholder relationship model in order to derive Nestlé’s perspective on stakeholders. Furthermore, we include the stakeholder salience model to discuss if any neglected stakeholders possess salience and thus crucial for Nestlé to consider in its CSR branding decisions to avoid criticism. In order to examine how Nestlé’s articulated stakeholder perspective conflicts the stakeholders’ criticism, we conduct a comparative analysis presenting the two opposing viewpoints: Nestlé’s perspective according to the corporate website and the perspective derived from the two documentaries ‘Flow: Nestlé Bottled Water’ and ‘The Dark Side of Chocolate’.
5.1.1 Nestlé’s stakeholder perspective according to the corporate website (Jessica and Katrine)

When navigating Nestlé’s corporate website, the company clearly articulates its stakeholders and is aware of its obligation towards them. Within ‘Stakeholder engagement’ Nestlé has created a list of key external stakeholder groups which the company identifies as, “[...] fundamental to our continuing business success” (Nestlé 2014C) in which the following stakeholders are listed: academia, communities, consumers and the general public, employees, governments, industry and trade associations, intergovernmental organisations, NGOs, reporting agencies, shareholders and the financial community, and suppliers (including farmers) (Nestlé 2014C). Given that Nestlé refers to these stakeholders as ‘fundamental’ to the business indicates that the company recognises that its livelihood depends on all these stakeholder groups. Furthermore, by addressing these stakeholders as ‘key’ stakeholders indicates that the extent of Nestlé’s stakeholders covers a wider group but that the company’s main focus is on these stakeholders. With regard to the list of key stakeholders, Nestlé has listed them alphabetically. This insinuates that Nestlé makes reservations for any stakeholders appearing more important than others; thus, listing them alphabetically and not by level of importance indicates that Nestlé considers all stakeholders to be equal; or at least this is what the company attempts to imply. Stakeholders are those affected or affecting the company (Freeman 1984:25), hence it is important that Nestlé takes all the identified stakeholders into consideration in its CSR branding decisions as these decisions have impact on their everyday life. This further correlates with our company/stakeholder relationship model, which illustrates the mutual influence that the company and stakeholders have, and further that stakeholders impact each other, hence one satisfied stakeholder group can result in more unsatisfied stakeholder groups (Figure 1: The company/stakeholder relationship model).

In connection with Nestlé’s strategy, the company states: “Our objective is to be the leader in Nutrition Health and Wellness, and the industry reference for financial performance, trusted by all stakeholders. We believe that leadership is not just about size; it is also about behaviour. Trust, too, is about behaviour; and we recognise that trust is earned only over a long period of time by consistently delivering on our promises.” (Nestlé 2014A). By using the subject ‘trust’ in relation to ‘stakeholders’ indicates that Nestlé seeks to build a relation and form some kind of connection with its stakeholders. By emphasising that it seeks to be trusted by ‘all’ stakeholders
is a further indicator of Nestlé’s focus on its stakeholders’ importance for the company. By preceding ‘stakeholders’ with ‘all’ rather than ‘the’ or ‘our’ place emphasis on Nestlé considering all stakeholders to be important.

Despite the great stakeholder focus articulated under the heading ‘Stakeholder engagement’, this is the only place on the corporate website where Nestlé includes all these groups when talking about its stakeholders, and the only place where all stakeholders are articulated with equal importance. This entails scepticism of whether the stakeholder focus articulated under ‘Stakeholder engagement’ is words rather than deeds, as Nestlé’s focus on shareholders overshadows other stakeholders when the company informs about business strategy or CSV. The foundation of Nestlé’s way of doing business is build upon ‘Creating shared value’

\[4\] In this connection, Nestlé states “Creating Shared Value begins with the understanding that for our business to prosper over the long term, the communities we serve must also prosper. It explains how businesses can create competitive advantage, which in turn will deliver better returns for shareholders [...]” (Nestlé 2014D). At first glance, this wording indicates that Nestlé has concern for the communities in which it operate, however, on reflection, Nestlé’s concern for communities is based on the company’s own well-being as indicated in: ‘for our business to prosper [...] communities we serve must also prosper’. Furthermore, by stating ‘which in turn will deliver better returns for shareholders’ makes this the predominant message in the sentence and makes shareholders overshadow communities, despite Nestlé, under ‘Stakeholder engagement’ on the website, identifies communities as a key stakeholder thus should not so clearly be overruled by shareholders. This raises the question of whether Nestlé actually considers the listed key stakeholders as being equally important and if Nestlé even considers them all to be key stakeholders.

CSV is the approach that Nestlé takes to business as a whole (Nestlé 2014D). In this connection, Nestlé states: “We believe that it is only possible to create long-term sustainable value for our shareholders if our behaviour, strategies and operations are also creating value for the communities where we operate, for our business partners and, of course, for our consumers.”

\[4\] The concept ‘Creating Shared Value’ is defined by Michael E. Porter and Mark R. Kramer. The framework defines a new role for business in society that goes beyond traditional models of CSR (Shared Value Initiative 2014)
Based on the above, it is arguable that everything Nestlé does is to create value for the shareholders. This entails that the positive contributions to communities pale in comparison to the financial purpose of the commitment. Furthermore, by preceding ‘consumers’ with ‘of course’ makes this stakeholder group appear more important than communities. These statements are indicators of Nestlé considering shareholders and consumers the most important stakeholders, yet predominantly shareholders.

In the documentary on YouTube ‘Nestlé CEO: water is not a human right, should be privatized’ (Controversialfiles 2013), Nestlé’s chairman Peter Brabeck-Letmathe discusses two distinct opinions on whether the natural water supply should be privatised; NGOs on the one side against Nestlé on the other. Mr Brabeck-Letmathe states, “The one opinion, which I think is extreme, is represented by the NGOs who bang out about declaring water a public right. That means that as a human being you should have a right to water. That’s an extreme solution. And the other view says that water is a foodstuff [...] that should have a market value. Personally, I believe that it is better to give a foodstuff a value so that we are all aware that it has a price” (Controversialfiles 2013). When Mr Brabeck-Letmathe uses the words ‘extreme’ and ‘bang out’ in relation to the NGOs opinion on water being a human right, he ascribes a negative connotation to the NGOs’ opinion which makes his own opinion appears as the right solution to the issue and a categorical truth. Thus, if ascribing to the NGOs’ opinion and not Nestlé’s, one’s conviction becomes a fallacy. This is a clear indicator of objective modality. Given that Mr Brabeck-Letmathe so clearly articulates his opposition to the NGOs’ opinion and stance on the matter of water, his overruling of the NGOs’ stance on water conflicts the thesis’ understanding of stakeholders (cf. Figure 1: The company/stakeholder relationship model). This emphasises the mutual influence and dependence between a company and its stakeholders. Furthermore, Mr Brabeck-Letmathe’s clear opposition to the NGOs, conflicts Nestlé’s identification of NGOs being a key stakeholder, which entails incongruence between words and what appears to be Nestlé’s stance on NGOs.

In the two statements “Nestlé is committed to enhancing the quality of consumers’ lives through nutrition, health and wellness. Our mission of “Good Food, Good Life” is to provide the best tasting, most nutritious choices in a wide range of food and beverage categories and
eating occasions, from morning to night” and “Everything we do is driven by our Nutrition, Health and Wellness agenda, Good Food, Good Life, which seeks to offer consumers products with the best nutritional profile in their categories” (Nestlé 2014A; Nestlé 2014E), Nestlé focuses on providing nutrition, health and wellness only for consumers through the core strategy ‘Good Food, Good Life’. This indicates that Nestlé takes a narrow perspective on its stakeholders given that Nestlé’s ‘Good Food, Good Life’ suggests that the company creates a good life for all stakeholders and not only for the consumers. If Nestlé had a broad perspective on stakeholders and an actual concern for them, would it not aim at creating ‘Good Food, Good Life’ for them as well?

In order to examine how Nestlé’s stakeholder perspective conflicts the stakeholders’ criticism regarding the company’s water and chocolate production, we include the two documentaries on YouTube, ‘Flow: Nestlé Bottled Water’ and ‘The Dark Side of Chocolate’. This facilitates discussing if Nestlé takes the concerns raised in the documentaries into consideration in its actions and business decisions.

5.1.2 Nestlé’s stakeholder perspective according to the YouTube videos (Jessica and Katrine)
The documentary excerpt ‘Flow: Nestlé Bottled Water’ on YouTube treats the stakeholders’ opinion and attitude towards Nestlé’s bottling plant in Michigan, USA, hence a community perspective on the criticism targeted at Nestlé’s water production. Journalist Holly Wren Spaulding states: “They [Nestlé] are pumping upwards a 450 gallons per minute, and what that means is in ecological terms is that streams are lowering, and what used to be bodies of water are turning into mud flats [...] Adding insult to injury is the fact that Nestlé corporation doesn’t pay one cent for the water they extract, and they are making speculated upwards of 1,8 million dollars in profit a day off of that water which belongs to all of us” (Jacquelinemaxine 2009).

Given that the community raises concern for Nestlé’s continuous extraction of water as it ruins water supplies for the nature and the citizens of Michigan, Nestlé’s continues its water extraction. This indicates that the company does not take the community’s concern into consideration in its water production. Nestlé’s predominant focus on shareholders correlates with the company continuing water pumping in order to generate profit to create value for this stakeholder group. This demonstrates that Nestlé neglects a stakeholder which the company,
on the corporate website, has identified as a key stakeholder. In this connection, Terry Swier, president of Michigan Citizens for Water conservation, adds: “We asked for a moratorium and said give the people more time to research this to find out is this what the community wants?” (Jacquelimaxine 2009). Nestlé ignored the request and built the water plant without consulting the community first. The people in Michigan sued Nestlé for its water extraction in the land, and during the trial Nestlé kept pumping (Jacquelimaxine 2009). This is a further indicator of Nestlé ignoring the community when having a negative impact on profit maximisation. In regard to the company/stakeholder relationship model (cf. 2.1.1: The company/stakeholder relationship model) it appears as if Nestlé does not recognise its impact on stakeholders and its decisions regarding its water production having impact on the communities in which it operates.

The documentary on YouTube, ‘The Dark Side of Chocolate’ is another example of Nestlé ignoring stakeholders. The people behind the documentary asked Nestlé for an interview to comment on the film and utter its view on the issue of using child labour in the chocolate production. However, Nestlé declined to participate and only issued a statement saying, “The vast majority of cocoa farms are not owned by the companies that make chocolate or supply cocoa, and we therefore don’t have direct control over cocoa farming and labour practices” (MsKandyrose’s channel 2012). Despite Nestlé identifying farmers as a key stakeholder on the corporate website (Nestlé 2014C), the statement demonstrates the exact opposite. According to this statement, Nestlé neglects this stakeholder group by denying its responsibility for the farmers using child labour. If Nestlé really considered farmers a key stakeholder, we argue that the company would demand farmers to comply with international labour standards and boycott the suppliers if not accommodating these standards. In continuation of Nestlé’s decline of participating in the interview, the people behind the documentary placed a big screen in front of Nestlé’s Headquarters to attract Nestlé’s attention and articulate the issue of child labour. Nestlé’s only response to this was a guard removing the screen and giving a fine. Nestlé’s response to the situation indicates that the company does not take the documentary seriously despite the fact that it was broadcasted in more than five countries (The Dark Side of Chocolate 2014). This raises the question of whether Nestlé takes the media seriously and recognises their influence in terms of reaching a large part of the population thus affecting the
opinion of other stakeholders. Our questioning of whether Nestlé takes the media seriously, correlates with Nestlé not having identified the media as a key stakeholder on the corporate website (Nestlé 2014C).

The above discussion indicates that Nestlé’s primary focus is on shareholders and creating value for them. Next, the focus is on consumers who are the main objective of ‘Good Food, Good Life’. Despite Nestlé having a whole list of key stakeholders on the corporate website, a further research of the company’s articulation of different stakeholder groups and the criticism in documentaries, demonstrate that Nestlé’s main priority is shareholders and consumers, and that other stakeholders are neglected in the company’s strive to satisfy these two stakeholder groups. Figure 8: Nestlé’s identification of key stakeholders illustrates Nestlé’s own identification of key stakeholders based on the company’s list on the corporate website (Nestlé 2014C). This illustrates that all key stakeholders are placed within same group and considered equally important to Nestlé. However, given that the media is not included on the list of Nestlé’s key stakeholders, we have placed this stakeholder group in the outer circle.
On the other hand, Figure 9: Our identification of Nestlé’s key stakeholders, on the following page, illustrates our identification of Nestlé’s key stakeholders. Based on the above analysis, we argue that Nestlé only considers shareholders and consumers as key stakeholders; hence these two are placed in the circle nearest Nestlé. This results in the other stakeholder groups automatically moving further from Nestlé hence placed in the outer circle. Given that Nestlé on its corporate website does not identify the media as a key stakeholder, this group is placed in the periphery indicating that this group is not included in Nestlé’s considerations.

Figure 9: Our identification of Nestlé’s key stakeholders (source: own construction)

According to the analysis of Nestlé’s stakeholders based on the corporate website and the selected documentaries on YouTube, we argue that farmers, communities, media and NGOs are overridden in Nestlé’s pursuit to create value for shareholders and ‘Good Food, Good Life’ for consumers.
With regard to the stakeholder salience model, Nestlé might neglect stakeholders possessing a high level of salience and hereby crucial for the company to consider in its CSR branding decisions in order to avoid criticism. Hence, we now include the stakeholder salience model to determine whether Nestlé neglects any stakeholders possessing a high level of salience.

5.1.3 Salience of Nestlé’s stakeholders (Jessica and Katrine)

Based on the above analysis, Nestlé primarily focuses on shareholders and consumers, whereas stakeholder groups such as communities, farmers, NGOs and the media are neglected and not considered in Nestlé’s business practices; the overall strategy is to create value for shareholders and ‘Good Food, Good Life’ for consumers.

Stakeholders can be categorised depending on the attributes: power, legitimacy and urgency (Mitchell et al. 1997: 854). However, we do not consider urgency as important as the other attributes due to an urgent claim not being salient without it having either power or legitimacy. Furthermore, as argued in section 2.1.2: Stakeholder relevance – power, legitimacy and urgency, we define legitimacy through an ethical perspective. Based on Figure 9: Our identification of Nestlé’s key stakeholders, in which we argue that shareholders and consumers are categorised as key stakeholders by Nestlé, it is not relevant to include them in this analysis, as Nestlé must consider them to possess a high level of salience. However, the stakeholder groups, which the above analysis identified as neglected by Nestlé, are relevant to include in this analysis in order to examine their level of salience and whether a neglect of these stakeholders is the underlying factor for the criticism. Hereby, the analysis focuses on communities, farmers, NGOs, and the media.

Communities

Based on Nestlé’s continuous extraction of water in e.g. Michigan despite citizens raising concern and suing the company for draining water supplies, and thus Nestlé being aware of the negative consequences of its water plants, it is discussable if Nestlé considers communities to be influential at all. In this situation, Nestlé does not consider communities to possess either power, legitimacy or urgency. However, we argue that communities represent socially accepted and expected norms and values in the specific community, hence this stakeholder group’s
claims possess ethical legitimacy. Furthermore, the fact that the community has the needed resources to sue Nestlé and lead a long trial indicates that communities possess power. The case caught the media’s attention which presented it from the communities’ perspective and reached the general public hence gave the communities a high level of power. This suggests that Nestlé categorises the Michigan community, in which it extract water, as non-stakeholders with no level of salience. However, we argue that the community possesses ethical legitimacy and a high level of power and therefore should be categorised as a dominant stakeholder. This implies that their claim is influential and important for Nestlé to respond to.

**Farmers**

Given that farmers function as Nestlé’s supplier, they possess power as Nestlé is dependent on their delivery of raw materials, especially cocoa beans. However, due to Nestlé’s dominating position as the world’s largest food and beverages company, it has the ability to acquire new suppliers, hence it can be questioned if Nestlé considers the farmers to possess only a low level of power. According to the documentary ‘The Dark Side of Chocolate’, Nestlé denies any responsibility of using farmers who employ child labour, indicates that Nestlé does not consider farmers a part of the company. This perspective implies that Nestlé has no concern for the labour practices carried out at the farms – as long as the company does not own it, it has no responsibility. This entails Nestlé categorising farmers as a dormant stakeholder. Despite only possessing one attribute, Nestlé ought to recognise that this stakeholder group can gain more salience by allying and cooperating with other stakeholder groups.

**NGOs**

The fact that Nestlé’s chairman states that the NGOs’ opinion on water being a human right is an extreme stance which he opposes, indicates that Nestlé, in this connection, considers NGOs to be wrongful. We argue that when NGOs make a statement on certain matters, it reflects norms and values that are socially agreed upon, thus NGOs have ethical legitimacy. However, Peter Brabeck-Letmathe questions the NGOs’ legitimacy by presenting the NGOs stance as extreme and wrongful and hereby his stance as reality. This implies, in terms of this claim, that NGOs are discretionary stakeholders with a low level of legitimacy and hereby a low level of salience. Given that our perspective is that NGOs represent general norms and values in
society, we argue that they possess a high level of ethical legitimacy. As pointed out in section 2.1.2.2: Critical reflection and our approach to stakeholder salience, it is crucial for Nestlé to be aware of the difference between low level of legitimacy and high level legitimacy as it has profound influence on the level of salience towards the company.

The media

Nestlé has not included the media on its list of key stakeholders on the corporate website, which could imply that the company considers it to have a low level of power. When the media treat issues such as child labour or water extraction draining land, they reach a large scale of the population and hereby have the ability to affect several stakeholder groups including communities, NGOs and even consumers and shareholders to have a specific opinion on an issue by presenting it in a certain way; either positive or negative, or from one of two opposing parties’ point of view. Hereby, the media’s claims possess a high level of power and urgency as it influences a large scale of the population thus calls for the company’s immediate attention. This entails that Nestlé ignores a stakeholder with a high level of salience thus one the company should consider and pay attention to and include on its list of key stakeholders. In accordance with the analysis of Nestlé’s stakeholders in terms of communities, farmers, NGOs and the media, the different stakeholders are categorised in Figure 10: Salience of Nestlé’s stakeholders based on their level of power, ethical legitimacy and urgency. The figure illustrates that only consumers and shareholders are categorised as definitive stakeholders.
5.1.4 Sub-conclusion  (Jessica and Katrine)

Based on the above analysis, Nestlé articulates its stakeholders primarily through the site ‘Stakeholder engagement’ in which the company has identified its key stakeholders and their fundamentality for Nestlé’s livelihood. Hereby, Nestlé recognises its responsibility and obligation towards these stakeholders, and at the same time these stakeholders’ influence on the company. However, when further researching the corporate website, it is argued that it is primarily shareholders and consumers who are articulated in relation to Nestlé’s corporate strategy and ‘creating shared value’. In Nestlé’s pursuit to create value for shareholders and consumers, the company appears to neglect other stakeholders despite it having identified them as key stakeholders. Based on the stakeholders’ criticism, it is clear that especially communities, farmers, NGOs and the media are neglected and overridden in Nestlé’s attempt
to create value for shareholders and consumers. In the analysis of these stakeholders’ level of salience, it is argued that Nestlé neglects stakeholders with salience thus crucial for the company to take into consideration in its business decisions to avoid criticism and conflicts. Based on the incongruence between Nestlé’s articulated perspective on stakeholders and the stakeholders’ criticism presented in the documentaries ‘Flow: Nestlé Bottled Water’ and ‘The Dark Side of Chocolate’, we argue that Nestlé takes a narrow perspective on stakeholders by favouring shareholders and consumers, and hereby neglecting other important stakeholders.

Given that the stakeholders’ criticism is directed at Nestlé’s CSR activities specifically, it is not sufficient only to examine Nestlé’s stakeholder perspective thus an examination of the company’s approach to CSR is included.

5.2 Nestlé’s CSR approach  (Jessica and Katrine)

Research question 2: What characterises Nestlé’s approach to CSR and which CSR strategy does the company employ?

We include the spectrum of CSR and strategic CSR in order to analyse whether profit maximisation or a sincere intention to improve society are the driving forces behind Nestlé’s CSR engagement. This is followed by an analysis of Nestlé’s CSR commitment to identify the company’s strategy to CSR and determine its level of commitment. In the analysis of Nestlé’s CSR approach and strategy, we make a comparative analysis by including both the corporate website and the stakeholders’ criticism presented in the YouTube videos ‘Flow: Nestlé Bottled Water’ and ‘The Dark Side of Chocolate’ in order to get a more realistic picture of Nestlé’s approach to CSR and its CSR strategy.

The data from the corporate website and the documentaries on YouTube, respectively, articulating Nestlé’s CSR are organised in thematic coding schemes (Appendix 2: Coding scheme – Nestlé’s portrayal of its CSR and branding, and Appendix 3: Coding scheme – Stakeholders’ portrayal of Nestlé’s CSR and branding).
5.2.1 Nestlé’s CSR approach and strategy according to the corporate website (Jessica and Katrine)

Nestlé’s commitment to CSR can be traced back to the company’s foundation in 1886 when founder Henri Nestlé created a life-saving infant cereal. Today, creating shared value is the approach that Nestlé takes to the business as a whole which is reflected in the company’s tag line ‘Good Food, Good Life’ and overall content of the website on which it appears that CSR is an integrated part of the company’s core business strategy (Nestlé 2014G). In terms of Nestlé’s business strategy, the company states, “Our objective is to be the leader in Nutrition Health and Wellness, and the industry reference for financial performance, trusted by all stakeholders.” (Nestlé 2014A). Nestlé not only engages in CSR but states that the company is going a step beyond CSR to create value through its core business both for shareholders and society hence refers to these activities as CSV (cf. 1: Introduction). According to Nestlé, CSR is taking social responsibility in the community while CSV is taking responsibility for the whole value chain (cf. 1: Introduction). This distinction is a clear indicator of Nestlé’s engagement in the field as the company implicitly states that it is not only responsible for communities but for creating value in the whole value chain. This correlates with the themes ‘responsible corporate citizen’, ‘focus on commitments’ and ‘health, nutrition and wellness’ which we have derived from Nestlé’s website based on how the company articulates its CSR engagement (Appendix 2: Coding scheme – Nestlé’s portrayal of its CSR and branding).

In connection with Nestlé’s focus on CSV, the company has created six commitments that support its goal of CSV; nutrition, water, rural development, sourcing, environment, and human rights (Appendix 4: Nestlé’s CSV commitments, gives a short description of each commitment). However, Nestlé states that “We are best positioned to create shared value in three areas: nutrition, water and rural development” (Nestlé 2014D). This indicates that despite Nestlé having identified six commitments, the company states that it is only within three areas that the company can actually make a difference. Hereby, Nestlé indicates that it is only within the areas of nutrition, water and rural development that it can create shared value. Thus, we argue that Nestlé implicitly states that it cannot create shared value within the areas of sourcing, environment, and human rights. This questions the credibility of the commitments and whether Nestlé’s focus on especially three areas results in neglecting the other areas. This is in
line with the theme ‘not living up to promises’ (Appendix 3: Coding scheme – Stakeholders’ portrayal of Nestlé’s CSR and branding).

Nestlé adds, “We recognise that our position in society brings both opportunities and responsibilities [...] based on respect: respect for people, respect for cultures, respect for the environment and respect for the future of the world we live in. Thus, our commitments go beyond simple compliance.” (Nestlé 2014G). This further indicates that Nestlé’s CSR engagement complies with Carroll’s definition of CSR in which he emphasises that CSR involves the business to be economically profitable, law abiding, ethical and socially supportive (Carroll 1999:286). However, given that CSR is anchored in Nestlé’s core business strategy and the focal point of everything the company does indicates that it has taken CSR to a strategic level and hereby ascribes to McElhaney’s definition of CSR being strategic (McElhaney 2008: 5). Hereby, Nestlé acknowledges that to perform CSR, profit maximisation is not enough thus Nestlé implicitly disclaims Friedman’s perspective on CSR in which profit maximisation is key. The content on the website demonstrates that Nestlé not only focuses on profit and complying with legal requirements but also the importance of positively contributing to society and the whole value chain correlating with the theme ‘responsible corporate citizen’ (Appendix 2: Coding scheme – Nestlé’s portrayal of its CSR and branding).

Nestlé has developed CSV programs such as the Nestlé Healthy Kids Programme School in South Africa which is a program to raise nutrition and health knowledge and promote physical activity among school-age children around the world. Another initiative by Nestlé is the partnership with the Fair Labor Association, which is an initiative to improve working conditions in major companies’ supply chain. Nestlé is the first food company to partner with the FLA (Nestlé 2011). Nestlé’s partnership with FLA indicates that the company takes responsibility for its supply chain and that farmers live up to human right standards in their working practices. This correlates with Nestlé referring to its responsible activities as CSV rather than CSR in which responsibility for the whole supply chain is in focus instead of taking responsibility for only communities. Nestlé’s CSR engagement within communities and the supply chain is further indicated in the two picture below from the corporate website, illustrating the CEO visiting a peach farm in Chile and the chairman visiting a school in South Africa. Using pictures to
illustrate the CSR engagement rather than only text evokes emotions and makes Nestlé’s CSR appear more credible and realistic, as the pictures appear as evidence for what the website states.

(Source: Nestlé 2014G)

With regard to credibility, Nestlé’s CSR engagement is to reflect alignment between core business and the CSR projects given that stakeholders expect companies only to engage in social issues that fit or have a logical association with the company’s core business activities (Du et al. 2010: 12-13). At first, the fit between Nestlé and its engagement within nutrition in terms of addressing obesity issues appears low, given that Nestlé’s product range covers brands such as KitKat, Smarties, Crunch, Häagen-Dazs, Nesquick, Nescafe, Nestea, and Maggi (Nestlé 2014H), which are all chocolate and confectionary products. Hence, Nestlé’s motive for engaging in nutrition may be perceived as extrinsic by the stakeholders meaning that the motive is to increase profits which makes the CSR engagement appear less credible and trustworthy. On the other hand, Nestlé’s engagement within nutrition, in terms of obesity, can also be perceived as a good fit. Given that Nestlé’s product range covers a variety of sweets, raising awareness about obesity and the importance of balance in one’s eating can be perceived as a responsible initiative and hereby a good fit. However, as the fit between Nestlé and obesity can be questioned, we argue that Nestlé has not clearly communicated why obesity is a fitting cause for the company to engage in. Nestlé can benefit from clearly communicating the low fit between the company’s core business and obesity as the motive will appear more sincere and hereby create favourable stakeholder reactions (Du et al. 2010: 12-13).
Based on the above analysis, Nestlé appears to take a strategic approach to CSR as it is incorporated in the company’s core business strategy and anchored in everything the company does. Nestlé refers to its responsible actions as CSV rather than CSR, as it emphasises that CSR refers to taking social responsibility in society whereas CSV refers to taking responsibility throughout the whole value chain. Thus, CSV is a step beyond CSR. Nestlé has developed six commitments that support the company’s goal of creating CSV, which is a clear indication of Nestlé recognising its impact on various aspects in society in its daily operations. In this connection, Nestlé states that it is especially within three areas that the company is positioned to create shared value. This has made us question whether Nestlé, in its attempt ‘to go beyond CSR’, engages within too many projects rather than only focusing on those in line with Nestlé’s core business. This implies that Nestlé has a high level of commitment to CSR, thus employs the proactive strategy to CSR as illustrated in Figure 11: Nestlé’s CSR strategy, based on corporate website.

![Diagram of Nestlé's CSR strategy](source: Schermerhorn 1996: 117)

Nestlé takes leadership by creating various projects such as the ‘Nestle Prize in Creating Shared Value’ in which the company “[…] rewards initiatives that reflect the spirit of CSV by addressing challenges in nutrition, water and rural development.” (Nestlé 2014I). Employing the proactive
strategy indicates that Nestlé is committed to meet all criteria of CSR, including discretionary responsibilities, hence, the highest level of commitment to CSR is reached.

Having identified Nestlé’s approach to CSR and the company’s CSR strategy based on Nestlé’s own articulation of CSR on its corporate website, we include the stakeholders’ criticism in the documentaries on YouTube. This contributes to obtaining a more nuanced and truthful picture of Nestlé’s CSR approach and examine whether the identified approach on the corporate website reflects reality.

### 5.2.2 Nestlé’s CSR approach and strategy according to the stakeholder criticism (Jessica and Katrine)

In the documentary ‘Flow: Nestlé Bottled Water’, journalist Holly Wren Spaulding states, “They [Nestlé] are pumping upwards a 450 gallons per minute, and what that means is in ecological terms is that streams are lowering, and what used to be bodies of water are turning into mud flats [...] Adding insult to injury is the fact that Nestlé corporation doesn’t pay one cent for the water they extract, and they are making speculated upwards of 1,8 million dollars in profit a day off of that water which belongs to all of us” (Jacquelinemaxine 2009). This statement indicates that Nestlé has no concern for neither the community nor its water supply given that it drains streams without any concern for the negative consequences its operations entail. This reflects the themes ‘voracious company’, ‘harming society’ and ‘focus on profit maximisation’ which we have derived from the YouTube videos (Appendix 3: Coding scheme – Stakeholders’ portrayal of Nestlé’s CSR and branding). Furthermore, Nestlé claims ownership of what the video presents as public property without contributing to society despite a daily profit on speculated 1,8 million dollars. This is in clear contrast to what Nestlé articulates on its corporate website in which water is one of the company’s six CSR commitments (Appendix 4: Nestlé’s CSV commitments) hence an area where the company strives to create shared value.

This statement indicates that Nestlé only creates shared value for itself and its shareholders, and hereby reflects an approach to CSR in line with Friedman’s definition stating that “There is one and only one social responsibility of business — to use its resources and engage in activities designed to increase its profits.” (Friedman 1970: 25) rather than McElhaney as identified through the corporate website. Our argument of Nestlé’s CSR approach reflecting Friedman is also evident in Nestlé’s chairman Mr Brabeck-Letmathe’s statement, “I am still of the opinion
that the biggest social responsibility of any CEO is to maintain and ensure the successful and profitable future of his enterprise [...]” (Controversialfiles 2013) and the theme ‘focus on profit maximisation’ (Appendix 3: Coding scheme – Stakeholders’ portrayal of Nestlé’s CSR and branding). This contradicts the CSR information presented on the corporate website which raises scepticism of the website’s credibility, as it is not only the stakeholders’ criticism, presented in the two documentaries, that opposes the corporate website but also the company’s chairman – the highest officer at Nestlé.

In addition to the above, store owner Mary Anne Rennet points out “I’m sure a lot of it [water] will end up back up here because they sell Ice Mountain\(^5\) in the area – so it’s ludicrous! They make enormous amounts of money giving our water back to us” to which Jim Olson, environmental attorney, adds “It [Nestlé] doesn’t own the water, it has a right to use the water like other landowners. So the question is: do their right to use mean they have a right to put it in a bottle and claim ownership and sell it?” (Jacquelinemaxine 2009). This is a further indicator of Nestlé’s CSR approach, according to this perspective, focusing on profit maximisation and disregarding the company’s responsibility for its business operations. It is paradoxically that Nestlé takes something that is public property and claims ownership to hereafter sell it back to the community as bottled water and make enormous profits of it. Furthermore, it is paradoxically that Nestlé performs such actions while claiming to go beyond CSR and creating value for the whole value chain. When Nestlé established the water plant in Michigan, it stated, “we are a good corporate citizen we are not gonna hurt anything – we are responsible.” (Jacquelinemaxine 2009). This raises the question of whether Nestlé even understands the negative consequences of its actions thus questions the company’s motives for engaging in CSR.

The YouTube video ‘Documentary: The Dark Side of Chocolate’ raises the concern for child labour and child trafficking within the chocolate industry in which especially Nestlé is emphasised as a culprit. In 2001, the largest chocolate manufactures, including Nestlé, signed the Harkin-Engel Protocol, also referred to as the Cocoa Protocol, to stop child labour and

\(^5\) Ice Mountain is one of Nestlé’s numerous bottled water brands. The water extracted in Michigan is bottled and sold under the brand Ice Mountain (Jacquelinemaxine 2009)
trafficking in the chocolate industry by 2008 (MsKandyrose’s channel 2012). To the question of whether the Protocol works, Frank Hagemann, ILO’s Director, states, “I think we have seen some progress in the area. The topic has been kept in the international debate, governments have been synthesised, and some knowledge has been put on the table – but in terms of real change, we have seen relatively so little so far.” (MsKandyrose’s channel 2012). This contributes to Nestlé appearing as a ‘voracious company’ and ‘ignoring stakeholder demands’ which are some of the themes that have been derived from the YouTube videos (Appendix 3: Coding scheme – Stakeholders’ portrayal of Nestlé’s CSR and branding). Despite Nestlé signing the Harkin-Engel Protocol thus promising to end child labour in the Ivory Coast, the documentary demonstrates that child labour and trafficking of children are still taking place, especially in the Ivory Coast, from where Nestlé imports the majority of its cocoa beans. When the people behind the documentary confronted Nestlé, the company’s only answer was, “The vast majority of cocoa farms are not owned by the companies that make chocolate or supply cocoa, and we therefore don’t have direct control over cocoa farming and labour practices” (MsKandyrose’s channel 2012). Given that Nestlé’s suppliers use child labour and that the company rejects any responsibility for these actions contradict the CSV concept which Nestlé’s business is based on – to create value for the whole value chain, and entails that Nestlé is ‘not living up to promises’ (Appendix 3: Coding scheme – Stakeholders’ portrayal of Nestlé’s CSR and branding). This further contradicts Nestlé’s CSV commitments and especially rural development and human rights (Appendix 4: Nestlé’s CSV commitments).

Within rural development, Nestlé states “We’re focused on ensuring that our raw materials are produced responsibly and sustainably - and it starts with knowing where they come from and how they’re produced” (Appendix 4: Nestlé’s CSV commitments; Nestlé 2014). Given that this statement indicates that Nestlé, despite the CSV commitments, does not take responsibility for the child labour in its supply chain, implies that the credibility of the commitment is weakened. With regard to human rights, Nestlé states, “As a company founded on clear principles we strive to comply with the laws and regulations in place wherever we operate, as well as adhering to international standards. We also recognise our responsibility to respect human rights” (Nestlé

6 The International Labour Organization (ILO) works to promote social justice and internationally recognised human and labour rights (International Labour Organization 2014)
Nestlé disclaiming all responsibility for the child labour is in stark contrast to the company’s commitment of complying with human rights standards. This too weakens the credibility of Nestlé’s commitment and raises scepticism of whether Nestlé’s commitments are words rather than deeds. Furthermore, it is interesting that Nestlé only ‘strives’ to comply with laws and regulations rather than actually complying with them. This indicates that Nestlé does not fully comply with these laws and raises the question of whether Nestlé violates the laws of human right in its attempt to create value for shareholders.

Based on Nestlé’s CSR information on the corporate website, we identified Nestlé CSR strategy to be proactive. However, when identifying Nestlé’s CSR strategy based on the stakeholders’ criticism presented in the documentaries, it is quite the opposite. The perspectives in the documentaries present Nestlé as draining water streams in communities, claiming ownership of public property, buying from farmers using child labour, disclaiming responsibility of the supply chain, and ‘striving’ to comply with laws and regulations on human rights. This entails that Nestlé has a low commitment to CSR. Based on the documentaries, Nestlé does not meet either discretionary or ethical responsibilities given that the company drains water supplies in communities and that child labour occurs in the supply chain. The perspectives in the documentaries suggest that Nestlé works with farmers using child labour, does not meet the terms of the Harkin-Engel Protocol, and only strives to comply with laws and regulations on human rights which results in Nestlé not meeting legal responsibilities according to the criticism.

Based on the stakeholders’ criticism, Nestlé only meets economic responsibilities and hereby employs an obstructionist strategy to CSR as illustrated in Figure 12: Nestlé’s CSR strategy, based on the stakeholders’ criticism regarding Nestlé’s water and chocolate production (see Figure 12 on the following page). This raises the question of whether the company is entitled to state that it goes beyond CSR in connection with its water and chocolate production.
5.2.3 Sub-conclusion  (Jessica and Katrine)

The analysis of Nestlé’s CSR approach and strategy based on the corporate website suggests that Nestlé’s approach is characterised by taking CSR to a strategic level as CSR is incorporated in the core business strategy and everything Nestlé does. Nestlé refers to its responsible actions as CSV as it goes beyond CSR meaning that it takes responsibility not only for communities but for the whole value chain. In addition to Nestlé’s focus on CSR, the company has developed six commitments that support its goal of creating shared value, and a way for stakeholders to hold Nestlé accountable for its CSV. Furthermore, Nestlé has developed initiatives, such as the ‘Nestle Prize in Creating Shared Value’ and ‘Nestlé Healthy Kids Programme, that positively contribute to society. This implies that Nestlé has a high level of commitment to CSR and hereby employs the proactive strategy in which Nestlé meets economic, legal, ethical and discretionary responsibilities to CSR. Hereby, Nestlé’s CSR approach and strategy is characterised in the themes: ‘responsible corporate citizen’ and ‘health, nutrition and wellness’ (Appendix 2: Coding scheme – Nestlé’s portrayal of its CSR and branding) which we have derived from the corporate website.

As previously mentioned, we have made a comparative analysis by also including the stakeholders’ criticism in order to obtain a more nuanced and realistic picture of Nestlé’s CSR
approach and strategy, and examine whether the identified approach on the corporate website reflects reality.

The documentaries on YouTube ‘Flow: Nestlé Bottled Water’ and ‘The Dark side of Chocolate’ represent a rather different picture of Nestlé’s CSR approach. The issues treated in the videos concern Nestlé using child labour, not meeting the terms of the Harkin-Engel Protocol, lowering water streams, and claiming ownership of public property for hereafter selling it back to the community and make enormous profits. This entails that Nestlé’s CSR approach reflects Friedman’s definition as main focus is on profit maximisation and creating value for shareholders. Hereby, Nestlé employs the obstructionist strategy as it only meets economic responsibilities, hence the themes ‘voracious company’, ‘harming society’ and ‘focus on profit maximisation’ characterise Nestlé’s CSR approach (Appendix 3: Coding scheme – Stakeholders’ portrayal of Nestlé’s CSR and branding).

The themes characterising Nestlé’s CSR based on the YouTube videos is in contrast to those based on the corporate website. We argue that the YouTube videos appear to present a more realistic picture given that they are award winning documentaries based on years of research whereas the corporate website reflects Nestlé’s subjective presentation of its CSR approach. Hereby, we argue that Nestlé’s CSR approach, in connection with water and chocolate production, is in line with Friedman’s perspective on CSR meaning that Nestlé’s purpose for engaging in CSR is to create value for shareholders. Thus, Nestlé’s CSR strategy can only be categorised as obstructionist. We further substantiate this with raising the question: If Nestlé really strived to create value and take responsibility for the whole value chain, as CSV implies, would Nestlé not have eliminated child labour in its supply chain long ago, stopped extracting water before draining the land, and stepped up when confronted by the documentary on its use of child labour and defended itself. This results in Nestlé’s corporate website appearing both dishonest and misleading, and that the CSR information appears as words rather than deeds.
5.2.4 Nestlé’s CSR communication (Jessica and Katrine)

Research question 2a: How does Nestlé communicate CSR to its stakeholders?

We include the CSR communication strategies to examine which strategy Nestlé employs in its CSR communication and whether stakeholders are involved. We include the corporate website and the aforementioned YouTube videos in a comparative analysis in order to obtain a more nuanced and realistic picture of Nestlé’s CSR communication.

CSR can be communicated in three distinct ways: stakeholder information strategy, stakeholder response strategy and stakeholder involvement strategy (Morsing and Schultz 2006: 326). In relation to Nestlé’s CSR communication, the company states, “Effective dialogue with our stakeholders is central to Creating Shared Value, both in terms of understanding opinions and concerns, and in delivering our commitments. Our stakeholder engagement programme helps us to shape responses to shared challenges, drive performance improvements, and ultimately strengthen collective action” (Nestlé 2014C). According to this statement, Nestlé actively involves the stakeholders in the CSR communication by taking their opinions and concerns into consideration when creating shared value. Furthermore, in relation to Nestlé’s CSV commitments, the company states, “The commitments make it possible for stakeholders to hold us accountable, encouraging us to seek and achieve continuous improvement in our nutrition, water, rural development, sustainability and compliance performance” (Nestlé 2014N). This statement indicates that Nestlé’s stakeholders are an active in reaching the company’s long-term goal of creating value for the whole value chain, hence the communication is characterised by the theme ‘focus on stakeholder dialogue’ (Appendix 2: Coding scheme – Nestlé’s portrayal of its CSR and branding).

Nestlé has created the Stakeholder Engagement Programme which indicates that the company recognises the importance of involving stakeholders in order to “[...] ultimately strengthen collective action” (Nestlé 2014C) and accommodating each other’s expectations. Hereby, Nestlé and the stakeholders engage equally in dialogue hence the communication is two-way symmetric and entails that both sense-making and sense-giving occur from both parties. It is not only Nestlé that gives sense to stakeholders, it goes both ways, given that stakeholders also try to affect Nestlé’s meaning towards what they prefer. This is further evident on the
corporate website under ’Stakeholder engagement’ (Nestle 2014C) in which Nestlé responds to the stakeholders’ requests and expectations. The fact that Nestlé responds to the stakeholders’ suggestions of corporate actions indicates a stakeholder role in which stakeholders are involved and participate in corporate actions. This is also an indicator of Nestlé not only seeking to influence stakeholders, but also seeking to be influenced and prepared to change when necessary.

Nestlé’s blog ‘Water Challenge’ encourages stakeholders to participate in the debate on water use and availability. Nestlé chairman states, “I hope this blog will create discussion about the important issue of water use and availability around the world. Your comments and views are very important and I encourage you to help me build and develop the conversation” (Nestlé 2014L). This indicates that Nestlé seeks dialogue with its stakeholders and value their opinion on societal matters. All this indicates that Nestlé’s CSR communication reflects the stakeholder involvement strategy, as Nestlé’s communication is a two-way symmetric dialogue with stakeholders and correlates with the theme ‘focus on stakeholder dialogue’ (Appendix 2: Coding scheme – Nestlé’s portrayal of its CSR and branding).

Based on the corporate website, Nestlé’s CSR communication appears both convincing and trustworthy. However, given that the previous analysis identified Nestlé’s CSR approach to be in line with Friedman’s perspective on CSR and Nestlé employing an obstructionist CSR strategy in which only economic responsibilities are met, we question whether Nestlé’s CSR communication on the corporate website reflects reality. Hence we compare Nestlé’s CSR communication on the website with the documentaries on YouTube.

Nestlé drains water streams, despite the community raising its concern, and continues to extract water during the community’s trial against Nestlé. Furthermore, when the people behind the documentary ‘The Dark Side of Chocolate’ confronted Nestlé with the company’s use of child labour, Nestlé declined participating in an interview and any dialogue at all. This entails Nestlé’s CSR communication being characterised by the theme ‘ignoring stakeholder demands’ (Appendix 3: Coding scheme – Stakeholders’ portrayal of Nestlé’s CSR and branding) and raises scepticism of whether Nestlé actually engages stakeholders in dialogue and employs
the stakeholder involvement strategy. As mentioned in section 2.2.4.1.3: The stakeholder involvement strategy, the press agency/publicity strategy is excluded from the CSR communication strategies as its purpose is to promote the company and attract the media’s attention with no concern for the truth of the communicated activities. In the previous analysis of Nestlé’s CSR approach and strategy, we argued that Nestlé’s corporate website, compared to the criticism in the documentaries, appears both dishonest and misleading and that the CSR information is words rather than deeds. Hence, we argue that Nestlé’s CSR communication strategy reflects aspects of the press agency/publicity strategy as the CSR communication on the website does not appear to reflect reality thus functions as a tool to promote the company and attract the stakeholders’ interest.

5.2.2.1 Sub-conclusion (Jessica and Katrine)

In the above analysis, two distinct strategies are ascribed to Nestlé’s CSR communication depending on whose point of view is considered – Nestlé’s corporate website or the stakeholders’ criticism in the YouTube videos.

According to the analysis based on the corporate website, Nestlé actively engages and involves the stakeholders and takes their concerns and expectations into consideration in the company’s CSR initiatives. Hereby, Nestlé employs the stakeholder involvement strategy. On the other hand, including aspects of the stakeholders’ criticism of Nestlé’s CSR combined with the previous analysis of Nestlé’s CSR approach and strategy in which we argued that the CSR content on the website is words rather than deeds, we argue that the CSR communication reflects the press agency publicity strategy and the theme ‘ignoring stakeholder demands’. Thus, Nestlé’s communicated CSR appears to only function as a tool to promote the company with no concern for truth-value of the information.

Given that Nestlé brands itself on CSR, it is relevant to examine how the company approaches branding. Hence, this is analysed in the following.
Research question 3: What characterises Nestlé’s approach to corporate branding?

We include ethical branding in order to analyse if Nestlé’s branding reflects ethical aspects or is a tool to persuade the stakeholders. This is followed by an analysis of whether Nestlé has fallen into one or more of the four blind spots from the conformity trap in its CSR branding, as this may have negatively affected Nestlé’s reputation and the stakeholders’ criticism. Hereafter, we analyse Nestlé’s branding approach in terms of the two opposing brand perspectives, a positivistic vs. a constructivist viewpoint. Finally, the AC²ID test is included in order to examine whether Nestlé’s CSR branding reflects the company’s core identity.

In the analysis of what characterises Nestlé’s branding approach, we make a comparative analysis by including both the corporate website and the stakeholders’ criticism regarding Nestlé’s water and chocolate production in the form of the YouTube videos in order to obtain a more realistic picture of Nestlé’s approach to branding. The data from the corporate website and the documentaries on YouTube, respectively, articulating Nestlé’s branding are organised in thematic coding schemes (Appendix 2: Coding scheme – Nestlé’s portrayal of its CSR and branding, and Appendix 3: Coding scheme – Stakeholders’ portrayal of Nestlé’s CSR and branding).

Today, major brands have enormous power and set the agenda in society for what is considered right and wrong and in or out (cf. 2.3.2: Ethical branding), hence we argue that brands must reflect ethical standards. Companies must consider their stakeholders and what they define as ethically correct. We hereby understand ethical branding as relating to moral principles that define right and wrong behaviour in branding decisions. This implies that an ethical brand should not harm the society in which it operates but rather contribute to public good.

On the corporate website, Nestlé states, “We believe that it’s essential to have clear principles and values that are built upon respect for our consumers, our people, suppliers, customers and the environment, and a strong compliance culture that is fully embedded in our business.” (Nestlé 2014M) and “Creating Shared Value is the way we do business” (Nestlé 2014D). Given
that CSV is embedded in the core business strategy, Nestlé brands itself on CSR and hereby includes ethical factors in the branding, which corresponds with the theme of Nestlé being a ‘responsible corporate citizen’ (Appendix 2: Coding scheme – Nestlé’s portrayal of its CSR and branding). With regard to Nestlé’s CSV, the company has developed commitments that support the goal of creating shared value for the whole value chain. The commitments cover: nutrition, rural development, responsible sourcing, water, environmental sustainability and human rights (Appendix 4: Nestlé’s CVS commitments). Nestlé states, “We decided to publish a set of forward-looking commitments, covering every part of our business, in order to provide a clear sense of the strategic direction we are heading in and the standards to which we hold ourselves accountable. They are real, they are credible, and we will do everything in our power to make sure they are deliverable” (Nestlé 2014G). This further suggests that Nestlé includes ethical factors in the core strategy and hereby the branding strategy. Nestlé has great impact on society due to its volume, and the above statement indicates that the company is aware of its responsibility by positively contributing to society. However, when considering the perspectives presented in the two documentaries from YouTube, ‘Flow: Nestlé Bottled Water’ and ‘The Dark Side of Chocolate’, it raises the question of whether CSR in Nestlé’s branding is actually rooted in ethical motives to meet society’s expectations or rather functions as a tool for persuasion and appearing more responsible.

Journalist Holly Wren Spaulding states, “They [Nestlé] are pumping upwards a 450 gallons per minute, and what that means is in ecological terms is that streams are lowering, and what used to be bodies of water are turning into mud flats […] Adding insult to injury is the fact that Nestlé corporation doesn’t pay one cent for the water they extract, and they are making speculated upwards of 1,8 million dollars in profit a day off of that water which belongs to all of us” (Jacquelinemaxine 2009). Jim Olson, environmental attorney, adds “It [Nestlé] doesn’t own the water, it has a right to use the water like other landowners. So the question is: do their right to use mean they have a right to put it in a bottle and claim ownership and sell it?” (Jacquelinemaxine 2009). The documentary ‘The Dark Side of Chocolate’ confronts Nestlé and its use of child labour in the supply chain to which Nestlé’s only response is, “The vast majority of cocoa farms are not owned by the companies that make chocolate or supply cocoa, and we therefore don’t have direct control over cocoa farming and labour practices” (MsKandyrose’s
These statements eliminate the before analysis of Nestlé’s branding being ethical based on ethical branding relating to moral principles that define right and wrong behaviour in branding decisions, and that an ethical brand should not harm the society in which it operates but rather contribute to public good. Nestlé draining water streams with no concern for either community or environment and the use of child labour in the supply chain, indicate that Nestlé harms the society in its strive to create profit. This results in the themes ‘harming society’ and ‘not living up to promises’ characterising Nestlé’s branding (Appendix 3: Coding scheme – Stakeholders’ portrayal of Nestlé’s CSR and branding). Hereby, we raise the question of whether Nestlé’s CSR branding is a tool for appearing as a responsible company meeting society’s expectations for ethical behaviour rather than actually demonstrating ethical behaviour (cf. 1: Introduction; 2.2.2: Strategic CSR – taking it a step further; 2.3.2: Ethical branding). Hence we include the conformity trap to examine if Nestlé has fallen into one or more of the blind spots.

5.3.1 Blind spots in Nestlé’s branding (Jessica and Katrine)
The conformity trap includes the four blind spots: uniqueness paradox, narcissism dynamic, leadership monopoly and path dependency (Antorini and Schultz 2005: 57-60). Nestlé brands itself as a responsible company through CSR, and Nestlé referring to its responsible actions as CSV rather than CSR is a way of expressing uniqueness compared to competitors. Today, CSR is a part of the majority of corporations; hence branding the company on CSR will not make the company unique and differentiate it from competitors. Thus, Nestlé referring to its CSR as CSV is an attempt to express uniqueness and hereby achieve the whole purpose and benefit of branding – to differentiate the company (cf. 2.3: Branding). Through CSV, Nestlé not only takes a social responsibility for the communities but a responsibility for the whole value chain (cf. 1: Introduction). In Nestlé’s attempt to reach uniqueness through CSV the company has created commitments in which the company practically promises ‘to safe the world’ (Appendix 4: Nestlé’s CSV commitments). Hereby, we argue that Nestlé exaggerates its capabilities and bites off more than it can chew which indicates that Nestlé has fallen into the narcissism dynamic. This is further an indicator of Nestlé, in its intense pursuit of uniqueness, having detached itself from stakeholders. This correlates with our analysis of Nestlé’s stakeholder perspective and the criticism treated in the two documentaries. A company’s true uniqueness and differentiation is
not reflected in what values the company possesses, but how the company actually acts. This indicates that Nestlé has fallen into the conformity trap in its search for brand uniqueness and differentiation.

As the above analysis suggests, Nestlé’s branding is not based on an ethical approach given that the company harms society by, among others, draining water streams and using child labour. Furthermore, in Nestlé’s search for brand uniqueness, the company exaggerates its capabilities and detaches itself from stakeholders thus has fallen into the narcissism dynamic and hereby the conformity trap. In continuation hereof, we include the two opposing brand paradigms, one with a positivistic viewpoint and one with a constructivist viewpoint.

5.3.2 Nestlé’s brand perspective – positivistic vs. constructivist (Jessica and Katrine)

Based on the corporate website, Nestlé takes its stakeholders into consideration in its branding decisions by encouraging them to participate in an online dialogue with regard to water. Chairman, Peter Brabeck-Letmathe states, “Your comments and views are very important and I encourage you to help me build and develop the conversation” (Nestlé 2014L). Furthermore, the CSV commitments are created as a way for stakeholders to hold Nestlé accountable and encourage it to seek continuous improvement within the areas constituting the CSV commitments.

Another example of Nestlé including the stakeholders’ opinions and expectations is demonstrated in the ‘Stakeholder recommendations’ on the corporate website (Nestlé 2014C) in which Nestlé illustrates how it will meet the stakeholders’ expectations and suggestions for the future. The purpose of the stakeholder recommendations is to “[...] understand stakeholder expectations and concerns; report back on previous convenings; stimulate fresh thinking; review our new table of commitments; and prioritise key actions on Creating Shared Value” (Nestlé 2014C). Nestlé recognises that a strong brand and brand equity are created through interaction with stakeholders and takes an outside-in perspective on branding; hereby, Nestlé’s branding perspective correlates with the paradigm reflecting constructivist viewpoints and the theme ‘focus on stakeholder dialogue’ (Appendix 2: Coding scheme – Nestlé’s portrayal of its CSR and branding). This further correlates with our understanding of corporate branding arguing that a
CSR brand cannot be owned by the company, and neither can the company solely control the communication. Rather, we presume that a strong CSR brand is co-created by the company and its stakeholders and should be adaptable and changeable to societal expectations.

However, including the stakeholders’ criticism from the two documentaries on YouTube: ‘The Dark Side of Chocolate’ and ‘Flow: Nestlé Bottled Water’, yet again the opposite is present. Within the two documentaries, Nestlé appears not to take the stakeholders’ expectations and concerns into consideration in its branding decisions but rather make decisions based on own interests and what can create value for shareholders. Jim Olson, environmental attorney states, “During the trial, the company [Nestlé] kept pumping during a season of drought” (Jacquelinemaxine 2009). As previously stated, Nestlé drains water supplies in Michigan and claims ownership of public property for hereafter selling it back to the community. This resulted in a trial between the Michigan community and Nestlé. As Jim Olson states, despite that the community has raised concern for Nestlé’s water plants and even sued the company, Nestlé kept pumping despite the situation and even though it was a season of drought. This clearly indicates that the stakeholders’ concern have no impact on Nestlé’s brand decisions. This implies that Nestlé’s conviction is that the brand is ‘owned’ by the company and that it controls the communication to a passive stakeholder and hereby takes an inside-out perspective on branding. This is consistent with the themes ‘voracious company’, ‘harming society’ and ‘ignoring stakeholder demands’ (Appendix 3: Coding scheme – Stakeholders’ portrayal of Nestlé’s CSR and branding) which we have derived from the documentaries on YouTube. Again, this questions the credibility of Nestlé’s corporate website and whether the company’s brand perspective reflects a positivistic viewpoint rather than a constructivist.

The above analysis identified that Nestlé’s CSR branding does not reflect ethical aspects due to its negative impact on society through water draining and child labour. Moreover, the company’s brand perspective reflects a positivistic viewpoint, as Nestlé does not consider its stakeholders’ opinion in the branding decisions. Corporate identity is a fundamental element of the branding strategy as the brand must be anchored in the identity in order for the strategy to reflect core business and hereby be trustworthy. Hence, Nestlé’s multiple identities are analysed in the following.
5.3.3 Nestlé’s multiple identities (Jessica and Katrine)

The purpose of this section is to identify Nestlé’s multiple identities through the AC²ID test (Balmer and Greyser 2003) in order to determine whether the CSR branding reflects Nestlé’s core identity. If alignment between identity and branding strategy does not exist, Nestlé’s CSR branding cannot be rooted in the company’s core business nor perceived sincere and trustworthy which may be an underlying factor for the criticism. In the analysis of Nestlé’s multiple identities, we combine the ideal and desired identity as we perceive both reflect what the management strive to achieve for the future (cf. 2.3.5: The AC²ID Test). Moreover, when analysing Nestlé’s communicated identity, we focus on controllable communication in the form of the corporate website, as we understand non-controllable communication to be equivalent to the conceived identity which is based on the two documentaries on YouTube ‘Flow: Nestlé Bottled Water’ and ‘The Dark Side of Chocolate’.

Communicated identity

Nestlé’s communicated identity is based on the corporate website on which the company portrays itself as a corporate responsible citizen. Nestlé refers to its CSR as CSV as it states that its responsible behaviour goes beyond CSR by not only focusing on taking social responsibility for communities but on the whole value chain. In this connection, Nestlé has created CSV commitments to which it adds, “We have published a number of robust commitments to support our long-term goal of Creating Shared Value. They cover nutrition, health and wellness, rural development and responsible sourcing, water, environmental sustainability, our people, human rights and compliance” (Appendix 4: Nestlé’s CSV Commitments; Nestlé 2014N).

Moreover, Nestlé emphasises its active interaction with stakeholders as the company states, “Effective dialogue with our stakeholders is central to Creating Shared Value, both in terms of understanding opinions and concerns, and in delivering our commitments” (Nestlé 2014C). This indicates that Nestlé recognises the stakeholders’ importance for its success and livelihood. Furthermore, “Everything we do is driven by our Nutrition, Health and Wellness agenda, Good Food, Good Life, which seeks to offer consumers products with the best nutritional profile in their categories” (Nestlé 2014A) indicates that Nestlé has great focus on health despite the majority of the product range covering a variety of sweets. Nestlé’s communicated identity emphasises a responsible company going beyond CSR in its strive to create nutrition, health
and wellness for the consumers and positively contribute to the whole value chain in which an active dialogue with stakeholders is considered fundamental for Nestlé’s success.

**Ideal and desired identity**

The analysis of Nestlé’s ideal and desired identity is based on the company’s ‘Roadmap to Good Food, Good Life’ in which Nestlé states, “Our objective is to be the leader in Nutrition Health and Wellness, and the industry reference for financial performance, trusted by all stakeholders” (Nestlé 2014A). In addition, Nestlé adds, “To build a business capable of both delivering superior shareholder value and helping people improve their nutrition, health and wellness, Creating Shared Value is the approach we take to the business as a whole” (Nestlé 2014D). This indicates that Nestlé’s goal for the future is to be the leader in nutrition, health and wellness which is further emphasised in the company’s tagline ‘Good Food, Good Life’. Furthermore, this indicates that Nestlé, despite its product portfolio mainly consisting of sweets and confectionaries, strives to meet the demand for healthy food choices due to the enormous focus on health in today’s society. In continuation of Nestlé’s CSV, the company has created commitments to support its long-term goal of creating shared value for the whole value chain and be the leader of nutrition, health and wellness. The commitments treat issues such as nutrition, water, responsible sourcing, environment, and human rights, and hereby signify that Nestlé strives to positively contribute within various areas that the company affects in its daily operations (Appendix 4: Nestlé’s CSV Commitments).

**Conceived identity**

Nestlé’s conceived identity is based on the documentaries ‘The Dark Side of Chocolate’ and ‘Flow: Nestlé Bottled Water’ on YouTube treating the stakeholders’ criticism of Nestlé’s water and chocolate production. We are aware of the negative attitude in the documentaries affecting the result of the conceived identity, and that other material on stakeholders’ opinion might have resulted in a different outcome. However, the documentaries encompass opinions from a large part of Nestlé’s stakeholders by including journalists, storeowners and locals from communities, attorneys, farmers, and the ILO; hence the documentaries are sufficient for analysing Nestlé’s conceived identity.
Both documentaries critically relate to Nestlé and its business operations. In the YouTube video ‘Flow: Nestlé Bottled Water’, journalist Holly Wren Spaulding states, “They [Nestlé] are pumping upwards a 450 gallons per minute, and what that means is in ecological terms is that streams are lowering, and what used to be bodies of water are turning into mud flats [...] Adding insult to injury is the fact that Nestlé corporation doesn’t pay one cent for the water they extract, and they are making speculated upwards of 1,8 million dollars in profit a day off of that water which belongs to all of us” (Jacquelinemaxine 2009). This statement reflects a critical perception of Nestlé’s business operations as they drain the water and destroy the land. This contributes to Nestlé’s branding being characterised by the themes ‘voracious company’, ‘harming society’ and profit maximisation’ (Appendix 3: Coding scheme – The stakeholders portrayal of Nestlé’s CSR branding). Despite the community’s concern for the land, Nestlé continues the water extraction hence the community sues Nestlé. In this connection, Jim Olson, environmental attorney adds, “During the trial, the company [Nestlé] kept pumping during a season of drought” (Jacquelinemaxine 2009). Nestlé’s continuous water extraction, despite the community’s concern and that it was a season of drought, implies that Nestlé has no concern for the community as long as the company makes a profit. These actions substantiate a critical perception of Nestlé.

Another example of the stakeholders’ perception of Nestlé prioritising profit maximisation over the stakeholders’ concern is evident in the documentary ‘The Dark Side of Chocolate’ both in terms of Nestlé, in our perspective, not meeting the terms of the Harkin-Engel Protocol and in terms of not taking responsibility for child labour in the company’s supply chain demonstrated in the statements, “The vast majority of cocoa farms are not owned by the companies that make chocolate or supply cocoa, and we therefore don’t have direct control over cocoa farming and labour practices” (MsKandyrose’s channel 2012). In addition to reflecting the theme ‘not living up to promises’, the above implies that Nestlé’s conceived identity reflects a self-centred company that drains water streams and uses child labour to create value for shareholders; hence, a dishonest and unreliable company not living up to its promises and commitments.
**Actual identity**

Nestlé’s actual identity is based on the analyses of Nestlé’s perspective on stakeholders and its CSR approach and strategy, as we argue that these analyses appear to reflect reality in this given context (based on the chosen concepts from literature and the selected data on Nestlé). Hence, we are aware that the actual identity might be different if focusing on other material besides the criticism of water and chocolate production.

As identified in the above analyses, Nestlé has an objective of creating shared value for its stakeholders through the CSV commitments. However, as Nestlé’s main focus is on creating value for shareholders, the company disregards other stakeholders’ concerns that negatively affect the company’s generation of profit, which is demonstrated in the case of Michigan in which Nestlé continues extracting water despite the community’s concern and frustration. We argue that the only reason for continuing this action, is a one-sided focus on profit maximisation; if creating value for shareholders was not the main focus, Nestlé would have stopped the extraction and acknowledged that its actions did more harm than good. In addition to this, the use of child labour in Nestlé’s supply chain is a further indicator of the company’s main priority being profit maximisation and creating value for shareholders, otherwise, Nestlé would eliminate child labour from the supply chain and actually live up to its own commitment on human rights (Appendix 4: Nestlé’s CSV Commitments) and the Harkin-Engel Protocol.

Nestlé’s actual identity reflects a self-centred company in which profit maximisation overrules responsible actions despite the fact that Nestlé brands itself on not only CSR but CSV – going beyond CSR. This is substantiated by Nestlé’s chairman Peter Brabeck-Letmathe’s statement, “I am still of the opinion that the biggest social responsibility of any CEO is to maintain and ensure the successful and profitable future of his enterprise […]” (Controversialfiles 2013) reflecting the theme ‘profit maximisation’ (Appendix 3: Coding scheme – The stakeholders portrayal of Nestlé’s CSR branding).

When critically relating to Nestlé’s main focus being on profit maximisation and creating value for shareholders, we acknowledge that this is a fundamental aspect of every business. However, in Nestlé’s case of branding itself on not only CSR but CSV, profit maximisation
cannot so obviously overrule the company’s responsible behaviour. This results in Nestlé appearing both dishonest and untrustworthy which is characteristic for Nestlé’s actual identity.

Based on the above analysis and as illustrated in Figure 13: Nestlé’s multiple identities, incongruence exists between Nestlé’s sub-identities because the communicated identity reflects a responsible corporate citizen valuing all stakeholders and acknowledging their importance for Nestlé’s livelihood. The ideal and desired identity reflects an objective to be the leader within nutrition, health and wellness, and create shared value for the whole value chain. However, the conceived identity indicates an irresponsible company harming society and neglecting stakeholders in the attempt to create value for shareholders. Finally the actual identity reflects a company in which profit maximisation and creating value for shareholders is main priority and overrules responsible behaviour despite branding the company on CSR.

Figure 13: Nestlé’s multiple identities (source: own construction inspired by Balmer and Greyser 2003: 17)
As Balmer and Greyser (2003: 16-18) suggest any significant incongruence between any two or more of the identities can cause problems for the company, hence Nestlé’s overall credibility and public image are weakened as the difference in the identities create confusion among stakeholders, and especially the incongruence between Nestlé’s communicated and actual identity results in the company appearing dishonest and untrustworthy.

5.3.4 Sub-conclusion (Jessica and Katrine)

When focusing on Nestlé’s website, the company includes ethical aspects in its branding given that it brands itself on CSV and hereby takes responsibility for the whole value chain. However, as we argue that the two documentaries appear to reflect reality do to their years of research and award winning status, Nestlé’s branding reflects no ethical aspects. Nestlé draining water streams with no concern for either community or environment, and the use of child labour in the supply chain indicate that Nestlé harms the society in its strive to create profit. Hereby, we raise the question of whether Nestlé’s CSR branding is a tool for appearing as a responsible company meeting society’s expectations for ethical behaviour rather than actually demonstrating ethical behaviour. Additionally, in Nestlé’s attempt to reach uniqueness through CSV, the company has created commitments in which we argued that it practically promises to safe the world. Hereby, we argue that Nestlé exaggerates its capabilities and bites off more than it can chew which indicates that Nestlé has fallen into the blind spot narcissism dynamic in the conformity trap.

When analysing Nestlé’s brand perspective, two opposing results occurred. When analysing the perspective based on Nestlé’s website, Nestlé recognises that a strong brand and brand equity are created through interaction with stakeholders and takes an outside-in perspective on branding; hereby, Nestlé’s branding perspective correlates with the paradigm reflecting constructivist viewpoints. However, focusing on the two documentaries, we argue that Nestlé’s conviction is that the brand is ‘owned’ by the company and that it controls the communication to a passive stakeholder and hereby takes an inside-out perspective on branding. Hence, we question the credibility of Nestlé’s corporate website and whether the company’s brand perspective reflects a positivistic viewpoint rather than a constructivist viewpoint. The analysis of Nestlé’s identity shows incongruence between the five sub-identities which weakens Nestlé’s
overall credibility and public image. Especially the incongruence between Nestlé’s communicated and actual identity results in the company appearing dishonest and untrustworthy. All in all, Nestlé’s approach to branding is characterised by an inside-out perspective reflecting a positivistic viewpoint. Given that we question the credibility of Nestlé’s website, we argue that Nestlé’s CSR branding is a tool for appearing responsible rather than actually being rooted in ethical matters. This has further impacted Nestlé’s sub-identities conflicting, thus results in the CSR branding appearing dishonest and untrustworthy.
PART VI

CONCLUSION
The purpose of this thesis is to examine why Nestlé is targeted by the stakeholders’ criticism regarding the company’s water and chocolate production, when Nestlé is actively engaging in the field of CSR.

In order to answer the problem statement, the thesis has a triangular focus on stakeholders, CSR and branding, respectively, based on the assumption that it is factors within one or more of these areas that are the underlying reason for the criticism. To obtain a realistic and nuanced picture of Nestlé’s stakeholder perspective and approach to CSR and branding, a comparative analysis of Nestlé’s corporate website and the documentaries on YouTube formed the analysis.

In the analysis of research question 1: How does Nestlé articulate its perspective on stakeholders on its corporate website, and how does it conflict the stakeholders’ criticism? the way Nestlé’s stakeholder perspective is articulated on the website and in the YouTube videos, respectively, is compared and discussed. On the website, Nestlé expresses a stakeholder focus in which the company recognises its impact on the societies in which it operates as well as the stakeholders’ importance for the company’s existence. However, when further researching the website, a focus on shareholders and consumers is predominant. Nestlé clearly communicates that the main purpose of the business strategy and its CSV is to create value for shareholders and consumers. Several times, Nestlé states that its positive contributions to e.g. society and communities are to create value for shareholders. Hereby, the focus on consumers and especially shareholders overshadows other stakeholders despite Nestlé having identified them as key stakeholders. This correlates with the analysis of Nestlé’s articulated stakeholder perspective in the documentaries on YouTube in which it is clear that especially communities, farmers, NGOs and the media are neglected and overridden in Nestlé’s attempt to create value for shareholders and consumers. In the analysis of these stakeholders’ level of salience, it is evident that Nestlé neglects stakeholders with salience, and hereby crucial for the company to take into consideration in its business decisions in order to avoid criticism and conflicts. Based on the incongruence between Nestlé’s articulated perspective on stakeholders and the stakeholders’ criticism, we argue that Nestlé takes a narrow perspective on stakeholders by
favouring consumers and especially shareholders, and hereby neglecting other important stakeholders. When critically relating to Nestlé’s main focus being on profit maximisation and creating value for shareholders, we acknowledge that this is a fundamental aspect of every business and that shareholders are a fundamental stakeholder group for the company, however, the focus on this stakeholder group cannot overrule other stakeholders as obviously as in the case of Nestlé.

In the analysis of research question 2: What characterises Nestlé’s approach to CSR and which CSR strategy does the company employ? Nestlé’s derived stakeholder approach and strategy on the website and in the YouTube videos, respectively, is compared and discussed. The corporate website suggests that Nestlé’s approach is characterised by taking CSR to a strategic level as CSR is incorporated in the core business strategy and everything Nestlé does. Nestlé refers to its responsible actions as CSV as it goes beyond CSR meaning that Nestlé takes responsibility not only for communities, but for the whole value chain. In addition to Nestlé’s focus on CSR, the company has developed six commitments that support its goal of creating shared value, and a way for stakeholders to hold Nestlé accountable for its CSV. Furthermore, Nestlé has developed initiatives, such as the ‘Nestle Prize in Creating Shared Value’ and ‘Nestlé Healthy Kids Programme, that positively contribute to society. This implies that Nestlé has a high level of commitment to CSR and hereby employs the proactive strategy in which Nestlé meets economic, legal, ethical and discretionary responsibilities to CSR. On the other hand, the documentaries on YouTube ‘Flow: Nestlé Bottled Water’ and ‘The Dark side of Chocolate’ represent a rather different picture of Nestlé’s CSR approach. The issues treated in the videos concern Nestlé using child labour, not meeting the terms of the Harkin-Engel Protocol, lowering water streams, and claiming ownership of public property for hereafter selling it back to the community and make enormous profits. This entail that Nestlé’s CSR approach reflects Friedman’s definition of CSR given that the company’s main focus is on profit maximisation and creating value for shareholders. Hereby, the perspectives articulated in the documentaries suggest that Nestlé employs the obstructionist strategy as it only meets economic responsibilities – profit maximisation and creating value for shareholders.
Nestlé’s CSR approach and strategy on the corporate website is in contrast to the one portrayed in the documentaries. We argue that the documentaries on YouTube demonstrate a more truthful perspective on Nestlé’s CSR approach compared to the corporate website expressing Nestlé’s subjective portrayal of its CSR. Hereby, we argue that Nestlé’s CSR approach is in line with Friedman’s perspective on CSR meaning that Nestlé’s purpose for engaging in CSR is to create value for shareholders. Thus, Nestlé’s CSR strategy can only be categorised as obstructionist. We further substantiate this with raising the question: If Nestlé really strived to create value and take responsibility for the whole value chain, as the CSV implies, would Nestlé not have eliminated child labour in its supply chain, stopped extracting water before draining the land, and stepped up when confronted by the documentary on Nestlé’s use of child labour and defended itself. This results in Nestlé’s corporate website appearing both dishonest and misleading, and as if the CSR information is words rather than deeds, when taking the perspectives in the two documentaries into consideration.

In the analysis of research question 2a: How does Nestlé communicate CSR to its stakeholders? two distinct strategies were identified depending on whose point of view is considered – Nestlé’s corporate website or the stakeholders’ criticism in the YouTube videos. According to the analysis based on the corporate website, Nestlé actively engages and involves the stakeholders and take their concerns and expectations into consideration in the company’s CSR initiatives; hence, Nestlé employs the stakeholder involvement strategy. On the other hand, including aspects of the stakeholders’ criticism of Nestlé’s CSR combined with the findings of Nestlé’s CSR approach and strategy, in which we argued that the CSR content on the website is words rather than deeds, the CSR communication reflects aspects of the press agency publicity strategy. Given that Nestlé’s communicated CSR does not appear to reflect reality, when compared to the criticism in the documentaries, Nestlé’s CSR communication appears to only function as a tool to promote the company with no concern for truth-value of the information.

The analysis of research question 3: What characterises Nestlé’s approach to corporate branding? the corporate website implies that Nestlé includes ethical aspects in its branding. Nestlé brands itself on CSV and hereby takes a responsibility for the whole value chain. However, as we argue that the two documentaries appear to reflect reality, Nestlé’s branding
reflects no ethical aspects. Nestlé draining water streams with no concern for either community
or environment, and the use of child labour in the supply chain indicate that Nestlé harms the
society in its strive to create profit and value for shareholders. Hereby, we raise the question of
whether Nestlé’s CSR branding is a tool for appearing as a responsible company meeting
society’s expectations for ethical behaviour rather than actually demonstrating ethical
behaviour with regard to Nestlé’s water and chocolate production. Additionally, in Nestlé’s
attempt to reach uniqueness through CSV, the company has created commitments in which it
practically promises to ‘safe the world’. Hereby, we argue that Nestlé exaggerates its
capabilities thus has fallen into the blind spot narcissism dynamic in the conformity trap.

When analysing Nestlé’s brand perspective, two opposing results occurred. Based on the
website, Nestlé recognises that a strong brand and brand equity are created through
interaction with stakeholders and takes an outside-in perspective on branding; hereby, Nestlé’s
branding perspective correlates with the constructivist paradigm. However, based on the two
documentaries, we argue that Nestlé perceives to ‘own’ the brand, and that it controls the
communication to a passive stakeholder. Hereby, Nestlé takes an inside-out perspective on
branding. Hence, we question the credibility of Nestlé’s corporate website and whether the
company’s brand perspective reflects a positivistic viewpoint rather than a constructivist. The
analysis of Nestlé’s identity shows incongruence between the five sub-identities which weakens
Nestlé’s overall credibility and public image. Especially the incongruence between Nestlé’s
communicated and actual identity results in the company appearing dishonest and
untrustworthy. This results in Nestlé’s approach to branding being characterised by an inside-
out perspective reflecting a positivistic viewpoint. Given that we question the credibility of
Nestlé’s website when considering the points of criticism presented in the documentaries, we
argue that Nestlé’s CSR branding is a tool for appearing responsible and promote the company
rather than actually being rooted in ethical matters.

When critically relating to Nestlé’s main focus being on profit maximisation and creating value
for shareholders, we acknowledge that this is a fundamental aspect of every business.
However, in Nestlé’s case of branding itself on not only CSR but CSV, profit maximisation
cannot so obviously overrule the company’s responsible behaviour as it results in questioning the credibility of the company’s CSR branding.

All in all, the findings in the analysis imply that it is factors in Nestlé’s stakeholder perspective, approach to CSR and branding that are the reason for the stakeholders’ criticism. However, we argue that a domino effect has occurred stemming from Nestlé’s narrow perspective on stakeholders in which profit maximisation and creating value for shareholders overshadow the good intentions of Nestlé’s numerous CSR initiatives. This has further negatively impacted Nestlé’s branding given that the company brands itself on CSR which appears as a tool solely for profit maximisation and not a sincere motive for positively contributing to society. Hereby, it is predominantly Nestlé’s narrow stakeholder perspective that results in the continuous criticism of Nestlé and its business operations.

6.1 Directions for future research (Jessica and Katrine)
The thesis has researched the stakeholders’ criticism of Nestlé’s CSR branding regarding the company’s water and chocolate production. The focus on these perspectives has resulted in limits in the overall findings of why Nestlé’s CSR branding is targeted by criticism. Given that we treat the perspectives in the two documentaries on YouTube ‘Flow: Nestlé Bottled Water’ and ‘The Dark Side of Chocolate’ debating Nestlé’s water and chocolate production, this has impacted the findings of Nestlé’s stakeholder perspective and approach to CSR and branding, respectively. Thus, the findings reflect e.g. Nestlé’s CSR approach in correlation to water and chocolate and the perspectives presented in the documentaries, hence the findings do not reflect Nestlé’s overall CSR approach. We suggest future research to obtain a wider understanding of the stakeholders’ criticism, and Nestlé’s stakeholder perspective and approach to CSR and branding, respectively. One area of future research could be examining a wider range of videos treating perspectives in addition to water and chocolate in order to attain a general impression of the stakeholders’ criticism and Nestlé’s CSR branding.

Another area for future for research is the consumers’ responsibility in Nestlé’s unethical behaviour. Nestlé holds the position as market leader despite the continuous criticism which indicates that we as consumers continue to buy its products. The majority of the population is,
to a certain extent, aware of Nestlé’s unethical actions (child labour, unsustainable forest clearing, and water draining) thus only few are without responsibility in Nestlé’s existence. Every year, we spend enormous amounts of money buying Nestlé’s products despite its unethical actions, and hereby we contribute to the power that Nestlé today possesses and not least the opportunity to continue its unethical actions.
CHAPTER VII
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7. REFERENCES


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