

Please quote as: Bittner, E. & Leimeister, J. M. (2011): Towards CSR 2.0 - Potentials and Challenges of Web 2.0 for Corporate Social Responsibility Communication. In: 11. European Academy of Management (EURAM) 2011 - Annual Meeting, Tallinn, Estonia.

**Towards CSR 2.0 - Potentials and Challenges of Web 2.0 for Corporate Social  
Responsibility Communication**

Eva Bittner  
Information Systems, Kassel University  
[eva.bittner@uni-kassel.de](mailto:eva.bittner@uni-kassel.de)

Jan Marco Leimeister  
Information Systems, Kassel University  
[leimeister@uni-kassel.de](mailto:leimeister@uni-kassel.de)

## **ABSTRACT**

The purpose of this paper is to identify unused potentials of Web 2.0 media for companies' corporate social responsibility (CSR) communication and to point out resulting challenges for the organization of CSR communication activities. We present Web 2.0 characteristics and CSR communication goals based on a literature review. We then introduce two case studies, chosen by theoretical sampling, which highlight Web 2.0 potentials for CSR communication. One of these represents a company which uses Web 2.0 for CSR, and another one represents a similar CSR situation with a company not using Web 2.0. A case study approach was chosen to gain insights into the exploitation of the potentials. The cases show a fundamental change in CSR Communication. Social Media requires a shift from corporate one-way communication to interactive CSR. This implies practical as well as research challenges concerning new skills and the organizational implementation of CSR. We present a research agenda for future work and offer practical implications.

Keywords: corporate social responsibility, Web 2.0, sustainability communication, corporate blogs.

## INTRODUCTION

Urgent ecological and social questions have become challenges for societies worldwide.

Companies are facing increasing pressure from various stakeholders to behave ecologically and socially responsible. Corporate Social Responsibility has been identified as an issue of relevance in corporate practice. Luo and Bhattacharya (2006) report the strategic importance of CSR for the majority of companies, with more than 90% of Fortune 500 companies having explicit CSR initiatives (Luo & Bhattacharya, 2006; Kotler & Lee, 2004). “More companies than ever before are backing CSR initiatives” (Bhattacharya & Sen, 2004) not only for ethical reasons but also with the intention of impacting their economic performance. Therefore, they invest substantial portions of their profits in CSR initiatives. CSR communication and media play a major role in “doing better at doing good” (Bhattacharya & Sen, 2004). Misbehavior can more easily be monitored and spread through new media. Frynas (2005) states that “it is often assumed that the rise of CSR can directly be traced back to globalization and a concomitant expectation that firms would fill gaps left behind by global governance failures, at the same time as it became easier for NGOs (non-governmental organizations) to expose corporate behaviour in far-flung corners of the planet” (Frynas, 2005). CSR communication has become an integral part of corporate reporting as its impact on image building and stakeholder relationship management is widely accepted, although understanding of the concept varies strongly. Studies report a positive effect of CSR communication on corporate performance (Margolis, Walsh, & Mahwah, 2001; Porter & Kramer, 2002) and an increasing use of IT support for CSR communication (Blanke, Godemann, & Herzig, 2007). However, Freundlieb and Teuteberg (2010) identify a need for further research concerning the application of Web 2.0 technologies for CSR communication. While nongovernmental organizations such as Greenpeace make intensive use of social media to

communicate their activities and involve stakeholders, companies hardly employ Web 2.0 media for CSR communication purposes. There are signs that social media and Web 2.0 tools are changing the game in different fields in unknown intensity, from political campaigning (Wattal et al., 2010) to CSR communications (Sørensen & Peitersen, 2007). Researchers as well as practitioners should learn to understand the rules of this game, which Sørensen and Peitersen (2007) strikingly label as CSR 2.0.

Hence, this paper addresses the potentials and challenges companies face when they take account of Web 2.0 to communicate with their stakeholders in order to achieve CSR objectives. First, the concepts of CSR communication and Web 2.0 are defined based on a literature overview. In the next section characteristics of Web 2.0 media are then applied to the goals of CSR communication and specific potentials and risks of Web 2.0 for CSR communication are discussed. Based on two cases, issues for further iterative case study research are identified and an outlook on possible areas of interest concerning the organization of CSR communication efforts is provided.

### **Corporate Social Responsibility**

The concept of corporate social responsibility (CSR) is widely spread in the corporate world as more and more companies are asked to follow ecological and social principles in addition to sole economic profit orientation. In a global environment concerned with urgent challenges, companies have to meet their social responsibility obligations. Driving factors for CSR include new stakeholder expectations, social criteria as influencing factors for investment decisions, growing concerns about the environmental damages caused by economic activities and an

increasing transparency of business activities due to new information and communication technologies (European Commission, 2001).

From the middle of the 20th century onwards, there has been increasing interest in research on CSR (Dahlsrud, 2008). Carrol (1999) has conducted a literature review that points out the evolution of the construct CSR and a variety of existing definitions. While the author provides a relatively broad definition with the pyramid of corporate social responsibility that also encompasses legally required activities (Carroll 1991), narrower definitions include a dimension of voluntariness (Dahlsrud, 2008). The European Commission has shaped a well-known narrower definition of CSR as “going beyond compliance and investing more in human capital, the environment and relations with stakeholders” (European Commission, 2001). This understanding is based on the triple bottom line concept, which asks companies to include environmental, social as well as economic aspects in their strategy (European Commission, 2001). Since the beginning of the 21<sup>st</sup> century, growing pressure from investors, customers and NGOs on companies to engage in CSR activities can be observed (Schneider, Stieglitz, & Lattemann, 2007). Various authors agree that CSR strategy cannot be shaped and controlled by a business only but has to be negotiated in interaction with a broad variety of internal and external stakeholders (Dahlsrud, 2008; Coupland, 2005). Thus, Dahlsrud (2008) identifies five major components of CSR that are common among most definitions, which we consider in this paper: 1) the environmental, 2) social and 3) economic impacts businesses have in relation to CSR; 4) the voluntariness dimension that distinguishes CSR from legal compliance; and 5) the stakeholder dimension that introduces interaction and communication aspects. We specifically focus on the aspects of CSR communication as they are strongly affected by the changes introduced by Web 2.0.

## **CSR communication**

Ihlen (2010) defines CSR communication as the way in which companies communicate on the environmental, social and economic processes that they impact, and which media, symbols and rhetoric means they use. Ingenhoff and Kölling (2010) mention two aspects of CSR communication: not only the communication about companies' social responsibility, but also the internal and external communication of the companies themselves on their CSR activities. As with new ICT communication from external stakeholders, communication shaped by the company cannot be considered independently anymore; we share this duality.

While definitions of CSR are predominantly congruent on a conceptual level, little is known how to organize CSR - and especially CSR communication as its stakeholder interaction aspect – on an operational level within different organizations as well as within different and fast changing legal and social environments (Dahlsrud, 2008). CSR communication - once a unidirectional exposure of CSR reports to be read by anonymous stakeholders - now faces opportunities and threats. Some scholars note that, as stakeholders become increasingly active in holding companies accountable for their impact, companies must consider bi-directional interaction and engage with stakeholders (Schneider, Stieglitz, & Lattemann, 2007; Fieseler, Fleck, & Meckel, 2010). While other institutions, e.g. NGOs (Schneider, Stieglitz, & Lattemann, 2007), use new information and communication technology, especially the opportunities of Web 2.0, only few cases are reported in the literature where companies engage in Web 2.0 CSR communication (Schneider, Stieglitz, & Lattemann, 2007; Fieseler, Fleck, & Meckel, 2010).

## **Goals of CSR communication**

In Order to recognize the implications that Web 2.0 has for CSR communication, the goals a company pursues with its CSR communication should first be understood. CSR is not an end in itself, but aims at certain purposes in the communication with stakeholders. The most obvious goal of CSR communication is the spread of CSR related information among different stakeholders. This goal has mostly been achieved by traditional unidirectional, paper based or Web 1.0 communication through corporate websites.

Apart from the idea of keeping stakeholders informed of CSR information, several other goals may be targeted that require additional communication practices. First, CSR communication aims at building a positive image of the business and the brand among customers and other stakeholders (Morsing & Schultz, 2006). Companies are concerned with building and maintaining a good reputation and CSR communication is one of the means discussed to support this effort (Eisenegger & Schranz, 2011). As stakeholders put greater importance on the ethical behavior of companies, image building through CSR is one major area of interest within this research field.

Employer branding (von Walter, Tomczak, & Wentzel, 2010) is a second goal of CSR communication that we consider while examining the potentials of Web 2.0. Companies may use CSR communication to foster their employees' identification with the firm and their products, as well as to attract new employees (von Walter, Tomczak, & Wentzel, 2010; Frynas, 2005).

Morsing and Schultz (2006) note that "some of the most passionate and dedicated readers of corporate CSR messages are organizational members" and thus CSR communication can help strengthening the corporate identity.



Another aspect is the aim to gain competitive advantage by implementing CSR as an economic success factor (Frynas, 2005). Thus, decisions on CSR initiatives are likely to be examined for the direct or indirect economic value they may provide. The economic and financial impacts are often seen as a consequence of all other CSR benefits to the firm, and thus they will not be in the focus of this paper; however, they may implicitly be a major driver for corporate CSR engagement (Hansen & Schrader, 2005).

By displaying their contribution to social issues and receiving acceptance from stakeholder groups, companies also seek legitimation for their operations. Stakeholders provide them with a license to operate or withdraw it, according to the evaluation of their behavior).

Thus, we identify four preliminary goals of CSR communication:

- Spreading CSR related information among stakeholders
- Building and maintaining a positive image and reputation
- Establishing an employer brand and increasing employee identification with the company's CSR activities
- Legitimizing the company's activities and keeping a license to operate

In the following we analyze how Web 2.0 characteristics can possibly assist in achieving these goals or even in enabling new goals for CSR communication.

### **Characteristics of Web 2.0 Communication**

The term Web 2.0, shaped by O'Reilly (2005) is widely used in a broad context to describe new social software technologies available to Internet users that are accompanied with a change in user behavior concerning the production, acquisition and consumption of information.

Högg et al. (2006) defines Web 2.0 “as the philosophy of mutually maximizing collective intelligence and added value for each participant by formalized and dynamic information sharing and creation” (Högg et al., 2006). Applications such as weblogs (blogs) and tags allow users to participate in information production and exchange and collaboration on the web. Schmidt (2006) identifies three basic functions of social software: information management, identity management and relationship management. Hippner (2006) distinguishes three goal dimensions: publication and information dissemination, communication between Internet users and establishment and maintenance of relationships. Pressley (2006) describes four main benefits of social software for communication: inexpensive collaboration, efficient, real-time communication, public relations, and online archiving. The functions and dimensions of Web 2.0 applications are not exclusive, as Web 2.0 tools can often address more than one task. O`Reilly (2005) sums up the characteristics of Web 2.0 in seven paradigms:

- The web as a platform
- Harnessing collective intelligence
- Data is the next ‘Intel Inside’
- End of the software release cycle
- Lightweight programming models
- Software above the level of a single device
- Rich user experiences

The next section describes four of these characteristics, which are identified as being most influential for Web 2.0 CSR communication.

## **Implications of Web 2.0 for CSR communication**

Several characteristics of Web 2.0 can change the game for CSR communication. Important aspects include:

***The Web as a Platform:*** The Web is not proprietarily owned by a single organization but is tied together through various services, data and collaboration of users (O`Reilly, 2005). For CSR communication, this implies potentials, such as the availability of tools that can be used to spread CSR information more quickly and less expensively among different groups of stakeholders and the society as a whole than does mass media, e.g. video sharing platforms or social networks (Snider, Hill, & Martin, 2003). However, CSR information dissemination is no longer controllable by the company alone. If a company wants to monitor its CSR reputation and also influence it, it has to engage with a broad variety of new media. Users with common interests can find each other and interact, or even collaborate on certain tasks. Discussions, trends or opinions of certain groups can be monitored, and thus traditional media loses its influence on information and opinions. Social media serves as a news source for customers, journalists and groups of society to analyze the offers and activities of companies (Fieseler, Fleck, & Meckel, 2010). It should be explored whether the web as a platform can make CSR communication more transparent and credible, and whether stakeholder groups can be addressed that cannot be reached with traditional media.

Accordingly, ***Harnessing Collective Intelligence*** means that users - as the producers of content - are the central focus of Web 2.0. They can generate, publish, and access information, such as news, pictures or videos, almost everywhere and anytime, and share it with other users (O`Reilly, 2005). CSR communication and the image of a company on the web can thus increasingly be

shaped by stakeholders and companies have to learn to respond to information about their CSR activities provided by others.(Fieseler, Fleck, & Meckel, 2010). On the other hand, knowledge about stakeholders, their preferences and activities can help provide targeted CSR information for specific groups. Companies will have to develop strategies on how to interact with the growing body of collective intelligence within and from outside their organization.

*Lightweight programming models* allow the combination of information from different sources, easily developed own services, and use of external services. Consequently, CSR related information becomes easier to share and more flexible in usage. Organizations can, for example, connect their CSR blogs with other social media, such as facebook or twitter, to allow users to spread and comment on their news or embed youtube videos to enrich their content.

Similar to corporate blogs, social software, in general, can address all target groups of corporate communication, and in particular, internal communication, as well as external public relations and market communication (Zerfaß, 2005). As all the stakeholders are relevant for CSR communication, potentials can be expected.

Taking the goals of CSR communication as well as the characteristics of Web 2.0 into consideration, a variety of applications and potentials can be envisaged. Since only little research has been done on possible potentials, we offer some suggestions for issues to be examined in the following case study analysis. The potential opportunities of Web 2.0 for the four specific CSR goals summed up in Table 1 should serve more as pointers to interesting observations in the cases than as concrete hypotheses. It is crucial to examine which characteristics of Web 2.0 foster successful CSR communication and how its potentials can be used.

-----  
Insert Table 1 about here  
-----

Concerning the goal of spreading CSR related information, potential areas lie in the accessibility and customizability of information. Users may request CSR information on demand.

Consequently, it should be examined whether Web 2.0 CSR communication does have an impact on the speed and reach of CSR messages. As the transition from one-way communication to two-way interaction is attributed to Web 2.0, the information dissemination by stakeholders themselves is another phenomenon that should be monitored. Questions arise as to how far companies can profit from user generation and spreading information, or to what extent they are endangered by loss of control over their CSR communication.

Several areas of interest are also expected to become relevant in a Web 2.0 environment related to the image and reputation management goals of CSR communication. With discussions on CSR activities taking place on the social web, companies find a growing set of sources to monitor stakeholders' opinions on their CSR impact and to influence the company's image. In addition to pure monitoring, companies may try to actively shape their reputation through engagement in Web 2.0. Insights should thus be sought whether a responsive or even proactive transparent CSR communication strategy using Web 2.0 is related to the trust that stakeholders hold in a company or the image they assign to it. Especially in cases where opposing interest groups such as NGOs are very active on Web 2.0 in worsening the corporate reputation, a proactive CSR communication strategy may be assumed to prevent an extraneously shaped bad image. Involving users in discussion might be a valuable communication strategy not only for companies with a bad image, but also for those that suffer from low visibility, as Web 2.0 tools can create attention

and involvement. Examinations will have to show whether these assumptions hold true in real life cases or whether other phenomena related to the image and reputation of companies occur.

If Web 2.0 is used to support employer branding, issues arise related to the effects on commitment and involvement of employees. Opportunities should be analyzed as to how far employees can be turned from passive recipients of CSR related information to contributors. Consequently, if employees can really be encouraged to participate in CSR activities, greater communication and identification with the company and its CSR strategy may occur. Companies that gain a reputation and visibility for their CSR communication, as discussed earlier, may also be able to attract new employees.

In order to maintain their legitimation and license to operate, several potential opportunities of Web 2.0 for companies' CSR communication can be envisaged. Using the transparency of Web 2.0 for communicating critical issues and interacting with stakeholders may prevent opponents from identifying scandals the company has tried to hide. One possible strategy to prevent a sudden loss of legitimation through a scandal could be to build up a community of external supporters of the corporate CSR strategy. By actively taking care of problem solving, companies may be able to strengthen their legitimation.

### **Method**

Studying the usage of Web 2.0 technologies for CSR communication and analyzing the potentials and challenges associated with it demands qualitative research on the organizational and social aspects of the application of information systems to new tasks. Case study research, which is the most widely used qualitative research method in information systems research, is especially useful for exploring new phenomena such as the use of Web 2.0 for CSR (Darke, Shanks, &

Broadbent, 1998; Eisenhardt, 1989). As no established theory is available for the field of interest, we propose an analysis based on the process of building theory from case study research. For a start, we use the constructs of potentials and challenges identified earlier without a claim of being complete, as the purpose of case study research is an iterative examination of new fields which should not be limited by concrete preset concepts (Eisenhardt, 1989).

Concrete theory or prior hypotheses are neither necessary nor desired to retain theoretical flexibility (Eisenhardt, 1989). For a first examination, we chose two cases of multinational companies that are part of industries which have strong ecological and social impact due to their products or production processes. Extreme cases concerning their current use of Web 2.0 technologies for their CSR communication were chosen as theoretical sampling, as recommended by Eisenhardt (1989). Both cases reflect companies in similar situations with high public media coverage, to which CSR communication has to respond. However, they are extreme cases, evident in each company responding with a contrary strategy. At this stage, the analysis is limited to publicly available documents, as Web 2.0 interaction offers broad information, even from an external perspective. Qualitative data were collected from sources generated by the companies themselves (website, press releases and corporate blogs), as well as from external sources (Web 2.0 reactions, news articles, NGO publications, etc.). However, to understand organizational aspects better, further internal sources, such as interviews or observations, would be advantageous at a later stage. We analyze the available data and give recommendations for further examination.

## **Case description Amflora**

Badische Anilin & Soda-Fabrik (BASF) is a globally successful chemical company. Its portfolio comprises chemicals, plastics, performance products, functional solutions, agricultural solutions as well as oil and gas (BASF, 2010).

Amflora is a genetically optimized potato plant that has been authorized for commercial use in the European Union. Developers from BASF and the starch industry have jointly created the plant to improve technical applications. Amflora potatoes are not for human consumption, but used for the industrial production of paper, textiles and other products. Due to the green genetic manipulation, Amflora contains pure amylopectin, which is especially desirable for industrial use. BASF claims that Amflora increases the product quality and productivity. Furthermore, BASF strengthens the sustainability effect of Amflora: Following their description, Amflora helps to save raw materials, water and energy, improves the reuse of paper, makes paper production more environmentally friendly and replaces mineral oil based chemicals (Amflora Blog, 2010). The development and introduction of Amflora has been criticized by skeptics in German society and by massive protests from genetic manipulation opponents such as the NGO Greenpeace (Greenpeace, 2010).

Greenpeace Germany actively tries to inhibit the cultivation of Amflora with on-site protest activities as well as by a lively online community. Blog entries about Amflora on the Greenpeace Blog regularly get more than 20 or 30 comments as a reaction (Greenpeace, 2010).

BASF decided to accompany the introduction of Amflora into the German market with a corporate blog. On the Amflora weblog, employees from different BASF departments spread



news about the potato cultivation and responded to user questions and comments. Additionally, videos on the Amflora production were published on video sharing platform youtube.com.

-----  
Insert Figure 1 about here  
-----

BASF chose their communication strategy and the usage of Web 2.0 media under the slogan *active instead of reactive*. They noticed the giant presence of critics such as Greenpeace, and in pure despair, decided to provide a platform for open dialogue with users. To BASF's disappointment, the Amflora Blog was largely ignored by opportunists and only few questions and comments were added by users. The involvement of scientific employees was seen to be a success though, as it allowed interaction at eye level. (Hochhuth, 2010)

### **Case description BP**

BP (the British Petroleum Public Limited Company) is the world's third largest integrated oil and gas company founded in 1909. BP is known for growing from a local oil company into a global energy group, employing over 80,000 people and operating in over 100 countries worldwide. The company is headquartered in London, United Kingdom and is active in every area of the oil and gas industry, including exploration and production, refining, distribution and marketing, petrochemicals, power generation and trading. It also has major renewable energy activities, such as in biofuels, hydrogen, solar and wind power. The company's largest division is BP America, which is the biggest producer of oil and gas in the United States headquartered in Houston, Texas. (BP, 2010)

During its history BP has been involved in a number of environmental, safety and political controversies, including the 2010 Deepwater Horizon oil spill. The Deepwater Horizon drilled the deepest oil well in history at a measured depth of 35,055 feet at the Macondo Prospect in the Gulf of Mexico (Bowman, 2010).

On April 20, 2010, the ultra-deepwater, semi-submersible mobile offshore oil rig, Deepwater Horizon, experienced an explosion and fire, and then sank in the Gulf of Mexico off the shores of Louisiana. The rig was owned and operated by Transocean, a Switzerland-based offshore drilling contractor, and leased to BP. The explosion and fire, resulting in 11 fatalities and several injuries, occurred in spite of specialized oil spill prevention equipment called a blowout preventer (BOP), designed to avert this type of disaster. The failure of the BOP left the well unsecured and leaking from the marine riser. The amount of oil and gas escaping from the subsurface well is a matter of dispute, but an interagency federal panel of scientists led by the U.S. Geological Survey estimated the spill's size in the range of 35,000 - 60,000 barrels of oil a day, making the incident the largest oil spill in U.S. history (O. King, 2010).

InnoCentive, an Internet-based network that links scientists, engineers and others around the world, put out a call for solutions for BP (Schmit, 2010). The company InnoCentive built the first global Web community for open innovation where organizations or "Seekers" submit complex problems or "Challenges" for resolution to a "Solver" community of more than 200,000 engineers, scientists, inventors, business professionals, and research organizations in more than 200 countries. The principle of InnoCentive is based on asking a wide range of people in a Web 2.0 environment for solutions (crowdsourcing) (Leimeister et. al, 2009) trying to also leverage on collective intelligence in crowds (Leimeister, 2010). Further, it makes use of the open innovation paradigm, where companies can profit from external as well as from internal ideas (Chesbrough,

2003). To be noted is that the mechanisms of Innocentive's business strongly rely on Web 2.0. They represent the concept of collaborative work of users who share their opinions and ideas by means of Web 2.0 instruments. Organizations with pressing problems turn to InnoCentive for problem solving. Since 2001, InnoCentive has tried to help corporate, government, and non-profit organizations to better innovate through crowdsourcing (Ebner, Leimeister & Krcmar 2010), strategic consulting services, and internal Software-as-a-Service offerings.

On June 5, InnoCentive reached out to BP with the assistance of partners such as the White House and *Nature*. BP offered an indication of interest and named two places where InnoCentive could best help: remote sensing of oil and better skimming technology. InnoCentive passed this along to its community. But after that, BP was unsettlingly silent. "It has been a little bit frustrating," reports Dwayne Spradlin (President and CEO of the InnoCentive). "We have been going back and forth with government agencies and BP. It has taken a fairly long time." On June 19, BP finally indicated to InnoCentive that they would not be needing their assistance, noting that it was "too complex and burdensome to add to already overstretched workdays." Spradlin responded that sharing InnoCentive's ideas would cost BP nothing. (Spradlin, 2010)

The several comments made by users to the article by *Alissa Walker* (Wed Jun 23, 2010) "BP to InnoCentive: Sorry, We Don't Want Your 908 Ideas for Saving the Gulf" show that they did not appreciate the fact that BP refused any kind of help from InnoCentive (Walker, 2010).

-----

Insert Figure 2 about here

-----

The official site of InnoCentive also depicted the occurred situation. Dwayne Spradlin reported: “After two months of attempting to stop the leak, they (BP) made clear that outside solutions will not have a role in stopping or slowing the leak.” He also pointed out that InnoCentive was still looking for further solutions of the problem, but “they (BP) wrote us that they would not be proceeding.” They commented that “... the agreements BP would have to enter into with InnoCentive are too complex and burdensome to add to already overstretched workdays.” Dwayne Spradlin considered this an outrage: “It is clear BP cannot be trusted to make the right decisions here, further intervention will be necessary.” He thanked people for their contributions and even asked them for further suggestions (Spradlin, 2010).

-----  
Insert Figure 3 about here  
-----

A lot of articles share the opinion of Dwayne Spradlin. They believe that BP did not respond properly to the suggestions made, not even taking into consideration some ideas that were good enough to be tested. The ideas came to BP from more than 100 countries. At the peak, about 4,000 a day poured in via e-mail, websites, BP’s call-in center and even command posts set up amid Louisiana’s marshes and Florida’s beaches (Schmit, 2010).

The opinion given by Carmen Nobel in the “TheStreet.com” (a digital financial media company) clearly represents BP’s reaction: “Problem was, BP kept ignoring the firm’s (InnoCentive) offer to help” (Nobel, 2010). Don Tapscott, one of the world’s leading authorities on business strategy found “BP’s attitude unconscionable” (Tapscott, 2010). The article “Opinion: Innocentive and 80,000 people try to help with spill. Result, zip” written by Paul Wallis in the “Digital Journal”

describes the response of BP to InnoCentive “as gobbledygook, even by the demanding standards of the 21st century” (Wallis, 2010).

### **Discussion of Cases**

Although the cases of Amflora and Deepwater Horizon can only be a first step in understanding the importance of Web 2.0 CSR communication, they can help in exploring the assumed potentials of Web 2.0 for CSR communication, as discussed earlier. We thus examine selected phenomena that occurred with respect to the areas of interest.

In the case of Amflora, BASF decided on proactive use of a Web 2.0 medium, a corporate CSR weblog, to communicate the introduction of the genetically modified potato. It is of interest to see which CSR goals BASF followed and how stakeholders reacted to their actions. It can be noted that all four CSR communication goals play a role in BASFs reasoning for its strategy and presentation on the blog. First, the Amflora blog provides a variety of information on the potato, its development and cultivation, as well as background information on genetic engineering. While this information could as well have been displayed on a website, the medium of a weblog adds some extra functionalities. If users want more information, they can directly ask questions which are addressed by experts from BASF. Consequently, customized and specific information is accessible.

Additionally, BASF uses the Amflora blog for employer branding. Employees from different sections are actively involved in the communication and discussion with stakeholders. The products, as well as the employees of BASF, gain visibility through the multimedia content provided on the blog, as well as the interaction with external groups, online and on the Amflora acres.

Furthermore, as genetically modified food has a strong base of opponents within the German society and from NGOs, the CSR goal of establishing and maintaining a responsible image and reputation is a key strategy for a company such as BASF, which wants to expand its activities in this business. Knowing that organizations such as Greenpeace actively mobilize against gene technology on the web, BASF decided to engage proactively.

On the contrary, for the Deepwater Horizon case, the corporation BP decided not to use Web 2.0 for communication on a critical issue that had major impacts on the environment. In general, BP acted very restrictively on publishing information about the events after the disaster on the oil platform. One potential explanation is that in the expected loss of their reputation, BP may have feared opening up their information about the disaster. It can be observed that in the case of Deepwater Horizon, public reactions of InnoCentive users and press representatives considered BP's mode of non-responding socially irresponsible. In this specific case, it can be argued that BP should not only have considered Web 2.0 for communication, but could also have fulfilled its corporate social responsibility better by accepting outside solution ideas from the global community.

Finally, a major reason for BP's failure to take advantage of Web 2.0 in this crisis might be found in its lack of organizational understanding of the capabilities related to Web 2.0. Admitting that processing InnoCentive's ideas would tie up too many unavailable resources shows BP's inability to integrate the new requirements of Web 2.0 communication into its established processes. In the following section, we discuss general findings deduced from these observations and the accompanying implications for research and practice.

## **Findings**

The analysis of both case studies shows justification for the potentials of Web 2.0 tools for CSR communication. The usage of social media by BASF indicates the benefits that companies could expect for all the four CSR communication goals, as identified in Table 1. While BASF exploited these potentials, BP was publicly criticized for not taking advantage of this media.

A practical implication of this research is an invitation for companies to revise their CSR communication strategy in light of the new potentials of Web 2.0. This paper contributes a first systematic collection of potentials in relation to specific CSR goals, which should be complemented as knowledge advances. Practitioners should pay attention to the shift from one-way CSR communication to social media-based interaction with their stakeholders. As Web 2.0 threatens many companies with a potential loss of control over their communication – and specifically their CSR communication strategy – they have to decide whether to leave this mighty communication channel to their opponents or to steal their opponents' thunder.

Additionally, the integration of stakeholders (not only in the communication of CSR information, but also in the generation of innovative CSR concepts, solution finding and execution of CSR activities) has been identified in this case study analysis as a fifth goal of CSR communication, in addition to information dissemination, reputation management, employer branding and maintaining a license to operate. Integrating stakeholders into solution finding can be a new promising goal of CSR, enabled by Web 2.0, which deserves growing attention, as social and environmental problems become more challenging, and global knowledge to solve these problems needs to be exploited. CSR strategies should use Web 2.0 tools wherever beneficial for one or several of these goals.

Furthermore, it has been examined that companies, especially dealing with critical issues, will not be able to ignore Web 2.0 activities in the future if they aim at maintaining a stable corporate social reputation. While this paper serves as a first step towards an understanding of CSR 2.0, companies should also identify the skills and capabilities needed to implement such a strategy in their organization.

The theoretical contribution of this paper lies in the provision of an initial taxonomy for potentials of Web 2.0 for CSR communication. Five goals of CSR communication, as well as Web 2.0 potentials to support those goals, have been identified from the literature and the first case study analysis. While information dissemination, image and reputation management, employer branding, and deriving a license to operate could be identified as CSR communication goals from the literature, the integration of stakeholders into CSR activities through Web 2.0 technology has been recognized as a goal that has been neglected thus far. This paper can serve as a starting point for further investigations in the field of Web 2.0 potentials for CSR. With its exploratory nature, this study's major achievement is to lay the foundation for a taxonomy in this new research field, and to point out areas for further research.

### **Limitations and further research**

The cases of Amflora and Deepwater Horizon show many of the phenomena assumed after the literature analysis of Web 2.0 potentials for CSR communication. However, the goal of this initial exploratory case study research is to identify areas for further research, which should be examined in further case study research. More information on the cases covered here, especially on the internal organization and strategy of CSR communication within the companies under study, could shed light on the questions left unanswered. Further research, would be particularly



useful in the identification of capabilities necessary for successful implementation of Web 2.0 for corporate CSR communication. Questions related to skills needed and organizational integration of CSR communication are still to be answered.

At this early stage, further explorative research should also be conducted within different companies and industries to identify general phenomena of Web 2.0 use for CSR communication. Issues identified here are the integration of stakeholders not only into CSR communication but also into CSR solution finding with the support of social software. Furthermore, iterative research is necessary to understand how companies dealing with industries that face strong opposition from stakeholder groups, or that suffer from low visibility, could take advantage of Web 2.0 for CSR communication.

The contribution of this paper gives hints on unexploited potentials in these fields. Further research is requested to validate the potentials identified, and to develop guidelines on how companies could best cope with the new understanding of CSR communication. The initial understanding of Web 2.0 potentials for CSR communication goals presented here can serve as a starting point to develop a CSR 2.0 taxonomy to systematically understand the new rules of the game to communicate CSR.

**TABLE 1**

CSR communication goal	Potential web 2.0 opportunities?
Information dissemination	stakeholder specific information on request increased speed and reach stakeholders inform each other
Image and reputation management	easier monitoring of public opinion and corporate reputation proactivity, transparency, responsiveness affect trust and reputation prevent extraneously shaped negative image gain visibility through user involvement
Employer branding	build commitment among employees for CSR activities involve employees in collaborative CSR activities gain visibility among potential employees
License to operate	prevent scandals through transparency communicate critical issues proactively build community of supporters involve users in doing good

**Table 1: Potentials of Web 2.0 for CSR communication**

FIGURE 1

The screenshot shows the Amflora blog interface. At the top left is the BASF logo with the tagline 'The Chemical Company'. The main header features a green field with a sign that says 'Willkommen auf amflora.de'. Below the header, the navigation menu includes 'Startseite', 'Hintergrund', and 'FAQ'. The main content area displays a blog post titled '21.12.10 - Über Amflora - von Britta Stellbrink, zuständig für Kommunikation bei BASF Plant Science' with the subtitle 'Saison-Rückblick 2010'. The post includes a video player showing a blue truck in a field. To the right of the video is a sidebar with a profile picture of Britta Stellbrink, her name, and a list of 'Aktuelle Kommentare'. Three callout boxes with arrows point to specific elements: the top box points to the header area, the middle box points to the author's name and profile picture, and the bottom box points to the comment list.

Employees from different sections contribute to the blog

Amflora-Blogpost with youtube video

Users can leave comments or share posts via facebook, twitter...

Figure 1: Amflora blog screenshot (source: <http://amflora.basf.com/>)

**FIGURE 2**



**Figure 2: Example of the user's reaction BP's strategy (Walker, 2010)**

**FIGURE 3**

 3 people like this.

 **Joe Lutgen** I can't believe the "not invented here" psychology and legal red tape would exist in a time of crisis. I won't be stopping by a BP station any time soon.  
June 24, 2010 at 6:15am · [Flag](#)

 **Marc Binda** Well, unfortunately, Im not surprised about BP's denial. BP knows probably very well that the "spill" is totally out of control and there are no means to stop it. And by opening up to foreign expertise, it would become public knowledge. And on the top of that it would become clear that BP has been lying since the beginning of the spill.  
June 24, 2010 at 8:08am · [Flag](#)

 **Jackie Aldridge** I'd sent a couple of simplistic solutions to the Deepwater Horizon site. I think they are glad to have whatever free advice they can get (cloudsourcing) but they seem to be chary of anything else.  
June 24, 2010 at 9:30am · [Flag](#)

**Figure 3: Comments to the Dwayne's article followed on facebook.com**

(source: [http://www.facebook.com/note.php?note\\_id=409858284180](http://www.facebook.com/note.php?note_id=409858284180))

## References:

- BASF 2010. Corporate Website, <http://www.basf.com/group/corporate/de/>, accessed 07.04.2011.
- Bhattacharya, C. B. & Sen, S. 2004. Doing Better at Doing Good: When, Why, and How Consumers Respond to Corporate Social Initiatives. *California Management Review*, 47(1): 9 - 24.
- Blanke, M., Godemann, J., & Herzig, C. 2007. *Internetgestützte Nachhaltigkeitsberichterstattung - Eine empirische Untersuchung der Unternehmen des DAX 30*. Lüneburg: INFU/CSM.
- Amflora Blog 2010. Dialogplattform Amflora, <http://amflora.basf.com/>, accessed 07.04.2011.
- Bowman, T. 2010. Climate Change & the Deepwater Horizon Oil Spill. *Global Change*.
- BP 2010. About BP, <http://www.bp.com/subsection.do?categoryId=4&contentId=2006741>, accessed 06.04.2011.
- Carroll, A. B. 1991. The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*: 225 - 235.
- Carroll, A. B. 1999. Corporate Social Responsibility. Evolution of Definitional Construct. *Business and Society*, 38(3): 268–295.
- Chesbrough, H. W. 2003. *Open innovation: the new imperative for creating and profiting from technology*: Harvard Business School Press.
- Coupland, C. 2005. Corporate Social Responsibility as Argument on the Web. *Journal of Business Ethics*, 62(4): 355-366.
- Dahlsrud, A. 2008. How corporate social responsibility is defined: an analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management*, 15(1): 1-13.
- Darke, P., Shanks, G., & Broadbent, M. 1998. Successfully completing case study research: combining rigour, relevance and pragmatism. *Information Systems Journal*, 8(4): 273-289.
- Ebner, W., Leimeister, J. M., Krcmar, H. 2010. Community Engineering for Innovations -The Ideas Competition as a method to nurture a Virtual Community for Innovations. *R&D Management*, 39(4): 342-356.
- Eisenegger, M. & Schranz, M. 2011. CSR – Moralisierung des Reputationsmanagements. In J. Raupp & S. Jarolimek & F. Schultz (Eds.), *Handbuch CSR*: VS Verlag für Sozialwissenschaften: 71-96.
- Eisenhardt, K. M. 1989. Building Theories from Case Study Research. *The Academy of Management Review*, 14(4): 532-550.
- European Commission 2001. Promoting a European framework for Corporate Social Responsibility. Green Paper, Brussels: Commission of the European Communities.

- Fieseler, C., Fleck, M., & Meckel, M. 2010. Corporate Social Responsibility in the Blogosphere. *Journal of Business Ethics*, 91(4): 599-614.
- Freundlieb, M. & Teuteberg, F. 2010. Status Quo der internetbasierten Nachhaltigkeitsberichterstattung – Eine länderübergreifende Analyse der Nachhaltigkeitsberichte börsennotierter Unternehmen, *Tagungsband zur Multikonferenz Wirtschaftsinformatik 2010*. Göttingen: Universitätsverlag Göttingen.
- Frynas, J. G. 2005. The false developmental promise of Corporate Social Responsibility: evidence from multinational oil companies. *International Affairs*, 81(3): 581-598.
- Greenpeace 2010. Amflora? Es geht auch anders!  
[http://www.greenpeace.de/themen/gentechnik/nachrichten/artikel/amflora\\_es\\_geht\\_auch\\_anders/ansicht/bild/](http://www.greenpeace.de/themen/gentechnik/nachrichten/artikel/amflora_es_geht_auch_anders/ansicht/bild/), accessed 06.04.2011.
- Hansen U, Schrader U. 2005. Corporate Social Responsibility als aktuelles Thema der Betriebswirtschaftslehre. *Die Betriebswirtschaft*, 65(4): 373 - 395.
- Hippner, H. 2006. Bedeutung, Anwendungen und Einsatzpotenziale von Social Software. *HMD Praxis der Wirtschaftsinformatik* 43(252): 6 - 16.
- Högg, R., Meckel, M., Stanoevska-Slabeva, K., & Martignoni, R. 2006. *Overview of business models for Web 2.0 communities*. Paper presented at the Proceedings of GeNeMe, Dresden.
- Ihlen, Ø. 2010. Corporate Social Responsibility und die rhetorische Situation. In J. Raupp & S. Jarolimek & F. Schultz (Eds.), *Handbuch CSR Kommunikationswissenschaftliche Grundlagen, disziplinäre Zugänge und methodische Herausforderungen*: VS Verlag für Sozialwissenschaften.
- Ingenhoff, D. & Kölling, A. M. 2010. Internetbasierte CSR-Kommunikation. In J. Raupp & S. Jarolimek & F. Schultz (Eds.), *Handbuch CSR: Kommunikationswissenschaftliche Grundlagen, disziplinäre Zugänge und methodische Herausforderungen*: VS Verlag für Sozialwissenschaften.
- InnoCentive 2010. Innocentive, <http://www.innocentive.com/>, accessed 06.01.2011.
- Kotler, P. & Lee, N. 2004. *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause*. New York: John Wiley & Sons.
- Leimeister, J. M. 2010. *Collective Intelligence*," *Business & Information Systems Engineering*, 2(4): 245-248.
- Leimeister, J. M., Huber, M., Bretschneider, U. & Krcmar, H. 2009. Leveraging Crowdsourcing: Activation-Supporting Components for IT-Based Ideas Competition. *Journal of Management Information Systems*, 26(1): 197-224.
- Luo, X. & Bhattacharya, C. B. 2006. Corporate Social Responsibility, Customer Satisfaction, and Market Value. *Journal of Marketing*, 70(4): 1 - 18.
- Margolis, J. D., Walsh, J. P., & Mahwah, N. J. 2001. *People and profits?: the search for a link between a company's social and financial performance*, Lawrence Erlbaum Associates.
- Morsing, M. & Schultz, M. 2006. *Strategic CSR Communication*. Copenhagen: Djøf Publishing.
- Nobel, C. 2010. BP Snubs Innovators: Today's Outrage, *The Street*.

- O. King, R. 2010. Deepwater Horizon Oil Spill Disaster: Risk, Recovery, and Insurance Implications: Congressional Research Service.
- O'Reilly 2005. What Is Web 2.0, <http://oreilly.com/web2/archive/what-is-web-20.html>, accessed 06.04.2011.
- Porter, M. E. & Kramer, M. R. 2002. The Competitive Advantage of Corporate Philanthropy. *Harvard Business Review*, 80(12): 56 - 69.
- Pressley, L. 2006. *Using social software for business communication*. Unpublished Working Paper LIS 650.
- Schmidt, J. 2006. Social Software: Onlinegestütztes Informations-, Identitäts- und Beziehungsmanagement. *Forschungsjournal Neue Soziale Bewegungen*, 2: 37-46.
- Schmit, J. 2010. After BP oil spill, thousands of ideas poured in for cleanup, *USA Today*.
- Schneider, A.-M., Stieglitz, S., & Lattemann, C. 2007. Social Software as an Instrument of CSR, *ICT, Transparency and Social Responsibility Conference 2007*, Lisbon.
- Snider, J., Hill, R. P., & Martin, D. 2003. Corporate Social Responsibility in the 21st Century: A View from the World's Most Successful Firms. *Journal of Business Ethics*, 48(2): 175-187.
- Sørensen, M. H. & Peitersen, N. 2007. CSR 2.0. *Actics.com*.
- Spradlin, D. 2010. InnoCentive Oil Spill Challenge – BP's Response, **Perspectives on Innovation Blog**, <http://blog.innocentive.com/2010/06/23/innocentive-oil-spill-challenge-bps-response/>, accessed 07.04.2011.
- Tapscott, D. 2010. We can't afford BP to go it alone, Don Tapscott, <http://dontapscott.com/2010/06/26/we-cant-afford-bp-to-go-it-alone/>, accessed 07.04.2011.
- von Walter, B., Tomczak, T., & Wentzel, D. 2010. Wege zu einem effektiven und verantwortungsvollen Employer Branding. In J. Raupp & S. Jarolimek & F. Schultz (Eds.), *Handbuch CSR: Kommunikationswissenschaftliche Grundlagen, disziplinäre Zugänge und methodische Herausforderungen*. VS Verlag für Sozialwissenschaften.
- Walker, A. 2010. BP to InnoCentive: Sorry, We Don't Want Your 908 Ideas for Saving the Gulf, *Fast Company*, <http://www.fastcompany.com/1663156/bp-to-innocentive-sorry-we-dont-want-your-908-ideas-for-saving-the-gulf>, accessed 07.04.2011.
- Wallis, P. 2010. Opinion: Innocentive and 80,000 people try to help with spill. Result, zip, *Digital Journal*, <http://www.digitaljournal.com/article/294066>, accessed 07.04.2011.
- Wattal, S., Schuff, D., Mandviwalla, M., & Williams, C. B. 2010. Web 2.0 and Politics: The 2008 U.S. Presidential Election and an E-Politics Research Agenda. *Management Information Systems Quarterly*, 34(4): 669-688.
- Zerfaß, A.; Corporate Blogs: Einsatzmöglichkeiten und Herausforderungen; [www.zerfass.de/CorporateBlogs-AZ-270105.pdf](http://www.zerfass.de/CorporateBlogs-AZ-270105.pdf), accessed 06.04.2011.