Promoting Sustainability Through Corporate Branding

- A Case Study of the Sustainable Brand Index

Vilhelm Broman

SUSTAINABLE BRAND INDEX

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Sveriges lantbruksuniversitet
Swedish University of Agricultural Sciences

Department of Economics

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Abstract/ Summary

Sustainability is now on the agenda of most companies and organisations in Sweden. The growing interest in corporate sustainability has led to that both the academic field and the business industry have taken initiatives to define, quantify and measure sustainability (Artiach et al., 2010). An increasingly popular method of doing so is by creating sustainability indices, described as systems that measures different organisations' sustainability performance, ultimately creating sustainability rankings between them (Fowler and Hope, 2007). However, 'conventional' sustainability indices (such as Dow Jones sustainability Index) investigate and analyse firms internally, and therefore ignore an important area of analysis – the perception of the consumers (Hanss and Böhm, 2011). However, a new form of sustainability indices has recently been introduced, in this study referred to as Consumer Sustainability Indices (CSI). What separates CSIs from the more conventional sustainability indices is that instead of placing the unit of analysis at a company level, the ratings are instead based solely on how sustainable the consumers consider the brand behind companies to be (SB Index, 2017).

A fairly large CSI has already been developed in the Nordic Region: The Sustainable Brand Index (SB Index). The SB Index annually ranks around 900 brands, with the help of 30 000 consumer interviews and surveys, and additionally provides services within sustainability branding (ibid.). Although CSIs, such as SB Index, may provide several insights to corporate sustainability and branding, the reality that this is a new form of corporate sustainability measurement creates several problems. Firstly, neither the scientific community nor the business industries have closely studied them. The understanding of how CSIs can help companies integrate sustainability into their corporate branding, and how this contributes to corporate sustainability, is still small (ibid.).

The aim of this study was to investigate the role of a CSIs to promote more sustainable corporate branding, and how this contributes to improved corporate sustainability within the Swedish market. To reach this aim, a single case study was conducted on the Sustainable Brand Index. The study was conducted using a flexible qualitative method, in which empirical data was collected through semi-structured interviews and observations of the case company.

The conclusions of this study suggest that CSIs can have an important role in promoting more sustainable corporate branding, and can have an impact on the corporate sustainability in Sweden. The main findings showed that CSIs can help organisations to place sustainability as an integrated part of its corporate brand and serves as a strategic tool for sustainability branding. Furthermore, CSIs can serve as signals for sustainability attributes, and can help solve the information failure that sustainability-oriented consumers experience. Although, CSIs mainly have a positive impact on corporate sustainability in Sweden, this study also suggests that they may lead to an increased risk of greenwashing among companies.

Sammanfattning

Hållbarhet är numera på de flesta svenska företags agenda. Det ökade intresset for hållbarhet på företagsnivå har lett till både akademisk forskning, och praktiska försök, till att definiera, kvantifiera och mäta hållbarhet (Artiach et al., 2010). En alltmer populär metod i detta ändamål är med hjälp av hållbarhetsindex, vilka kan beskrivas som system som mäter hållbarhet hos olika företag, varpå hållbarhetrankingar kan skapas mellan företagen (Fowler and Hope, 2007). 'Traditionella' hållbarhetsindex (så som Dow Jones Hållbarhetsindex) gör interna utvärderingar och analyser av företag, och ignorerar därför ett viktigt område – konsumenternas uppfattning (Hanss and Böhm, 2011). En ny typ av hållbarhetsindex har dock nyligen introducerats, i denna studie kallad konsument-hållbarhetindex (CSI). Det som skiljer dessa index från traditionella hållbarhetindex är att istället för att fokusera analysen på en företagsnivå, utvärderar de istället hållbarheten hos företag genom att enbart studera hur konsumenter upplever företagen varumärken (SB Index, 2017).

Ett relativt omfattande CSI existerar redan på den nordiska marknaden: Sustainable Brand Index (SB Index, 2017). Varje år utvärderar SB Index runt 900 varumärken, med hjälp av konsumentundersökningar av cirka 30 000 konsumenter (*ibid.*). Utöver detta erbjuder SB Index även tjänster inom hållbar varumärkeskommunikation. Trots att CSIs, så som SB Index, kan erbjuda värdefulla bidrag till förståelsen for företagshållbarhet och hållbar varumärkeskommunikation, innebär faktumet att detta är en ny typ av index flera problem. Dessa index har varken studerats av forskare eller av näringslivet och begränsad kunskap finns om hur dessa index kan hjälpa företag att integrera hållbarhet i deras varumärkesarbete.

Syftet med denna studie var att undersöka vilken roll CSIs har i främjandet av en mer hållbar varumärkeskommunikation, och hur detta kan bidra till ökad hållbarhet på den svenska marknaden. För att nå detta syfte, har en fallstudie genomfört på SB Index. Studien gjordes med hjälp av en flexible, kvalitativ ansats, där empiriskt material inhämtades med semi-strukturerade intervjuer och observationer av fallföretaget.

Studiens slutsats föreslår att CSIs kan ha en viktig bidragande roll i utformningen av en mer hållbar varumärkeskommunikation, och kan bidra till ökad hållbarhet inom den svenska marknaden. Resultaten av studien visar på att CSIs kan hjälpa företag att placera hållbarhet som en integrerad del av företagets varumärke och fungerar som ett värdefullt strategiskt verktyg för hållbar varumärkeskommunikation. CSIs kan även reducera problemet med asymmetrisk information, som upplevs hos många konsumenter. Trots att CSIs primärt har positiva bidragande till hållbarhet i Sverige, visade den studie dock att de kan bidra till en ökad risk för 'greenwashing' hos svenska företag.

Abbreviations

B2B	Business-to-business
CR	Corporate Responsibility
CS	Corporate Sustainability
CSI	Consumer Sustainability Indices
CSR	Corporate Social Responsibility
DJSI	Dow Jones Sustainability Indices
FSSD	Framework for Strategic Sustainable Development
NGO	Non-Governmental Organisation
SB Index	Sustainable Brand Index
SB Insight	Sustainable Brand Insight
SD	Sustainable Development
TBL	Triple Bottom Line
VCL-Model	Vision-Culture-Image Alignment Model

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1 Introduction

Chapter 1 of this study on consumer sustainability indices contains the background of the topic. More specifically, it discusses the issues revolving the present research of the topic, this study's aim and its research questions, as well as brings up its limitations. Conclusively, Chapter 1 illustrates the research outline for this study.

1.1 Problem Background

Numerous environmental and social crises (e.g. climate change, food scandals, child labour, and increasing social injustices) have led to an increased public awareness for environmental and social problems (Belz, 2005). This increased public awareness has led to an increased pressure on corporations in terms of how they address these issues. As a result, sustainability is consequently a concept that numerous companies now address. The most commonly used and accepted definition of sustainability comes from the Brundtland Report, and describes sustainability as a '*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*' (IISD, 2017). Organisations that manage their sustainability activities successfully can gain competitive advantages in their industries (Steurer *et.al.,* 2005). Those that fail at meeting the consumer demand for corporate sustainability on the other hand, risk failing at fulfilling their stakeholders' expectations, or having their corporate reputation ruined (Kumar and Christodoulopoulou, 2014).

The growing interest among company stakeholders for sustainability has led to the concept of corporate sustainability **(CS)**. Recent descriptions of CS, such as Valente's (2012), mean that CS refers to a business approach that can create long-term company value by embracing opportunities and managing risks originating from economic, environmental and social developments. Sustainability is often defined by using three pillars of analysis: the economic, environmental and social pillars (sometimes also referred to as the three Ps – profit, planet and people) (*ibid.*). By basing its method on these three pillars, and by only focusing on corporations, CS addresses sustainability at business levels (Steurer *et.al.,* 2005).

Since corporate sustainability started receiving increased levels of attention, both the academic field and the business industry has taken initiatives to define, quantify and measure sustainability (Artiach et al., 2010). There are, however, currently no accepted standardised definition of CS, and no standardised method of measurement (Montiel and Delgado-Ceballos, 2014). Most empirical studies on CS outsources the measurements of the CS dimensions, e.g. by using external organisations that have already created scales and instruments to quantify the level of CS achieved by different firms (Montiel and Delgado-Ceballos, 2014). These rating agencies, such as the Dow Jones Sustainability Indices **(DJSI)**, often quantify CS in the form of sustainability indices. A sustainability index can be described as a system that measures different organisations' sustainability performance, ultimately creating sustainability rankings between them (Fowler and Hope, 2007). By examining a firm's past environmental

performance and environmental management activities, companies are assigned a 'sustainability score' that provides social investors and other stakeholder with accurate and transparent data on different firms' sustainability behaviour (Sadovka, 2016). These scores and rankings provide a way for individuals or organisations to analyse and compare how sustainable different organisations are.

The growing interest in sustainability indices can partly be explained by an increased demand from the social investment market (sustainability-oriented investments), where the indices are used as an investment tool to calculate creditworthiness and risk exposure for companies (Finch, 2004; Healy & Palepu, 2001; Schäfer et al., 2006). The sustainability indicators that are used when measuring sustainability (e.g. air pollution, depletion of fossil fuel) often derive from hardly observable characteristics, and are not easily available or accessible for company stakeholders (Bell and Morse, 2008). Sustainability indices act as a solution to this problem since they outline a company's sustainability attributes in a way that is more convenient for the different stakeholder groups, such as investors and shareholders. Currently, almost all sustainability indices are produced by independent organisations that investigate and analyse firms internally. These indices are mostly targeted towards social investors, i.e. investors that strive for both a positive social outcome as well as a positive financial return (Sadovka, 2016). Whilst rating agencies have succeeded in creating sustainability indices in this regard (such as DJSI or the FTSE4Good), they often tend to ignore one important stakeholder group: the consumers (Koichiro and Aris, 2012). Ignoring the perceptions of the consumers can often lead to incomplete, and sometimes biased, results. Although consumers are an important stakeholder group for most companies, this group seldom demands actual sustainability measurements, and the consumers' perceptions of corporate sustainability are therefore often disregarded (Hanss and Böhm, 2011).

Since the opinions of the consumers tend to be ignored in many sustainability ratings, a new form of sustainability index has in recent years emerged: an index that is based on the perception of the *consumers*. What separates this index from the more 'conventional' sustainability indices are that instead of placing the unit of analysis at a company level, the ratings are instead based solely on how sustainable the consumers consider the companies to be (www, SB Index, 2017). What has become clear in this development process is that consumers rarely thoroughly assess sustainability activities in company operations, but they instead consciously or unconsciously rely on brand reputation (Hanss and Böhm, 2011). As a result, this form of sustainability index studies how consumers view and perceive different corporate brands in terms of how sustainable they come across (www, SB Index, 2017).

Corporate brands can serve as signals for certain company characteristics that are not easily observable, such as sustainability. As a result, brands have become a powerful tool for motivated and sustainability-oriented companies to effectively differentiate themselves from dishonest competitors in their industries. By doing this, the companies can also successfully increase the consumers' perceptions of the communicated brand (Roth *et al.,* 2009). As previously mentioned, brands can signal to the consumers how sustainability-oriented companies are. As a function of this correlation, consumer-based sustainability indices evaluate

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and focus their analysis on corporate brands when measuring sustainability. This type of index, which is in this study referred to as a Consumer Sustainability Index **(CSI)**, uses a mix of both a quantitative and qualitative approaches in its method, including consumer surveys and face-to-face interviews. By utilising these approaches, the CSI allows for corporate brands to be rated and ranked with regards to how sustainable they are in the eyes of the consumers (SB Index, 2017).

1.2 Problem

Considering the importance of consumer perception and brand reputation in today's sustainability-oriented market, CSI may have an impact on how the concept of corporate sustainability will be developed (www, Hedén, 2016). CSI may also provide helpful insights to numerous companies, especially in the form of marketing, communications, and branding tools (*ibid.*). Although these indices are still relatively uncommon, a fairly large index has already been developed in the Nordic Region: The Sustainable Brand Index **(SB Index)**. The SB Index is developed by Sustainable Brand Insights **(SB Insights)**, a profit driven company that offers primarily two products: an annual consumer sustainability index that the public is offered free of charge, and individual sustainability brand reports that companies can purchase. SB Index's CSI is based on 30 000 consumer interviews and surveys, and maps out and analyses the areas of sustainability, branding and communication from the consumer perspective (SB Index, 2016). The index consists of three parts: evaluation and ranking of around 900 brands, a mapping of sustainable consumer behaviour, and developments and trends within sustainability (*ibid.*). After the report is released yearly, SB Index offers individual companies the opportunity to purchase tailored brand reports based on the data collected in the CSI (pers. com., Hedén, 2017). The individual report offers a complete analysis of specific corporate brands from a sustainability perspective.

Although CSI, such as SB Index, may provide several insights into corporate sustainability and branding from the consumer perspective, the reality that this is a new form of corporate sustainability measurement creates several problems. Firstly, neither the scientific community nor the business industries have closely studied them. In general, little academic research has been carried out on the matter of sustainability indices (Fowler & Hope, 2007; Searcy & Elkhawas, 2012), and they have rarely been evaluated (Windolph, 2011). Building on the arguments raised by Fowler and Hope (2007), few authors have addressed the topic of how, and by whom, sustainability indices can be used, and how they can contribute to the understanding of corporate sustainability. Since the research concerning the concept of sustainability indices is still fairly unexplored and under researched, this new type of index (CSI) has been even less studied. In fact, CSI can be seen as a new sub-group of sustainability indices, and this sub-group has therefore received even less attention and research than other sustainability indices, particularly in a Swedish setting (pers. com. Hedén, 2017). For instance, there is currently little understanding of how consumer sustainability indices can contribute to the development and understanding of corporate sustainability. As described above, CSI

focuses on corporate brands when measuring sustainability, i.e. the unit of analysis used in the consumer evaluation is the corporate brand of different companies. A corporate brand that is viewed as a sustainable brand is referred to as a sustainability brand, and the process where organisations tries to create such a brand is referred to as sustainability branding (Erdem *et. al.,* 2006). In other words, the concept of CSI is closely connected to sustainability branding. A large number of researchers (such as Stuart, 2011; Kumar and Christodoulopoulou, 2014; Erdem *et. al.,* 2006) mean that the process of integrating sustainability into corporate branding does not only create competitive advantages at firm level, but it also contributes to a higher interest for sustainability among organisations as well as among the public. However, the understanding of how consumer sustainability indices can help companies integrate sustainability into their corporate branding, and how this contributes to corporate sustainability, is still small (pers. com., Hedén, 2017; pers. com., Parment, 2017).

The second problem surrounding these new indices is that there is little understanding of how the indices actually can be used, and by whom. 'Conventional' sustainability indices, such as DJSI, have more established purposes, and their area of application is clearer. Conventional sustainability indices are mostly used by socially responsible investors that aim to generate long-term financial returns, and who aim to create a positive social and environmental impact (Sadovska, 2016). The main reason for their popularity is because these indices can be used as an investment tool to estimate the creditworthiness and risk exposure of companies (Social Investment Forum, 2014). Conventional sustainability indices can be used as an investment tool since these indices are based on actual sustainability performance. Consumer sustainability indices, however, do not study company performance, but instead focus on consumer perception. Since the results will be solely based on values and opinions from consumers, CSI might not be a reliable investment tool. Nonetheless, CSI should have other areas of application, but which areas this would come to include has not yet been studied (pers. com., Hedén, 2017). Kotler (2011) recognises the need for a restructuring of marketing and branding in response to environmental concerns, and predicts that the number of consumers preferring to purchase products and services from companies that care about sustainability is growing. It is possible that CSI could prove a helpful tool in that restructuring. However, more research is needed on the exact application of this sustainability index type. In addition, there is little knowledge on how CSI defines sustainability. 'Conventional' sustainability indices (such as the DJSI) base their measurements on clearly formed sustainability indicators (www, S&P Dow Jones Indices, 2017), making it easier to identify how these indices define sustainability. CSI, however, is required to rely on whatever sustainability principles consumers hold, and how these contribute to any definition thereof.

In addition to the aforementioned issues, there are many aspects of SB Index's individual brand reports that need further research. These include studying the individual reports in order to develop a thorough understanding of how the content of the reports are created, and how the reports themselves are put together. Studying the individual reports could supposedly also make it possible to identify how the SB Index can assist its customers in developing their sustainability brand, as well as their brand communication. Studying the individual reports, their content, and how they provide value to the company behind the analysed brand, should

contribute to an increased understanding of the link between sustainability branding and corporate sustainability.

1.3 Aim and Delimitations

The aim of this study is to investigate the role of a Consumer Sustainability Index (CSI) to promote more sustainable corporate branding, and how this contributes to improved corporate sustainability within the Swedish market.

The objective is to provide a picture of the development and application of a Swedish CSI, and to understand how this process helps companies to improve their sustainability branding.
In order to meet the aim, a single case study was conducted on the Sustainable Brand Index (SB Index), a Swedish CSI. Moreover, the study will draw parallels to the wider field of sustainability to demonstrate how SB Index fits into the context of corporate sustainability.

To achieve the aim of this study, the following research questions have been formulated:

1. *What are the areas of application for the SB Index?*
2. *What impact do SB Index's practices have on the development of sustainability branding?*
3. *How can the SB Index contribute to improved corporate sustainability within the Swedish sustainability market?*

This study is focused on the Sustainable Brand Index (SB Index), a Nordic sustainability index based in Sweden, that also provides tailored brand reports (SB Index, 2017). The organisation has released their index since 2010, and currently offers results from the Nordic markets (Sweden, Denmark, Norway and Finland) as well as from the Netherlands, making it the largest sustainability brand study in Europe (pers. com. Hedén, 2017). Because of this, the SB Index was chosen as the case company for this study. Even though SB Index publishes reports from five different countries, this study has been limited to the Swedish market.

As a final note on the delimitations of this study, the SB Index has also recently developed a new sustainability index with a focus on the business-to-business market, in contrast to their consumer-based index. This study will, however, only focus on the index that is based on consumers. A more detailed description of the theoretical and empirical delimitations is presented in chapter 3.

1.4 Outline

The outline of this thesis is organised as demonstrated in figure 1. This chapter has introduced the field of study, a background to the phenomenon of CSI and the research problem. The next chapter is the theoretical framework, which presents the concepts of corporate sustainability,

corporate branding, and sustainability branding. In the final section, a conceptual framework clarifies how these concepts relate to CSI, and how the concepts will be used in the analysis. The theoretical framework is followed by a description of the method used in the study. Chapter 3 presents the research design along with arguments for the choice of case, approach and delimitations. The following two chapters (chapter 4 and 5) provide background for the empirical study as well as the empirical results. Based on the concepts presented in the theoretical framework, the chapters will describe the concept of CSI and present the case company Sustainable Brand Index and their CSI.
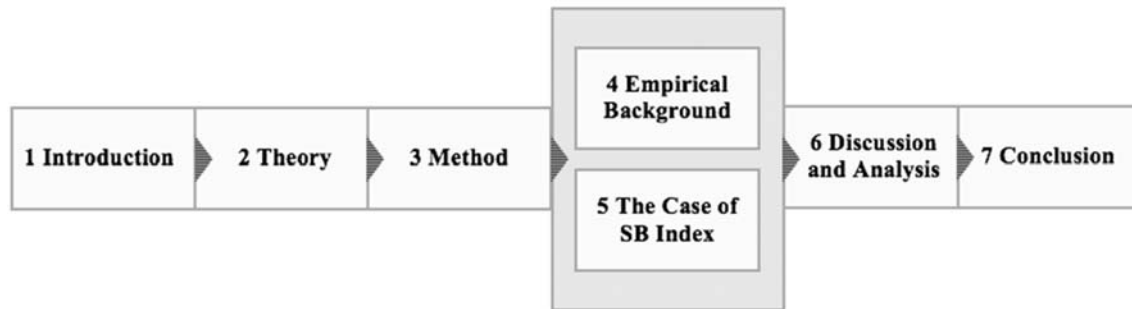
Figure 1. Illustration of the outline of the study.

The analytical discussion in chapter 6 will apply the theoretical framework developed in chapter 2 to the empirical findings, as well as address the research questions. The analysis is conducted with the support of the chosen theories and models. Existing theoretical finding will be related to the empirical findings with the aim to further answer the research questions. Finally, the concluding chapter will provide a summary of the findings and suggestions for future research.

2 Theoretical Framework

The following chapter explains and clarifies key concepts and theories that are used to explain the phenomenon of Consumer Sustainability Indices (CSI), and outlines the theoretical framework for the study. It begins by introducing a definition of corporate sustainability (CS), and describes its key elements. Section 2.2 presents the concept of corporate branding. Finally, the concept of sustainability branding is described in order to further understand CSI.

2.1 Corporate Sustainability

The concept of Sustainable Development **(SD)** became widespread in the 1980s, when the World Conversation Strategy (WCS) was presented by the International Union for the Conservation of Nature and Natural Resources (IUCN) (Lélé, 1991). The WCS introduced "the overall aim of achieving sustainable development through the conservation of living resources" (*ibid.*). However, critics of this approach, such as Khosla (1987), claimed that the strategy was limited to a focus on maintaining genetic diversity, habits and ecological processes, and was unable to deal with issues linked to international economics and political order (*ibid.*). Since these developments, there have been multiple attempts by the sustainability research community at explaining what sustainable development refers to. One of the most accepted definitions developed so far is presented in the Brundtland Report, which describes sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (UN, 1987). In other words, the concept of SD now includes not only environmental issues, but societal as well. When applied on a business level, SD is often referred to as Corporate Sustainability (**CS)** (Steurer *et al.*, 2005). Dyllick and Hockerts (2002), define CS by modifying the Brundtland definition, thus making it more of a corporate concept. According to these authors, CS can be defined as meeting the need of a firm's direct and indirect stakeholders (such as shareholders, employees, clients, pressure groups, communities, etc.), without compromising its ability to meet the needs of future stakeholders as well (*ibid.*). There is still, however, an academic debate whether SD should have a place in the corporate world (Gray, 2010). The arguments against the concept of CS typically revolve around the idea that sustainability is not a part of a firm's primary purpose, which is to maximize the profits of its owners and shareholders (Hayek, 1969), or that firms are not equipped to handle social activities, such as sustainability responsibilities (Carroll and Shabana, 2010). Nevertheless, the notion of CS has become increasingly popular in the corporate world, and a growing number of firms now actively address sustainability-related issues (Roca and Searcy, 2012). In fact, firms that follow corporate sustainability principles have come to be more likely to gain both economical and public relational advantages (Berry and Junkus, 2013). For example, sustainability-oriented consumers will buy products and services from firms that address sustainability, employees will favour these firms in terms of choosing working environments, and addressing sustainability issues will make it easier for firms to meet the public's increased demand for sustainability (*ibid.*).

In both academic research and business environments multiple concepts and definitions have been presented referring to how companies can conduct their business in a more ethical and transparent way (Marrewijk, 2003). Corporate Sustainability **(CS)** is one of the more popular concepts that describe Sustainable Development **(SD)** at a business level, although other widely used definitions also exist, such as Corporate Responsibility **(CR)** or Corporate Social Responsibility **(CSR)**. These concepts are often used as synonyms, which can result in confusion and ambiguity as to their meanings (Steurer *et al.*, 2005). To fully understand the concept of corporate sustainability, it is therefore important to understand how these concepts differ and how they are linked together (see figure 2).
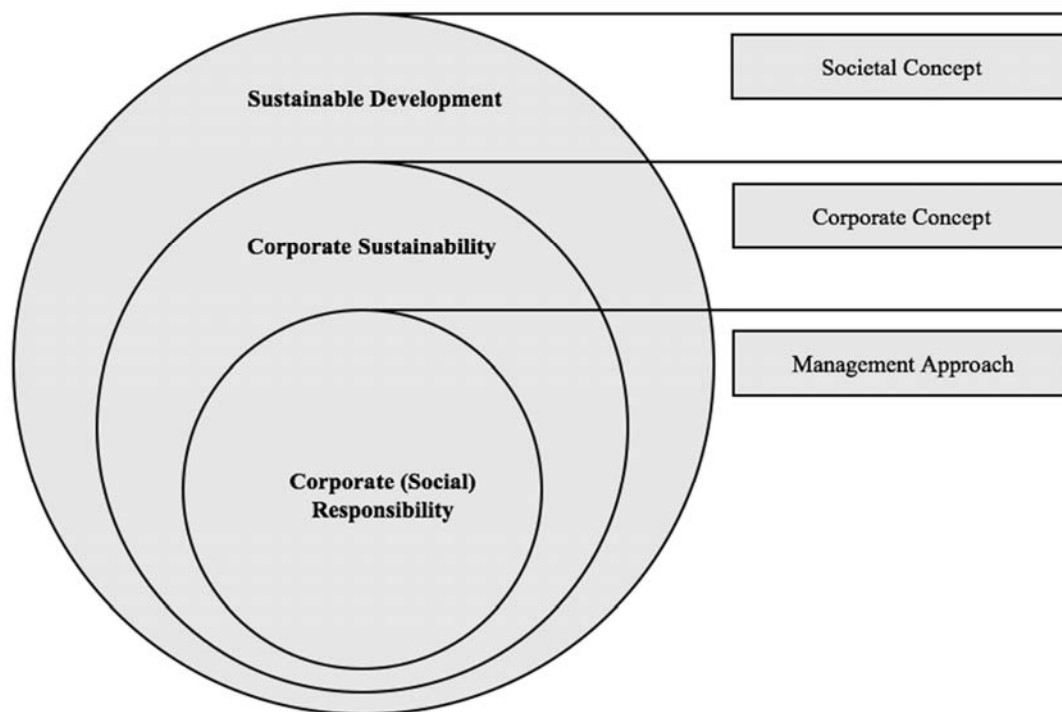
Figure 2. *Overview of the business-society concepts SD, CS, CSR/CS (based on Steurer et al., 2005, p. 275)*

Steurer *et al.* (2005), means that SD, CS and CSR (often referred to as just CS) are closely connected and interlinked concepts, but that the they exist on different levels of specification with different conceptual nuances. As figure 2 illustrates, SD can be seen as a normative societal concept, or as Marrewijk, (2003) explains it: "as the ultimate goal; meeting the needs of the present without compromising the ability of future generations to meet their own needs". CS and CSR/CR then exist within the SD concept: CS as a corporate concept and CSR/CR as a management approach (Steurer *et al.*, 2005). In this study, CSR and CR are treated as synonyms.

2.1.1 Elements of Corporate Sustainability

As previously mentioned, CS can be defined as meeting the needs of a firm's direct and indirect stakeholders, without compromising its ability to meet the needs of future stakeholders as well

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(Dyllick and Hockerts, 2002). In order to reach that goal, companies must maintain and grow their economic, social and environmental capital base, and at the same time contribute to sustainability in the political domain (ibid.). To find a balance in and a solution to this endeavour, Dyllick and Hockerts (2002) have identified three key elements of CS:

Integrating the economic, ecological and social aspects of the Triple-Bottom Line

Separating the concept of corporate sustainability from orthodox management theory means asking the question: what makes a corporation sustainable? In traditional frameworks, corporations' sustainability profiles were considered and evaluated simply based on their capital profits or losses (Slaper and Hall, 2011). In other words, traditional frameworks only focused on the economic dimension of sustainability. Eventually, economics and management researchers came to the realisation that economic sustainability alone was not a sufficient condition for the overall sustainability evaluation of a corporation (Gladwin, 1995). Elkington (1997), introduced this theory as the Triple-Bottom Line **(TBL)**, illustrated in below in figure 3.
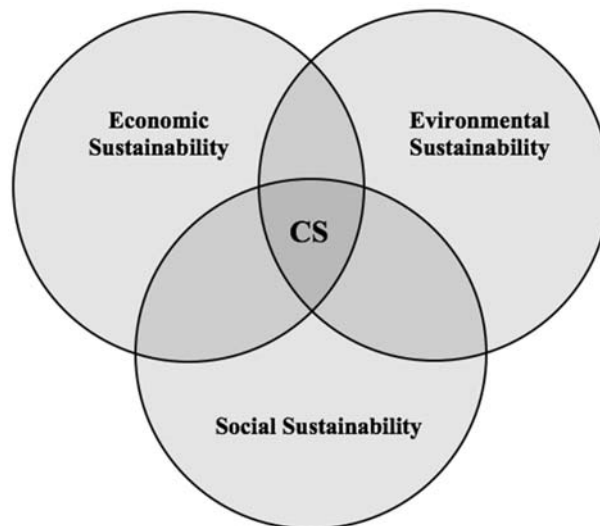
Figure 3. *The three dimension of corporate sustainability according to the TBL approach (based on Dyllick and Hockerts, 2002, p. 132).*

In a TBL approach, corporations go beyond measuring economic sustainability by also addressing environmental sustainability and social sustainability. Together these three aspects, illustrated in figure 3, form what many academics now refer to as Corporate Sustainability (Dyllick and Hockerts, 2002).

Integrating short-term and long-term aspects

In recent years, corporations have prioritised short-term goals in terms of their capital profits, partly as a result of stock market pressure (Dyllick and Hockerts, 2002). Short-term gains, where focus is on quarterly results, have created an environment where corporations use less resources that contribute to long-term success. Such a fixation on short-term profit conflicts

with the philosophy of corporate sustainability: that firms need to meet the need of not only today's stakeholders, but their future stakeholders as well (*ibid.*). A single-minded focus on short-term results will only cover the economic dimension of the TBL. The concept of corporate sustainability requires firms to address both short-term and long-term goals if all three dimensions in figure 2 should be satisfied.

Maintaining the economic-, natural- and social capital

Managing the firm's capital base is a vital part of business practise. It is broadly accepted as a key factor to achieve successful and responsible management (Slaper and Hall, 2011). However, CS involves a much broader understanding of the concept of capital compared to the definition normally provided by economists (Dyllick and Hockerts, 2002). In addition to economic capital, corporations that follows the concept of CS will also have to manage their natural capital and their social capital (*ibid*). Examples of management of natural capital include using renewable resources, abstaining to produce emission that will have a negative effect on the natural environment, and abandoning activities that degrade eco-system services (Barter, 2015). Managing social capital refers to the concern for both human capital (e.g. skills, motivation and loyalty of employees), as well as societal capital (e.g. making sure that stakeholders understand and agree upon the corporation's values) (Dyllick and Hockerts, 2002).

2.1.1 Stakeholder Theory and Corporate Sustainability

Numerous theoretical frameworks have been presented as researchers have attempted to explore the concept of corporate sustainability. Stakeholder theory is one of the major, and perhaps the most commonly used, approach when studying the social, environmental, and sustainability dimensions of CS (Hörish *et. al.*, 2014). Additional theoretical frameworks have also contributed to the field of CS, such as the institutional theory (DiMaggio & Powell, 1983), the resource-based theory (Barney, 1991) and the legitimacy theory (Suchman, 1995). The stakeholder approach's usefulness in studying the relationship between organisations and their stakeholders will contribute to, and fits well with, the purpose of the SB Index, seeing that the goal of the SB Index is to analyse how corporations communicate CS to one of the stakeholder groups – the consumers (SB Index, 2017).

To understand the link between stakeholder theory and corporate sustainability, it is necessary to recognise the central elements of stakeholder theory. This involves clarifying the definition of the term *stakeholder*. Stakeholder theory was originally presented by Freeman (1984), who defined stakeholders as groups or individuals who can affect or be affected by the action connected to value creation. A more recent and narrow definition describes stakeholders as "the individuals and groups who are depending on the firm in order to achieve their personal goals, and on whom the firm is depending for its existence" (Bowmann-Larsen and Wiggen, 2004). Building on the description and definition of stakeholders, the basic idea of the stakeholder theory is to balance the interests of various stakeholders, and managing the influences embedded in the relationship between stakeholders and the firm (Lee, 2011).

The stakeholder approach in corporate sustainability supports stakeholders to cooperate within important sustainability-oriented values (*ibid.*). In other words, the stakeholder approach promotes values that encourage corporate strategies and activities that add value to the corporation itself and its stakeholders, whilst preserving the environment and/or the society connected to these operations in the long run. Based on these values, stakeholders negotiate to form shared sustainability interests. According to Hörish *et. al.* (2014, p. 336), these negotiations involve three main challenges:

1. Anchoring sustainability in the mindset of all stakeholders.
2. Strengthening the particular sustainability interests of stakeholders, creating mutual sustainability interests based on these particular interests.
3. Empowering stakeholders to act as intermediaries for nature and sustainable development.

Overcoming these challenges has a lot to do with the concept of *influence* in CS. A corporation's sustainability behaviour is influenced by different stakeholders, and will at the same time influence how the stakeholders behave (*ibid.*). Different stakeholder groups put pressure on corporations to actively address sustainability issues. For example, governments and Non-Governmental Organisations **(NGOs)** pressure firms to conduct sustainability reporting, whilst investors and consumers pressure corporations by demanding sustainability ratings and indices. As a result, stakeholder theory can help researchers and firms to identify relevant stakeholders, as well as these actors' expectations and requirements related to sustainability (Freeman et al., 2000).

Stakeholder theory was initially meant to be one of the main theories to analyse CSI, but was discarded as a primary theory. The reason behind this was because using stakeholder theory requires a close study of the relationships between the SB Index and their stakeholders, which was not possible due to time constraints. Stakeholder theory is still presented in this thesis, as a part of the concept of CS, since can help the understanding of the concept.

2.2 Corporate Branding

Corporate branding is often referred to as the process of promoting and communicating the core entity of a company, i.e. a company's values, vision and image (Hatch and Schultz, 2003). Vallaster (*et. al.,* 2012) means that the growing interest in corporate sustainability, in both theory and practice, has coincided with the development of marketing at an institutional level. Marketing at an institutional level is referred to as 'corporate marketing' and can be defined as 'a customer, stakeholder, societal, and CSR/ethical focused philosophy enacted via an organisational-wide philosophy and orientation' (Balmer, 2011, 9-10). In other words, corporate marketing is linked to an identity-based view of the firm, in which companies use marketing as a way to manage the messages and outward appearances of their organisations (Balmer, 2008). The shift towards corporate marketing has resulted in companies making an overall move from focusing on their product brand to their corporate brand (Ind, 2001).

As opposed to product branding, corporate branding is not about the branding of a specific product or service, but instead refers to the branding of the company as a whole. The corporate brand concept is linked to the visual, verbal, and behavioural expression of the organisation (Vallaster *et. al.,* 2012). Compared to the product brand, which mainly appeals to the consumers, the corporate brand is targeted to a much wider audience, such as customers, personnel, shareholders, media, and NGOs. Corporate branding is today a practise that is essential for most organisations, and researchers such as Biraghia and Gambettib (2015) mean that the corporate brand is among the most valuable resources that firms have access to. The corporate brand is considered a valuable resource since organisations use it to effectively distinguish themselves in the competitive arena.

The concept of corporate branding has received much attention from both businesses and researchers during the twenty-first century (Balmer and Gray, 2003). Multiple researchers have attempted to identify what defines corporate branding and what it may be used for. According to Hatch and Schultz (2003), many researchers agree that corporate brands can be seen as:

- *Means for signifying ownership*: Perhaps the most basic function of a corporate brand is that it denotes ownership. In a simple sense, the corporate brand shows the company name, logotype and trademark.

- *Symbols associated with the key values of the firm*: The literature on corporate brands has in the last decade focused a lot on the importance of brand values. The corporate brand holds the core values of the firm, which is associated with the firm and its products and services (Urde, 2001). The brand signals these values to the firm's stakeholders, such as customers, media, shareholders and the general public.

- *A method of image-building:* When a stakeholder uses a product or service provided by the company, they also 'buy' the values that is attached to not only the product or service, but also to the company. The corporate brand is therefore a 'sum of values' that represent the organisation (Da Silva and Syed Alwi, 2008). Through these values, the corporate brand can guarantee quality, and serve as an insurance against financial risks or risks connected to poor performance (*ibid.*). Therefore, a strong corporate brand image gives the company a competitive advantage.

- *A way for consumers to identify themselves with different firms*: A number of researchers (such as Lam *et. al.*, 2013; Brown *et. al.*, 2009) has described the consumers' relationship with the company and its brand as an important aspect in market research. The notion of the 'consumer identity' in consumer theory, means that markets have increasingly become symbols and social signals that help consumers to form their identity (Lam *et. al.*, 2013). Building on this theory, Lam *et. al.,* (2013) describes the concept of 'consumer-brand identification' as consumer's psychological state of perceiving, feeling, and valuing his or her belongingness to the brand.

2.2.1 The Vision, Culture and Image Model

The increased understanding of the importance of corporate branding has resulted in many attempts to develop further insights to what makes a corporate branding process successful, i.e. how companies can create and maintain a successful corporate brand. Hatch and Schultz (2001) are among the researchers that have addressed this issue, and have created a model that focuses on the relationship between what they consider to be important areas for corporate branding. These areas include *vision*, *culture* and *image* of the firm, which gives the model its name – the Vision-Culture-Image Alignment model (**VCI-model)** (see figure 3). The central idea behind the VCI alignment model is that these three areas of vision, culture and image must be in alignment with each other in order to create a successful corporate brand. Moreover, the stronger connection between vision, culture and image, the stronger the corporate brand, according to Hatch and Schultz (2001).

Figure 4. *The VCI Alignment model (Hatch and Schultz, 2008, 11).*

The strategic vision in Hatch and Schultz's (2001) model can be described as the central idea behind a company. It represents and expresses an organisation's vision of what the organisation will accomplish in the future. Collin and Porras (1994, 22) define the strategic vision as '*what an organisation aspires to be in the future*'. The organisational culture area in the model consists of the internal values, beliefs, and basic assumptions that characterises a company, and that guide its practices. In other words, the organisational culture area in the model demonstrates the employees' opinions of a specific organisation, and their sentiments towards that organisation. (Hatch and Schultz, 2011). Finally, the stakeholder image is the overall view of the company, which is developed by the company's stakeholders. How the overall view of the company looks like is the result of the outside world's impression of it, e.g. the opinions of customers, shareholder, media and the general public (*ibid.*). As mentioned above, these three elements (vision, culture and image) must interconnect in the corporate branding process if this is to be successful.

According to Hatch and Schultz (2011), strategic vision and stakeholder image should be connected in the corporate branding in a way that allows the management of the organisation to reflect on what the identity of the company is, and what it aims for it to become. In order to connect the strategic vision with the stakeholder image, the image held by the stakeholders (how the stakeholders view the company) must become a part of the envisioning process (*ibid.*). Hatch and Schultz (2011) also mean that Stakeholder images and organisational culture must be aligned. This is because when brand values are in line with the organisational culture and company values, the organisation will create more credibility among their stakeholders (*ibid.*). Finally, Hatch and Schultz (2011) suggest that strategic vision and organisational culture interact. Although the strategic vision can help the company to reach new goals and higher levels of success, it must still be in line with the culture of the company for the corporate branding process to be successful.

2.3 Sustainability Branding

Corporate branding can be viewed as a process where firms can signal their key values, and build an image that reflects those values. Since values related to sustainability have become important for many different groups of society, corporate branding has consequently become an important and integral part of corporate sustainability (Stuart, 2011). A growing number of companies now make significant efforts to create their own sustainable corporate brands. According to Stuart (2011, 140), the sustainable corporate brand is defined as *'a corporate brand whose promise or covenant has sustainability as a core value'*. Integrating sustainability into corporate branding can enable companies to attract consumers with a concern for sustainability, which in turn creates competitive advantages (Kumar and Christodoulopoulou, 2014). The consumers are not the only stakeholder group that responds to sustainability branding. It has been proven that other stakeholders, such as sustainability-oriented investors, will evidently also be more willing to do business with firms with a more sustainable brand than with other businesses (*ibid.*). Additionally, research has also shown that companies that have created a sustainable image through sustainable branding will reduce their environmental risks (i.e. risks to human health or the environment as a result of company activities) (Czinkota *et al.,* 2014). Sustainability branding can therefore also supposedly be an effective tool in environmental risk management (*ibid.*).

Sustainability branding does not only give individual companies an advantage, but can also contribute to corporate sustainability at a wider scale. Sustainability branding can reduce asymmetric information between firms and consumers (Erdem *et. al.,* 2006). Asymmetric information, or information failure, exists when one actor of a transaction has more information than the other actor (*ibid.*). In this context, the consumers only have access to limited information on the sustainability-orientation of the firm. In other words, it becomes difficult for the consumer to identify sustainable companies since sustainability is a non-observable attribute (*ibid.*). According to Roth *et. al.* (2009), sustainable corporate brands can serve as signals for sustainability attributes, and can help solve the information failure that sustainability-oriented

consumers experience. Sustainability branding and sustainable brands provide consumers with information that help them identify sustainable companies, which decreases the consumers' screening efforts, ease their decision making, and lower their information costs (*ibid.*).

2.3.1 Development and Maintenance of a Sustainability Brand

There are a number of different factors involved in the development and maintenance of a sustainable corporate brand. Companies must address these factors in order to have a successful sustainability branding process. According to Stuart (2011), the factors that have proved to be of significant importance when creating and maintaining a sustainability brand include: 1) *Identity issues*, 2) *Brand credibility*, and 3) *Reputational Issues*.

Issues related to brand identity imply that for a company to have a sustainable corporate brand, they must have an identity that reflects sustainability (Zouganeli *et al.,* 2012). Middlemiss (2003) means that the corporate brand is characterised as the covenanted identity, meaning what the brand stands for, or what the brand promises. Companies should strive to create corporate brand identities that optimise sustainability within the organisational environment. This is what Stuart (2011) would label the 'ideal identity' in terms of sustainable corporate branding.

As described earlier, sustainability branding can give firms a competitive advantage, and contribute to corporate sustainability by reducing information failure between firms and consumers. However, sustainable corporate brands will only affect consumers' decision making if the provided information is credible (Roth *et. al.* 2009). Following the definition provided by Erdem *et. al.* (2006, 35), brand credibility can be defined 'as the believability of the information contained in a brand, which requires that consumers perceive that the brand has the ability (i.e., expertise) and willingness (i.e., trustworthiness) to continuously deliver what has been promised'. In other words, in order for a sustainable corporate brand to be credible, it must be linked to high levels of trust and expertise. As previously mentioned, a growing number of consumers not only cares about their consumption experience, but also considers how their consumption affects social and environmental sustainability. Imkamp (2000), suggests that this means that consumers will find the identity of a company more trustworthy if they share the same sustainability values. Furthermore, communicating a company's CSR activities through sustainability branding will also result in higher level of perceived expertise among consumers, since CSR activities signal greater management competency (McWilliams and Siegel, 2001). Consequently, companies can generate a higher level of brand credibility if they communicate their sustainability values, and how they apply these values using CSR activities.

The final factor that is important when creating and maintaining a sustainability brand is issues related to the company's reputation. Harrison (2013, 1) defines brand reputation as *'the overall estimation in which an organization is held by its internal and external stakeholders based on its past actions and probability of its future behaviour'*. The concepts of brand reputation and brand credibility are closely related. Stuart (2011) means that damages to a company's reputation is caused by credibility gaps. In other words, for a company to develop a strong brand reputation, it must make sure that its brand has a high level of credibility.

2.4 Conceptual Framework

Since no existing theoretical framework on consumer sustainability indices (CSI) exist, this study uses different (but relates) concepts in the area of corporate sustainability and corporate branding, in order to explain and analyse CSI. These theories are presented in figure 5 to illustrates the relationship between the concepts and provide an outline for the analysis.

Corporate Sustainability (CS)

Consumer Sustainability Indices (CSI)

Corporate Branding

↓

Sustainability Branding

Figure 5. The conceptual framework.

The overall subject of this thesis is corporate sustainability (CS). Therefore, a definition of CS, and its dimensions and elements is presented in the first section of this chapter and provides a basis for the concepts that are used when explaining and analysing CSI. Stakeholder theory was initially meant to be one of the main theories to analyse CSI, but was discarded as a primary theory. The reason behind this was because using stakeholder theory requires a close study of the relationships between the SB Index and their stakeholders, which was not possible due to time constraints. However, a reduced section of stakeholder theory is still included in the theoretical framework since it is one of the most common theories when analysing corporate sustainability.

Instead, the two main concepts used to support the analysis of consumer sustainability indices are corporate branding and sustainability branding. The notion of corporate branding is in this study used since the SB Index's area of analysis is the corporate brand of different companies. Sustainability branding can be seen as a sub-concept to corporate branding, and involves a branding process in which the company have sustainability as a core value (Stuart, 2011). The concept of sustainability branding will be used since it can help to identify how The SB Index help their customers develop and maintain a sustainable brand, and how this can contribute to a more sustainable Swedish market.

3 Method

Chapter 3 provides a presentation of the research approach, methods for collecting and analysing data, the literature review, delimitations, quality assurance, criticism on the chosen methods, as well as ethical considerations of the study.

3.1 Approach

This study uses a qualitative approach, which is a commonly used approach in social research (Greener, 2008). There are multiple aspects that separate qualitative research from quantitative research. Generally, in the qualitative approach, the researcher focuses on words during the data collection and the analysis, while the quantitative approach concentrates on numbers (Bryman and Bell, 2007). Qualitative research uses an inductive process, in which a social phenomenon is studied in order to identify empirical patterns that can eventually provide a foundation for a theory (Hennie, 2010). In contrast, the quantitative method uses a deductive process, meaning that the theory is the starting point, i.e. the researcher formulates a hypothesis that will then be tested empirically (*ibid.*).

Qualitative research is built upon observations and interactions between the researcher and the subjects in their natural environments. Moreover, the researcher tries to understand the meanings of the gathered data collected from these meetings (Kirk & Miller, 1986). According to Robson (2011, 24), qualitative research is based on the understanding that "individuals construct and make sense of their world". As illustrated in figure 6, the qualitative approach to theory building begins by formulating a set of primary research questions. Based on the study's topic and research questions, the researcher then selects relevant subjects that will be studied. The data is then collected and interpreted using a conceptual and theoretical framework. The fact that the researcher has the possibility to alter the research questions and then collect additional data makes the qualitative process a flexible approach (Bryman and Bell, 2007).
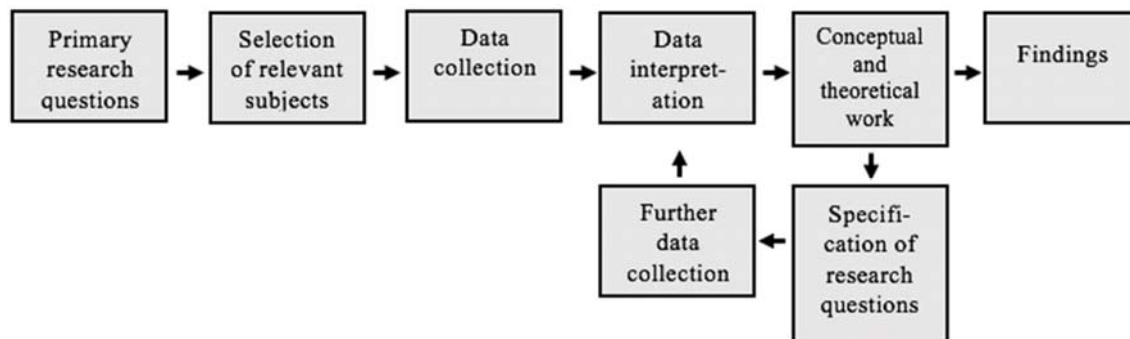

Figure 6. The qualitative approach (based on Hennie, 2010, 120).

This study will use a qualitative and flexible research approach since it is useful when studying a relatively new and unexplored area of research (*ibid.*). Although corporate sustainability and

sustainability indices have been subject to a lot of research, the concept of consumer-based sustainability indices **(CSI)** is barely touched on by academics. When a phenomenon has not yet been closely studied by other scholars, it is important for the researcher to be open to changes along the process, i.e. tools for collecting data as well as data sources might have to be altered throughout the process (*ibid.*). This study will not be limited to a set hypothesis; instead it will stay open to new discoveries and patterns between variables, and adjust accordingly. The decision to use a qualitative approach in this study is also due to the fact that it is difficult to measure sustainability in quantitative terms (Belz and Peattie, 2012). In order to reach the aim of this study - to investigate the role of a Consumer Sustainability Index (CSI) in order to promote more sustainable corporate branding, and how this contributes to a more sustainable Swedish market, rich and detailed empirical data is required. This form of empirical data can best be gathered with the use of a qualitative approach (Bryman and Bell, 2007).

3.1.1 Case Study

This study uses a case study approach, which is a common method in qualitative and flexible research (Robson, 2011). The case study design allows the researcher to develop an in-depth exploration of a specific case (Bryman and Bell, 2007). In business research, a case can be everything from an organisation or an individual, to a process or an activity. By using a combination of methods for collecting data, such as interviews, observations or questionnaires, the context of the case can be understood and evaluated (*ibid.*). A case study approach was chosen for this project since it focuses on CSI as a phenomenon in a Swedish setting. According to Yin (2009), a case study approach is suitable when the research questions starts with 'why' and 'how'. In this study, the research questions are based on how the CSI phenomenon contributes to CS. The study will focus on a single case – the SB Index, which is the only organisation in Sweden that uses CSI as part of their core business. The single case study approach will provide an opportunity to collecting data about the SB Index in greater depth.

Common critique against the case study approach often comes from researchers claiming that the results and conclusion are biased (Yin, 2009; Dul and Hak, 2008), or that the approach is unsuitable for scientific generalisation (Yin, 2009). However, one could argue that the latter argument is too harsh in its critique. As pointed out by Bryman and Bell (2007), a case study is a suitable approach and a good first step in the research of a new field. Therefore, findings produced by case study research would contribute to further exploration and scientific generalisation of the case context. Furthermore, the critique of the case study approach can be addressed using several methods. A common method, also used in this study, is triangulation. Triangulation involves the use of multiple methods and measures of an empirical phenomenon in order to overcome the issues of bias and generalisation (Cox and Hassard, 2005). The quality assurance and trustworthiness of this project will be discussed further in section 2.5.

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3.1.2 Choice of Case and Unit of Analysis

The case study design can roughly be divided into two general approaches: single and multiple case studies (Shakir, 2002). It is the characteristic of the studied phenomenon that will decide which approach is most suitable. This study uses a single case approach when exploring the concept of CSI. CSI can be considered as a unique phenomenon since no academic research of this concept can be found. According to Shakir (2002), a single case approach is suitable when the researcher attempts to document and analyse a unique case. The choice of case in this study is the Sustainable Brand Index **(SB Index),** and is considered as a unique case since no other CSI exists in Sweden. By studying the SB Index, this study can contribute to the theoretical gap in the research of sustainability indices, in which little understanding of consumer-based sustainability indices exist. Choosing a specific case in this manner is commonly referred to as purposive sampling or purposive selection (*ibid.*). In other words, the SB Index was not selected randomly, but because it is the only organisation in Sweden that places CSI in the centre of its core business. Furthermore, an important element of a case study is a well-defined unit of analysis (Bryman and Bell, 2007). A unit of analysis can be explained as the 'who' or the 'what' that the study analyses (*ibid.*). In this study, the choice of case is the SB Index and the unit of analysis is their consumer sustainability index and their individually tailored brand reports.

3.2 Data Collection and Analysis

The data in the study was collected using common methods normally used in a case study approach. Primary data and empirical evidence was collected using interviews and observations, while the secondary data consists of academic literature and online documents from the SB Index, such as official reports.

3.2.1 Primary Data

Two central methods were used in order to gather empirical, primary data for this study. The first method consisted of interviews with management and staff at the SB Index. Secondly, participatory observation methods where used to create a deeper understanding of how the consumer sustainability index/report was created and presented. Because of the limited academic research on CSI, an additional interview was conducted with Anders Parment. Parment researches consumer and brand perception at Stockholm University and acts as a key informant in this study. All interviews were held face-to-face, and additional phone interviews provided complementary information when needed. All interviews and observations took place in Stockholm, Sweden. Table 2 provides details of the interviews and the observations of this study.

Table 1. *Interviews and participatory observation records.*

Respondent	Position	Location	Date
SB Index Erik Hedén	CEO	SB Index, Head office, Stockholm	2017-02-20
Maria Kausits	Head of analysis	SB Index, Head office, Stockholm	2017-02-27

Key Informant Anders Parment	Ph.D., Stockholm University	Stockholm University, Stockholm	2017-04-21

Observation	Description	Location	Date
SB Index	Observation of the activities linked to the development of the index	Head office, Stockholm	2017-02-20
Sustainable Brand Index Awards 2017	Participatory observation of how the SB Index report is presented and received during the yearly report release event.	Musikaliska, Stockholm	2017-03-30

Interviews

One possible method of gaining insight to the phenomenon of CSI is through interviews. Interviews are a common method of collecting data in qualitative research (Bryman and Bell, 2007), and can be considered as a key source of information in the case study approach (Yin, 2009). In this study, the interviews were conducted using a face-to-face, semi-structured approach. In semi-structured interviews the researcher has an interview guide in the form of a checklist with topics that will be covered during the interview (Bryman and Bell, 2007). The interview process does not follow a strict set of questions, but remains flexible, and the interview may be viewed as a discussion between the researcher and the respondent (*ibid.*). This interview technique allows the researcher to focus directly on the topics of the case study, and is therefore insightful (Yin, 2009). However, the fact that semi-structured interviews follow no specific standard has led to researchers criticising the approach in terms of the reliability of the gathered data (Robson, 2011). If the semi-structured approach is not carefully executed it can result in poorly formed interview questions, with a possibility of biased results (*ibid.*). These issues have been addressed in this study by creating an interview guide where topics and questions were formed in a neutral and unbiased tone. Appendix 1 includes the interview guide, which was developed based on the theoretical framework presented in chapter 2. As previously mentioned, the interviews were conducted face-to-face, and lasted between 30 minutes to 1 hour. Face-to-face interviews let the researcher interpret non-verbal communication in order to fully understand the verbal response (Bryman and Bell, 2007). Each interview was recorded, transcribed and summarised. Quotes and statements were sent to the specific respondent to verify that it was accurate, and that the information could be used in the study. The gathered data from the initial interviews provided a basis for further research in the literature of the topic and additional phone interviews were then used to complement any missing information. Additionally, corporate documentation from the SB Index was also used as primary data. Documentation is a commonly used source of information in case studies, and can be used to compliment the information provided by the interviews. For this study, the corporate documentation mainly consisted of the SB Index's official index report, as well as documents publicised on the SB Index website.

Participatory Observation

This study also uses participatory observation as a way of collecting primary data. Participatory observation is also a common method in case studies when collecting information. The researcher attempts to become a part of the observed group by undertaking different roles within the case situation, and may even participate in the activities that are being studied (Robson, 2001). By using observations, the researcher can get access to otherwise inaccessible information that can contribute to the understanding of the phenomenon studied in the case. Some researchers even claim that without observation it is not possible to gain an accurate portrayal of the phenomenon (*ibid.*). This can be explained by the directness of observations: the gathered data will not be based on views, feelings or attitudes, but instead on 'what is actually being done' (*ibid.*). The information gathered from observations can also be used in order to complement data from the interviews. Therefore, participatory observation is a suitable method of triangulation in a case study research. Observations as a method of gathering data has benefits, but it also some weaknesses. One of the major problems, referred to as reactivity, is that the observer may affect the situation that is observed, or influence the actors in it (Yin, 2009). In this study, the reactivity issue is addressed by trying to make the actors feel as comfortable as possible by not judging their behaviour, but instead showing interest in their CSI process.

3.2.2 Secondary Data

To support and complement the primary data, information from secondary sources was collected. By using existing literature, the results of the study can be strengthened (Bryman and Bell, 2007). When using a case study approach, multiple sources of evidence should be used to reach high quality results. The secondary data therefore contributes to a successful triangulation since the findings of the study will be more convincing if they are supported by multiple sources (Yin, 2009). This thesis consists of secondary data collected from two different sources. Firstly, the secondary data consists of a literature review of academic articles linked to CS, corporate branding, and sustainability branding (see chapter 2). Secondly, the secondary data also consists of so called 'grey literature', i.e. material and research produced by organisations outside of the academic publishing and distribution channels (Bryman and Bell, 2007). This information mainly consists of reports on consumer and brand perception by organisations studying consumer behaviour and marketing.

3.2.3 Data Analysis

According to Saunders *et. al.* (2007), the diverse nature of qualitative analysis implies that there is no standardised approach to the analysis of qualitative data. Instead, they emphasise the importance of having an elaborate strategy when dealing with the collected data. Some strategies are highly structured and proceduralised, while others rely more on the researcher's interpretation (*ibid.*). Moreover, qualitative data analysis can be approached either with a deductive or an inductive position. With a deductive approach, the researcher uses existing theory to shape the research process and the analysis. An inductive approach, on the other hand, seeks to build a theory that is supported in the researcher's data (*ibid.*). In this study, elements

from both the deductive and inductive approach have been used. The data analysis is based on existing theories of the corporate branding and sustainability branding, and how it can be applied to corporate sustainability. The unit of analysis is the SB Index and their official brand ranking, as well as their individually tailored brand report. Since the CSI phenomenon has seen little academic research, the analysis will also be based on interpretations of the gathered data. In other words, the data analysis in this study will be based on corporate branding and sustainability in order to investigate how the SB Index promotes sustainability. In doing so, the analysis will have a less structured, interpretivist approach.

As is normal in qualitative research, the data collection in this study generated a vast amount of data. Bryman and Bell (2007) means that qualitative data therefore must be efficiently organised. One method for structuring a large amount of data is thematic coding (*ibid.*). Braun and Clarke (2006, 79) defines thematic coding as '*a method for identifying, analysing and reporting patterns (themes) within data*'. By using a thematic analysis approach, the gathered data can first be analysed, and eventually be coded and placed into groups or themes (*ibid.*). Using thematic analysis in this thesis was suitable since the study has a flexible approach. The flexibility within thematic coding allows for a rich, detailed and complex description of the gathered data (*ibid.*). Additionally, thematic coding was a key element in selecting a relevant theoretical framework. For example, the coding process resulted in the realisation that stakeholder theory was an unsuitable framework to analyse the concept of CSI, and that theories on corporate branding and sustainability branding should instead be prioritised.

In this study, the thematic coding process started with a recording of the semi structured interviews, which were then transcribed and translated into English. When the material had been evaluated, key words and key sentences were then chosen and categorised into groups (themes). The categorisation consisted of four groups: 1) The characteristics of a CSI/the SB Index practices, 2) Areas of application for a CSI/ the SB Index 3) Insights that the SB Index provides to the concept of CS and sustainability branding, and 4) How CSI/the SB Index can promote improved CS in a Swedish setting. By using these four themes, a deeper understanding of the studied phenomena was possible, as well as a clearer link between the theoretical framework and the empirical finding was established.

3.3 Literature Review

By reviewing relevant literature, the researcher can acquire an understanding of the current situation in the field of interest, and can identify concepts that should be addressed in order to understand the studied phenomenon (Bryman and Bell, 2007). The literature review also helps the researcher identify gaps in the in the existing knowledge that may provide the basis of the research (*ibid.*). Reviewing existing literature can also help identifying the different angles of the study. When it comes to methods of conducting literature review, Bryman and Bell (2007) distinguishes between narrative and systematic review, and means that the systematic approach aims at reducing the biases of the researcher by using well established procedures. The narrative review, however, is less focused than the systematic review, and instead uses a wide-ranging

scope when reviewing literature. This study uses a narrative literature review since understanding the phenomenon of CSI requires theories from different areas, such as CS, corporate branding, and sustainability branding. CSI have not been studied closely before, and no clearly defined theoretical framework of CSI exists. Therefore, a narrative approach, with a wide-ranging scope, is suitable.

The literature review was used to understand what is known about CS and sustainability indices in general, as well as how it may be linked to consumer and brand perception. The review also resulted in the realisation that there was a gap in the literature regarding what role consumers have in sustainability assessments. As mentioned previously, the literature search consisted of three main topics: CS, corporate branding and sustainability branding. CS and sustainability branding are both fairly new research areas (Steurer *et. al.,* 2005), which is why this study aimed at using articles mainly published after year 2000. The literature that was reviewed in this study consisted of academic articles from peer-reviewed journals. The articles were found using academic databases such as Google Scholar, Primo, Uppsala University Library's search engine, SAGE and Web of Science. Table 2 shows the keywords that were used during this process. Additional articles could be found by using sources provided by existing studies.

Table 2. *Search words/key words used in the literature review.*

Brand Perception	*Corporate Sustainability*	*Sustainability Assessment*
Consumer Perception	*Green Branding*	*Sustainability Branding*
Corporate Branding	*Strategic Sustainability*	*Sustainability Indices*
Corporate Responsibility	*Sustainable Development*	
Corporate Social Responsibility		

3.4 Delimitations

In order to conduct a qualitative, single case study, certain delimitations are necessary. The following section will present the study's delimitations associated with the choice of method, theory, and empirical data.

3.4.1 Methodical Delimitations

A flexible or qualitative method can be used when limited research has been made on the topic (Bryman and Bell, 2007). Therefore, a qualitative method with a single case study approach has been used in this study, since it is a suitable approach when the studied phenomenon (CSI) can be considered as a new concept that have seen little academic research. The same reason lies behind the decision to use semi-structured interviews and participatory observations when collecting empirical data. Although some quantitative methods could have been used (such as the usage of questionnaires), this study is delimited to qualitative methods of collecting and analysing primary and secondary data. The main reason behind this decision lies in the strength of qualitative research when it comes to gathering and analysing rich and detailed data (*ibid.*). In terms of the literature reviewed in the study, it has mainly been delimitated to English articles publicised in the past 15 years.

3.4.2 Theoretical Delimitations

In social research, theory provides the background and foundation for the conducted research (Bryman and Bell, 2007). The phenomenon that is researched can be understood by using the theoretical framework, and the findings can be interpreted by using the same framework (*ibid.*). The framework used in this study consists of theories and concepts of corporate sustainability (CS), corporate branding and sustainability branding. The study aims at developing an understanding for how the phenomenon CSI can contribute to the field of corporate sustainability. Therefore, the ideas behind CS, such as the triple bottom line, are presented in this thesis. CSI measures sustainability based on consumer views on corporate brands. Therefore, the theoretical framework of this thesis also includes chapters on corporate branding and sustainability branding. Furthermore, stakeholder theory was initially meant to be one of the main theories to analyse CSI, but was discarded as a primary theory. The reason behind this was because using stakeholder theory requires a close study of the relationships between the SB Index and their stakeholders, which was not possible due to time constraints. Stakeholder theory is still presented in this thesis, as a part of the concept of CS, since it can help the understanding of the concept.

3.4.3 Empirical Delimitations

This thesis only studies empirical data from one single case. The main reason behind this delimitation is because there is only one organisation in Sweden that produced a consumer-based sustainability index. Although there are organisations that have conducted similar studies that address how consumers perceive corporate brands in terms of sustainability, these studies are a very small part of their business operations, and are primarily used as a marketing or public relations strategies. The SB Index is the only organisation that uses CSI as a part of its core business. Furthermore, additional delimitations have been made when studying the SB Index. The SB Index produces its report in four different countries: Sweden, Norway, Denmark, Finland and Holland. Since this study focuses on a Swedish setting, it will only study the Swedish report. The SB Index has recently also started the creating process of a business-to-business (**B2B**) Index. The propose of this index is to highlight the value of sustainable branding, and raise awareness about it within the B2B sector. However, since this study focuses on the phenomenon of consumer sustainability indices no attention will be given to the B2B index.

3.5 Quality Assurance

A number of researchers (Bryman and Bell, 2007; Yin, 2009; Dul and Hak, 2008) have discussed whether quality assurance of qualitative and quantitative research should be judged using the same criteria. Bryman and Bell (2007), argues that concepts such as validity and reliability can help assess the quality of quantitative research, but may not be relevant when it comes to qualitative research, and flexible research and case study design in particular. A number of researchers argue that other, more relevant, standards should be used in qualitative

research. Guba and Lincoln (1994) means that trustworthiness can instead be used as alternative criteria for judging the quality of qualitative methods. Trustworthiness is often divided into four subcategories: credibility, transferability, dependability and confirmability (Bryman and Bell, 2007). In this thesis, the concept of trustworthiness has been used as a way of assuring the quality of the study. Since this is a qualitative study, with many underlying assumptions of corporate sustainability and corporate branding, the four subcategories of trustworthiness have been used (presented in table 3). Guba and Lincoln (1994) suggest that these four criteria better reflect the underlying assumptions involved in qualitative research.

Table 3. How quality assurance has been addressed in this study (based on Bryman and Bell (2007, 14).

Criteria	Description	How the Criteria have been addressed in this study
Credibility	Establish whether the results of the research are believable.	The aim in this study has been to describe and understand the concept of CSI, using the SB Index as a case company. According to Guba and Lincoln (1994), the participants of the study (in this case mainly the respondents from the SB Index) are the only ones with the possibility to legitimately judge the credibility of the results. Therefore, steps have been taken to ensure that the information provided by the respondent have been interpreted correctly. The respondents have also been given the chance to reflect on the results throughout the process.
Transferability	Defines to what extend the results can be generalised or transferred to other contexts or settings.	To ensure that some level of transferability exist in this study, the analysis is based on already accepted theories. Additionally, the transferability was addressed by a thorough description of the research context used in the study, as well as the assumptions that have been central to the research. According to Bryman and Bell (2007), these actions can enhance the transferability of a qualitative study.
Dependability	The replicability or repeatability of the study - whether the operations of the study can be repeated.	In qualitative research and case study design, dependability means that the researchers should account for the ever-changing context that is research (Guba and Lincoln,1994). In this study, changes in the theoretical framework and empirical focus have been described. Furthermore, the theories used in this thesis, as well as the chosen method, have been described in detail.
Confirmability	Ensuring that personal values and theoretical inclinations of the researcher do not influence the results of the study.	A central step in order to enhance the confirmability in this study has been to critically evaluate the chosen theories. This has been done by conducting an excessive literature review before choosing the theories which the analysis is based on. Additionally, potential personal values, and whether they can negatively affect the results of the study, were discussed with the supervisor.

3.5.1 Criticism of the Chosen Method

As mentioned previously, a qualitative study, with a case study design and a flexible approach, was used to meet the aim of this thesis. Although the chosen method is well-suited for this thesis, there are some areas that require criticism. Bryman and Bell (2007) mean that qualitative research (as well as case study research), requires criticism. According to the authors, qualitative research tends to be difficult to replicate and leaves little room for statistical generalisation *(ibid.)*. However, the aim of this thesis has not been to create statistical generalisation. Instead, the method was chosen since the result of case studies (such as this study's results) can be used to generalise and develop new theories from (Bryman and Bell, 2007). More specifically, the results from this study can create an understanding of consumer sustainability indices in the context of CS in a Swedish setting.

Yin (2009) adds to the criticism of qualitative case studies by stating that case study research is subjected to bias of the researcher. When bias from the researcher is present it can have an influence over the study's result and its conclusion (*ibid.*). Bryman and Bell (2007) suggest that this can be explained by the researcher's inability to exclude himself/herself from the studied phenomena, since the researcher is the one responsible for gathering and interpreting the information. Steps have been taken to ensure the confirmability in this study (see table 3). However, the topic of this thesis was chosen partly as a result of a high interest and fascination of the case company Sustainable Brand Index. It should therefore be mentioned that the positive attitude to the case company's practises may have affected the result of the study.

3.5.2 Ethical Considerations

Since qualitative research often means closely studying the opinions, attitudes and beliefs of individuals and organisations in a specific context, it requires some ethical considerations. Ethical issues will be present in most phases of the research process (Bryman and Bell, 2007). Among the different ethical principles presented by researchers, mainly three are relevant to this study: confidentiality, informed consent, and deception.

In this study, the ethical aspect of confidentiality was addressed by ensuring that confidential information from the case company SB Index was respected and not published. This information mainly included sensitive parts of the SB Index methodology, documents not available to the public, as well as copyrighted material (e.g. logotypes and illustrations). The second ethical principle, informed consent, is described by Yin (2009) as the researcher obligation to acquire the participants consent to participate in the study, after providing information of the full details of research purpose and process. Informed consent was addressed in this study by thoroughly describing to the participant the initial purpose of the study, as well as providing updates on how the purpose has changed during the research process. The same measures were taken to address the ethical aspect of deception. Bryman and Bell (2007) means that *'deception occurs when researchers represent their work as something other than what it is'* (Ibid., 143).

4 Background for the Empirical Study

The following chapter gives a brief introduction to the empirical study by introducing the concept of Sustainability Indices and CSIs, as well as the case organisation – The Sustainable Brand Index (SB Index).

4.1 Sustainability Indices

A sustainability index can be described as a system that measures different organisations' sustainability performances based on a set of sustainability indicators (Fowler and Hope, 2007). Sustainability indicators are used to measure how well a firm is meeting the needs and expectations of its present and future stakeholders (*ibid.*). Common indicators include but are not limited to production material, pollution level, working condition. Rating agencies that provide sustainability indices use these above-mentioned indicators to create rankings between different companies. The rankings in turn provide effective ways for individuals or organisations to analyse and compare how sustainable different organisations are (Lopez *et al.*, 2007).

The concept of sustainability indices appeared quite recently, and has since become popular as a response to a growing interest in corporate sustainability (Finch, 2004). The growing interest in sustainability indices can partly be explained by an increased demand from the social investment market (sustainability-oriented investments), where the indices are used as an investment tool to calculate creditworthiness and risk exposure for companies (Finch, 2004; Healy & Palepu, 2001; Schäfer et al., 2006). According to Schafer *et. al.* (2005), by evaluating the economic, social and environmental performances of companies, and by making the results publicly available, these indices act as a link between organisations and their stakeholders. Sustainability indices often consist of different scores that are assigned to each company. The scores can in turn provide meaningful comparisons of companies in terms of their sustainability (Windolph, 2013). Moreover, sustainability indices can be compared to the purpose and function of credit ratings. Just as credit ratings aim to increase transparency and efficiency on debt capital markets, sustainability indices offer accurate and transparent information on how firms address sustainability (Sadovka, 2016). In addition, sustainability indices can also be used to understand a firm's future outlook by analysing the firm's environmental management plans (*ibid.*). Multiple sustainability indices exist, and among them two are widely used and accepted: the Dow Jones Sustainability Index and FTSE4Good (*ibid.*).

4.1.1 Consumer Sustainability Indices (CSI)

Rating agencies that produce sustainability indices have experienced considerable growths in the past decades (Windolph, 2013). Ferri and Liu (2005) means that there are multiple reasons behind this development. Firstly, firms now need to engage in sustainability reporting in order to meet new laws and regulations. Secondly, both national and international markets increasingly demand security and transparency. Another factor is that increasing numbers of investors have discovered the long-term value provided by sustainability-oriented investments.

A final contributing aspect, relevant for this study, is the increased interest and demand for information on corporate sustainability from consumers (Finch, 2004).

The growing interest in sustainability indices have resulted from different ways of calculating the sustainability scores that are assigned to each company (Koichiro and Aris, 2012). Almost all sustainability indices, including DJSI and FTSE4Good, conduct their ratings based on company performances (Sadovska, 2016). However, a new form of sustainability indices has recently begun to enter the market of sustainability indices and rankings. These indices, which are in this study referred to as consumer sustainability indices (CSI), do not solely focus on internal company performance when creating their rankings, but instead create sustainability scores by handing over the rating process to the consumers (www, SB Index, 2017). In short, the sustainability-rating agency in question (such as the SB Index) selects companies that are active in specific, targeted markets. By then using both qualitative and quantitative methods, the agency gathers information and data on how sustainable these companies are solely based on the consumer's judgment. The unit of analysis in this sustainability index method is the corporate brand of the chosen companies (*ibid.*). In other words, the consumers review different brands, and how sustainable they come across from a consumer's perspective. A simplified model over this process is illustrated in figure 6.
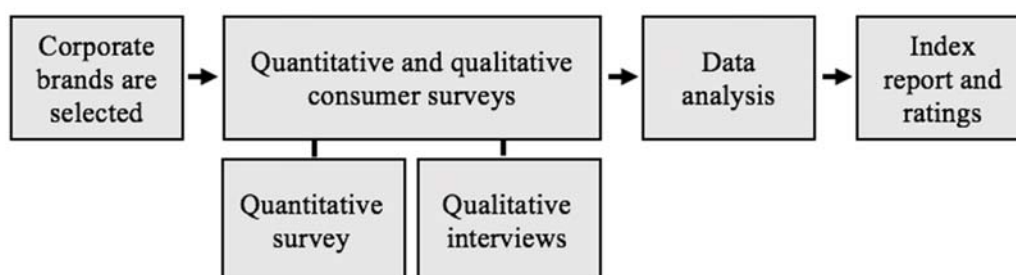

Figure 6. *The CSI method (own design).*

A more detailed illustration of the method behind CSI, based on the SB Index, is presented in chapter 5.

4.2 The Sustainable Brand Index

This section will introduce the case company of this study, Sustainable Brand Insights (SB Insight) and their CSI, the Sustainable Brand Index (SB Index).

4.2.1 A Brief History of the SB Index

The Sustainable Brand Index (SB Index) was founded in 2010 at the initiative of Erik Hedén, the founder and CEO of SB Index and Lars Dahmén (currently CEO of Bonnier Tidskrifter) (Pers. Com., Hedén, 2016). In the early part of the 2010s, a growing interest in corporate sustainability had resulted in many Swedish companies addressing sustainability-related issues. The sustainability activities that were used usually consisted of waste management, emission reductions, improvements of work conditions, and sustainability reporting. At the same time, a majority of Swedish companies had realised the importance of corporate branding and how a successful brand communication could improve the reputation of the firm (*ibid.*). The high interest in both corporate sustainability and corporate branding gave rise to the initial idea behind the SB Index (*ibid.*). The early goal of the SB Index was to conduct consumer surveys on sustainability in order to help companies improve their sustainable branding (*ibid.*).

The first sustainability ranking in Sweden was presented in 2010, and was at the time named Sustainable Brands (Pers. Com., Hedén, 2016). The index was owned by International Data Group (IDG), an organisation that provides media, data and marketing services. However, in 2012 the index was bought by Hedén and was renamed Sustainable Brand Index. The SB Index focused on the Swedish market, studying brand perception among Swedish consumers. As the demand for consumer-based sustainability indices grew, the SB Index expanded their brand study to include markets in Denmark, Norway and Finland as well (*ibid.*). As of 2017, the study is also performed in the Netherlands (www, SB Index, 2017). The Netherlands is the first country outside the Nordics in which the study has been carried out. The Netherlands was chosen as a field country for the study because it evidently has a market that is currently developing similarly to the way that the Swedish market developed during the first years of the study (pers. com., Hedén, 2017).

4.2.2 The Idea Behind the SB Index

The main purpose of the SB Index is to 'highlight the value of sustainability branding and raise awareness about it' (www, SB Index, 2017). This goal is accomplished by motivating and inspiring companies to improve their sustainability work, by the means of offering them tools for improved sustainability branding and communication. Hedén (www, 2016) describes the vision behind SB Index:

'The vision of Sustainable Brand Index is to become a global index, presented in several countries around the world. As a global index, we can put more pressure on the companies included in the ranking, and create an increased interest in sustainability among consumers' (pers. com., Hedén, 2016)

The SB Index is a profit-driven index group with five indices, one in each country (Sweden, Norway, Denmark, Finland and The Netherlands) (www, SB Index, 2017). The report from each market is available to the public for free and contains three parts: i) An evaluation and ranking of corporate brands from a sustainability perspective, ii) an analysis of the sustainable consumer, and iii) a report on developments and trends within sustainability (*ibid.*). Additionally, The SB Index offers individual brand reports to companies. This service is payed for by the company/customer, and in return their corporate brand will be evaluated and analysed by SB Index and their evaluation methods (pers. com., Hedén, 2017). A more detailed description of the index and its methodology is presented in chapter 5.

4.2.3 Company Information

The Sustainable Brand Index is owned by Sustainable Insight AB (SB Insight). SB Insight is a joint-stock-company that provides services in sustainability branding (www, SB Insight, 2016). Apart from the SB Index, SB Insight also offers brand analysis and reports, as well as education and training. As mentioned above, the SB Index is present in five countries. The Swedish Index, in which the focus of this study lays, is the first and largest index. The small group that produces the index consist of four people with various responsibilities. The team is located in Stockholm.

In total, the SB Index includes approximately 800 brands in their five indices, which are evaluated by around 30 000 consumers (www, Hedén, 2016). The 2017 Swedish index consists of 286 brands, and the assessment is conducted using 11 000 Swedish consumers. In 2011, when the first index was released, the SB Index had 35 customers that wanted their corporate brands analysed. Since then, the SB Index has increased its customer base each year, and currently has around 100 customers (pers. com., Hedén, 2017). According to Hedén (pers. com., 2017), the majority of the customers are pleased with their brand reports, and 90-95% of them re-order the report on an annual basis. Furthermore, the customer base mostly consists of large corporations, such as Ikea, Preem and the SEB Group. A corporate brand report for the Swedish market costs 80 000 SEK (approx. 8400 euro) (*ibid.*) The report includes a written analysis and a presentation, in which the results are presented along with recommendations of brand communication strategies.

4.3 The Respondents

This section will present the interview respondents. The first two interviewees, Hedén and Kausits, provide the empirical information on the SB Index. Parment was interviewed as a key informant in this study.

4.3.1 Erik Hedén, SB Index

Erik Hedén is the managing director and partner at Sustainable Brand Insight, as well as the founder of the Sustainable Brand Index. He has an academic background in business

administration, with a focus in marketing and strategic management in the form of a master degree from Lund University (pers. com., Hedén, 2017).

4.3.2 Maria Kausits, SB Index

Maria Kausits is a partner of Sustainable Brand Insight and the analysis manager at Sustainable Brand Index. As an analysis manager, she oversees the consumer study and is in charge of both the quantitative and qualitative study (pers. com., Kausits, 2017). Kausits has a background in statistics, with a bachelor in mathematic statistics from Stockholm University. She was quickly recruited by Hedén when he bought the SB Index from IDG in 2012. When it comes to the SB Index, Kausits mostly focuses on the quantitative study and has an important role in the process of gathering and analysing the data that the index is bases its ranking on (pers. com. Hedén, 2017).

4.3.3 Anders Parment, Stockholm University

Anders Parment works as at the Department of Business Administration at Stockholm University, as a researcher and teacher (www, Anders Parment, 2017). With a PhD in Economics, Parment conducts research in consumer behaviour. He specialises in how different consumer groups relate to corporate brand and corporate branding. Parment has written several books about corporate branding, sustainable branding and marketing, as well as numerous publicised academic articles in the field of marketing, consumer behaviour and organisational strategy (ibid.).

5 The Empirical Study of SB Index

In order to give body to this study, as well as to add to its ability to evaluate the role of a CSI to promote more sustainable corporate branding, chapter 5 will present the two SB Index reports in detail, whilst also linking their content to the wider contexts. The chapter will describe the sections that together create the official report, how these are created, and with which methods they are developed. Finally, the chapter will make a concluding remark concerning the SB Index's ability to contribute to sustainability at large, ultimately bringing the study into its final stage and its analysis.

5.1 The Sustainable Brand Index Report

The annual results from the SB Index study consists of three parts: 1) A ranking and an evaluation of corporate brands, 2) A mapping of the sustainable consumer, and 3) Development and trends within corporate sustainability. In this section, each of these parts will be presented.

5.1.1 Sustainability Development and Trends

The first part of the Sustainable Brand Index Report consists of a presentation on current developments and trends that affect companies, corporate sustainability, and sustainability branding (SB Index, 2017). The developments and trends presented in the SB Index report are based on events that have taken place during the past year. The SB Index studies the progress of corporate sustainability and sustainability branding in Sweden each year, and creates a summary of the findings in its final official report, which is released on an annual basis (pers. com., Kausits, 2017). As a result, the trends and developments are updated each year, which makes the report highly topical in its approach and delivery. The report's overall aim of presenting sustainability developments and trends is to focus on the surrounding world to provide companies and other stakeholders (such as consumers) the possibility to put the results regarding brands and consumers in the appropriate context. According to Hedén (pers. com. 2017), it is important to understand the development of corporate sustainability in Sweden in order to understand the results of the study (the ranking). Without a description of sustainability in Sweden, the ranking will be nothing more than a list of different corporate brands (ibid.). What is evident from the report but also from other research, is that Swedish corporations are often praised for their far-reaching work within CS.

The first part of the report that covers sustainability developments and trends, also presents on several of their key findings. These findings typically revolve around events that have affected corporate sustainability in Sweden, and how these change the landscape for successful sustainability branding efforts. For example, the most significant events in the 2017 report included analysis on what effects Brexit would have on the EU, Russian aggression, the continued refugee crisis into Europe, as well as the U.S. presidential election (SB Index, 2017). Each of these events affected, and still affect, how corporate sustainability further develops in Sweden, and how Swedish consumers prioritise among different sustainability issues. On a

more basic level, this study would even suggest that significant events like these change people's values and mindsets, which ultimately could lead to both increased or decreased levels of sustainability awareness.

Other key findings in the annual report also usually describe how business leaders view sustainability, i.e. it highlights the amount of focus on corporate sustainability among business leaders, and the different factors that influence their interest in sustainability (pers. com., Hedén, 2017). Key findings in the 2017 report showed an increased focus on sustainability among management teams and company boards. This comes as a result of new, well-communicated, alarms about the decreasing conditions in the Arctic, the melting ice sheets, as well as the danger of extreme weather conditions in different parts of the world (ibid.). According to Hedén (pers. com. 2017), the key findings make it easier to understand the results of the ranking, and can also assist companies that aim to understand corporate sustainability in a Swedish setting.

In the second part of 'Sustainability Developments and Trends', the SB Index presents different topics on sustainability that have implications for companies in the study (SB Index, 2017). One of the most central of these topics is how consumers prioritise among various sustainability goals, that have been set out by the United Nations. In the 2017 report, the three most important goals were climate actions, decent work conditions and economic growth, and responsible consumption and production (ibid.). This thesis would suggest that these three main goals, as prioritised by the consumers, help SB Index to formulate a comprehensive approach when analysing the companies in their official report.

The section covering 'implications for companies' in the SB Index report also includes key findings on how much Swedish consumers talk about sustainability, and how much sustainability influences their buying decisions. According to Parment (pers. com., 2017), it could be argued that consumers' abilities to make informed decisions in terms of what they purchase, and from which company, have increased drastically as a result of communications tools, such as social media, news reporting, blogs, and opinion sites. All these 'tools' have created greater transparency, hence a greater purchasing power to the consumers. Considering CS in this regard, it is obvious that corporations are no longer only constrained by rules and regulations, but by the consumers.

5.1.2. Mapping of the Sustainable Consumer

The second section of the SB Index official report contains a mapping of the sustainable consumer. In this 'consumer mapping', the SB Index studies the sustainability behaviour of Swedish consumers. A number of patterns is extracted by exploring how consumers say how they act in different situations, and the results are then cross-analysed with the underlying structures of their attitudes (SB Index, 2017). From these patterns, SB Index can map out the consumers by identifying certain common characteristics or behaviours of the consumers. Examples of these characteristics include sustainability values, general interests and consumer segments (e.g. age, gender, where they live, etcetera.). Once these characteristics have been identified, the Swedish consumers are then categorised into four different groups that reflect

their values and interests of corporate sustainability. The four consumer groups created by the SB Index include: 1) Ego, 2) Moderate, 3) Smart and 4) Dedicated. Figure 4 provides a summary of these groups and describes each group's characteristics, as well as what priorities they have in terms of sustainability.

Table 4. The SB Index behavioural groups (based on SB Index, 2017).

Behavioural Group	Behaviour/Characteristics	Priority
01 EGO DO NOT CARE ABOUT SUSTAINABILITY	• Middle-aged man on the countryside or in the city. • Traditional values. • Interested in sports and local news. • Not interested in sustainability.	Simplicity and Price
02 MODERATE BELIEVE THAT SUSTAINABILITY CAN BE A BIT INTERESTING	• The average consumer. • Satisfied with life – does not make any fuss. • Thinks that sustainability is more and more interesting.	Quality, Function and Longevity
03 SMART CURIOUS & INTERESTED IN SUSTAINABILITY	• Determined to live by high standards. • Likes to discuss sustainability and learn more. • Thinks that sustainability is very interesting.	Quality, Service and Health
04 DEDICATED ZEALOUS & WELL-INFORMED ON SUSTAINABILITY	• Knowledgeable and well informed about sustainability. • Actively seeks information on sustainability. • Zealous and critical towards corporations. • Focused on sustainability, whatever the situation.	Sustainability

Ego, the first group of the four behavioural groups, reflects the consumer group with the lowest interest towards sustainability (SB Index, 2017). According to the SB Index, this consumer is generally a man with traditional values and a strong view of how society functions. Ego's educational level is slightly lower than the national average, and the main priorities regarding consumption are simplicity, price and availability. His greatest interests are generally his own existence, and he is therefore less worried about and less interested in sustainability issues. The

second consumer group, called *Moderate*, has a moderate interest in sustainability (ibid.). The results from the SB Index report show that this group can be seen as the average Swedish consumer. Moderate can therefore be considered as the 'ordinary citizen'. This consumer group is not very active in the sustainability discussion but still follows the sustainability development. Although sometimes worried about sustainability issues, Moderate is generally satisfied with his or her life. As a consumer, important priorities include longevity, quality and function. Although the interest in sustainability is described as moderate, it is constantly increasing (ibid.). The third consumer group is named *Smart,* and is often defined as a woman with great concern for her wellbeing and health (ibid.). She has a high standard of living, and has therefore a high expectation on the companies whose products and services she uses. Quality and service are essential priorities, and she wants to combine her self-interests with sustainability. The group Smart has a strong opinion on sustainability, and is willing to participate in discussions. The fourth and final consumer group consists of consumers with a high interest in sustainability, named *Dedicated* (ibid.). With a high knowledge of sustainability, Dedicated prioritises sustainability in all parts of life. This consumer group has a low level of trust towards companies, and avoids accepting biased information from companies. While Dedicated is well informed concerning different companies' corporate sustainability actions, the understanding of companies and their ambitions is very limited (ibid.). Additional information on the four consumer groups and how they have developed the past years is presented in Appendix 2.

5.1.3 Brand Ranking and Evaluation

The final part of the SB Index's official report is the brand ranking itself. The 2017 report involved a ranking and evaluation of 286 corporate brands (SB Index, 2017). The ranking is a result of consumer surveys as well as semi-structured interviews, i.e. a mix of a quantitative and a qualitative study (the method used by SB Index when producing the index is presented in section 5.2).

The SB Index's brand ranking and evaluation presents the top ten sustainability brands, with a description of how these brands have scored in the past. According to the SB Index (2017), the top ten brands are all close to the consumers, meaning that they consider Swedish consumers as one of their most important stakeholder groups. These companies all have well-established communications with the consumers, and aim at making the consumers part of the decision process (pers. com., Hedén, 2017). As previously mentioned, this company-consumer relationship is of great importance in the corporate branding process, as consumers nowadays have such easy access to information and communication tools that impact their decision-making.

In addition to the close consumer relationships, the highest scoring companies have also prioritised sustainability in their strategic communication (SB Index, 2017). Moreover, the ten brands that scored the highest in the ranking was generally corporate brands owned by Swedish companies (pers. com., Hedén, 2017). For example, Apoteket, a Swedish, state-owned pharmaceuticals retailer received first place in the ranking in both 2016 and 2017. Other

Swedish companies in the top ten list include Saltå Kvarn, ICA, IKEA, COOP, Lantmännen, and Systembolaget (SB Index, 2017). The full 2017 sustainability brand ranking is presented in Appendix 3. Furthermore, in the index, the brands are also categorised by which industry they belong to. The 2017 official report contains corporate brands from 22 different industries. In table 4, each 2017 industry winner is presented. The table shows the company behind the corporate brand, the industry that the company is active in, and the brand's ranking in the Swedish official report. Of these brands, the industry leaders consist of a variety of well-known commercial brands and state-owned companies (*ibid.*).

Table 5. *Industry leaders in the SB Index ranking, with their specific ranking in the full ranking list (SB Index, 2017, 20).*

#	Company	Industry	#	Company	Industry
1	APOTEKET	PHARMACIES	31	GOOGLE	DIGITAL
2	SALTÅ KVARN	FOOD & BEVERAGE	47	KPA PENSION	PENSION
3	ICA	GROCERY STORE	48	FOLKSAM	INSURANCE
4	IKEA	FURNITURE, DECORATION & LEISURE	62	ICA BANKEN	BANKS
7	TESLA	CARS	66	MICROSOFT	TECHNOLOGY
11	SJ	TRAIN, BUS, BOAT & TAXI	85	SAS	AIRLINES
13	THE BODY SHOP	CLOTHES & BEAUTY	97	SVENSKA SPEL	GAMBLING
15	GODEL	ELECTRICITY	103	TELIA	TELECOMMUNICATIONS
21	MAX	FAST FOOD	107	OKQ8	FUEL
28	BILPROVNINGEN	SERVICES	118	TUI	TRAVEL
29	SCANDIC	HOTELS	136	ORKLA	FMCG

Additionally, the official report includes a ranking of how sustainable the different industries are, according to the Swedish consumers. In other words, in addition to the companies and the brands themselves, the 22 industry groups to which these belong are rated and ranked by the consumers based on their sustainability levels. In the 2017 report, the top five industries were 1) pharmacies, 2) grocery stores, 3) electricity, 4) hotels, and 5) food and beverage (SB Index, 2017). In the report, the ranking is finalised with a presentation of the ranking development between 2011 and 2017. Each brand's 2017 score is presented and compared with its achieved score from previous years.

5.2 The Sustainable Brand Index Method

This section will present the method used when the SB Index is developed. The method consists of a quantitative study, with consumer surveys, and a qualitative method, with consumer interviews.

5.2.1 The SB Index Process

The official Sustainable Brand Index report is based on a three-part study, that includes two quantitative consumer surveys, and a qualitative study in the form of in-depth interviews. The process of the study is presented in figure 7.
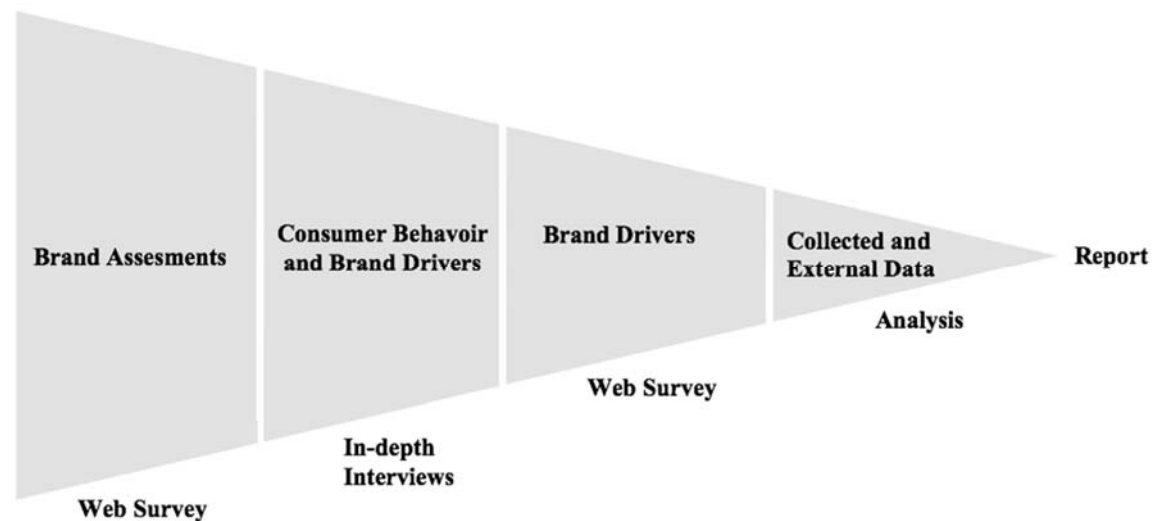
Figure 7. *The SB Index process (www, SB Index, 2017)*

The process of creating the SB Index begins with a *brand assessment*, which is an extensive consumer survey in which the consumers evaluate and rank the corporate brands that are included in the study. In the 2017 official report, 287 brands were evaluated and ranked by approximately 11.000 Swedish consumers (pers. com. Hedén, 2017). In terms of the corporate brands chosen for the study, the SB Index decides which these should be based on three different criteria (SB Index, 2017): *1) Market presence in the specific country.* The company behind the corporate brand needs to be active in the Swedish market. There are numerous well-known international brands that belong to companies that does not operate in Sweden. Since the study is based on the perception of Swedish consumers, the company must be active in the Swedish market. *2) Turnover and Market share.* The SB Index does not require a brand to have any specific numbers reached in terms of turnover and market share in order for it to be included in the study. However, due to SB Index's limitation to evaluate only ten to fifteen brands from each industry, they will pick the companies with the highest turnover and market share in each industry (pers. com. Hedén, 2017). *3) General brand awareness.* General brand awareness simply means that Swedish consumers must be aware of a brand's existence. The brand

assessment survey is described further in section 5.2.2. With these criteria, The SB Index aims to provide a selection that reflects brands that consumers meet in their everyday life (SB Index, 2017).

The next step in the process of creating the SB Index is a qualitative study in the form of in-depth interviews about *consumer behaviour and brand drivers*. The aim with this study is to better understand why the consumers perceive the brand the way they do. In other words, the first web survey shows how sustainable the corporate brands are according to the consumers, and the interviews in the next step then help the SB Index understand the reasons behind the scores (pers. com., Hedén, 2017). The final step consists of a second quantitative survey. This survey also focuses on brand drivers, but focuses on how why the SB Index's customers have scored in a certain way. The goal with the second consumer survey is to use the information provided by the initial studies (the first web survey and the in-depth interviews) to understand the strength and weaknesses of the customer's sustainability branding. In the final step of the process, the gathered data is sorted and finally analysed. The Sb Index method of analysis is confidential, and will not be presented or discussed in this study.

5.2.2 The Quantitative and Qualitative Study

As mentioned above, the SB Index's official report is based on two quantitative studies: one web survey in which consumers evaluate corporate brands in terms of sustainability, and an additional web survey that the SB Index uses to understand the reasons behind the results. The SB Index attempts to provide a good representation of the Swedish consumers in the selection of respondents. The target group is defined as the public, meaning Swedish consumers who are 16 years and older (www, SB Index, 2017). The method that is used is a stratified selection, in which the population is divided into smaller groups. The groups are formed based on gender, age and geography, to ensure an acceptable distribution (pers. com., Kausits, 2017). The SB Index uses an external supplier that provides services in market research, which helps them develop the web survey, as well as reaching out to respondents (*ibid.*). The response rate consists of around 11.000 respondents. Each respondent answers questions of a maximum of 25 different corporate brands, and each of the 286 brands is in turn evaluated by approximately 1000 respondents (*ibid.*). The SB Index estimates that it takes around ten minutes to answer the first consumer survey, and between seven and eight minutes to answer the second survey. The initial questions cover the demographical aspects, and is then continued with matrix questions concerning the selected brands (pers. com., Kausits, 2017).

5.3 The Individually Tailored Brand Reports

As described above, the official SB Index report contains a ranking of multiple brands. After the report has been released, companies are offered an individual brand report conducted by the SB Index (pers. com., Hedén, 2017). Based on the data collected in the official report, SB Index creates a tailored report for specific companies' corporate brands (www, SB Index, 2017). The aim of the individual report is to offer a complete analysis of a specific corporate brand from a

sustainability perspective. The brand-specific reports are the SB Index's primary income source, and the Swedish report costs 80 000 Swedish crowns (approximately 8300 Euro) (pers. com., Hedén, 2017). The consumer base is continuously increasing and it currently consists of around 100 customers (ibid.). According to Hedén (pers. com., 2017), SB Index can offer a deeper brand analysis, along with strategic recommendations, because they have the resources to conduct a personal analysis of the specific brand:

'It is possible to create an auto-generated individual brand report based on our consumer data, by simply pressing a button. However, this is not how we do things. Our reports are instead a result of hours of manual work and consists of a tailored analysis that we present to the client, both orally and in writing.' (Pers. com., Hedén, 2017).

According to Kausits (pers. com., 2017), it has been estimated that a great majority of the customers benefit from the report. Between 90-95 percent of the customers re-order new reports annually, and the companies that buy the brand reports generally consider it as a cheap and effective corporate sustainability tool (Pers. com., Hedén, 2017).

5.3.1 The Content of the Report

The overall content of the individual brand report includes three different parts: an analysis of the corporate sustainability brand, the consumer perception of the company's sustainability brand, and an analysis of the overall corporate sustainability interest in the market that the customer is active in (Pers. com., Hedén, 2017). The SB Index refers to their individual brand report as an analysis of three elements: the brand, the consumer, and the market (*ibid.*). These three parts has a similarity to the three chapters in the official report. When the SB Index evaluates the customer's corporate brand, they first present different key drivers behind what a sustainable brand should look like. The most essential key drivers include what drives consumers to consume sustainability, such as a focus on health and safety, or environmental concerns (*ibid.*). The customer's performance related to these key drivers are then presented along with the reasons behind the levels of performance (www, SB Index, 2017). The second part of the report, concerning the consumers, involves a new consumer study in which Swedish consumers evaluate the customers' corporate brand in terms of sustainability. By conducting a tailored and brand specific consumer study, the SB Index can better understand how the consumers view the customer's sustainability brand. Additionally, the results from the study show the consumers' attitudes and behaviours regarding sustainability, as well as to the specific brand (*ibid.*). Finally, the report studies different external factors and trends affecting the brand (www, SB Index, 2017). Based on sustainability trends and development in the Swedish market, the SB Index analyses which sustainability trends the customer should focus on (*ibid.*).

6 Analysis and discussion

The following chapter presents the study's analysis and discussion, which will be based on the research questions formulated in Chapter 1. To reach a comprehensive and accurate analysis, the evaluation of the research questions will be based on the theoretical framework (Chapter 2) and the empirical study of the SB Index (Chapter 5). The research questions are presented in the following order:

1. *What are the areas of application for the SB Index?* This research question was formulated to steer the study towards the understanding of how the SB Index can be used and by whom. Analysis and discussion on the question is presented in subheading 6.1.

2. *What impact do SB Index's practices have on the development of sustainability branding?* This research question was formulated in order evaluate the SB Index's practices, and the research question supported the study's aim of understanding how SB Index's practices impact the development of sustainability branding. Analysis and discussion on the question is presented in subheading 6.3.

3. *How can the SB Index contribute to improved corporate sustainability within the Swedish sustainability market?* This research question was formulated in order to place SB Index in a larger perspective, and to demonstrate how SB Index's work fits in that perspective. The research question aimed give the study another dimension. Analysis on the question is presented in subheading 6.4.

6.1 The SB Index: Area of Application

Consumer sustainability indices, such as the SB Index, are a fairly new index type. Previous research, such as Sadovka (2017), have investigated how the more conventional sustainability indices (such as the DJSI) can be used and by whom. However, little research has been carried out on CSIs' areas of application. The first section in this chapter will therefore analyse and discuss how the SB Index can be used, by who, and how this compares to more conventional sustainability indices.

6.1.1 The Official Report

If consumer sustainability indices (CSI) are compared to the more 'conventional' sustainability indices (such as the DJSI) in terms of their areas of application, more differences than similarities exist. When it comes to similarities between the two index types, both forms of indices have become popular as a response to a growing interest in corporate sustainability (Finch, 2014; pers. com., Hedén, 2017). However, CSIs are not as widely used as the more conventional indices. The main reason behind this is because CSIs are a relatively new index form, and have not yet reached the status as conventionally used methods. Conventional

sustainability indices have been around for a far longer time than CSIs. For example, the DJSI was first released in 1991 (www, S&P Dow Jones Indices, 2017), while the Sustainable Brand Index's first release took place in 2010 (pers. com. Hedén, 2017).

There may be another important reason to why the SB Index is not yet as widely used. This has to do with the trustworthiness of the SB Index's ranking. As suggested by Sadovska (2016), conventional sustainability indices, such as DJSI, are based on corporations' actual sustainability performances, and can therefore be used as an investment tool. Social investors, i.e. investors that strive for both a positive social outcome, as well as a positive financial return, can use these indices because they are based on hard data. As stated by Schäfer *et. al.,* (*2004*), social investors need hard data (i.e. information such as numbers or facts that can be proved) in order to evaluate the corporate sustainability of different companies. According to Schäfer *et. al.* (2004)*,* this would mean that the SB Index's CSI is not suitable as an investment tool since it is based on the values, opinions and feelings of the consumers. However, this thesis argues that the SB Index ranking actually could be used as a tool for social investors. Finch (2004) states that sustainability indices can be used as an investment tool to calculate risk exposure for companies. Furthermore, The International Finance Corporation (www, IFC, 2017), means that one of the most central risks that companies must address is reputational risk. Social investors are exposed to reputational risks due to potentially negative publicity linked to a client's or investee's poor environmental and social practices (*ibid.*). As a result, this can harm the social investor's a brand value and image in the media, with the public, with the business and financial community, and even with its own staff (*ibid.*). The SB Index's CSI shows how consumers view the sustainability brand of different companies, i.e. the brand ranking shows how sustainable the brand is according to the consumers. This thesis argues that social investors can use this information to estimate the reputational risk linked to negative publicity of their clients/investees. A social investor that is in the process of evaluating whether to invest or not in a Swedish company, can use the SB Index to create an understanding of how sustainable the company's corporate brand is according to Swedish consumers.

The SB Index's CSI can also be used by the companies that are included in the evaluation and ranking. The SB Index ranking serves as a receipt of how good a company's sustainability branding and communication strategies are. The official SB Index ranking is offered, for free, on an annual basis (www, SB Index, 2017). This means that companies have a cost-effective way of controlling whether their sustainability branding strategies have resulted in increased brand reputation among sustainable Swedish consumers. Finally, it needs to be mentioned that the SB Index is using its CSI as a way of marketing their individually tailored brand reports.

The results related to the application of the SB Index's official report can help the understanding of how CSIs contributes to improved corporate sustainability within a larger context (the Swedish market), which is the aim of this study. Berry and Junkus (2013) means that more social investments are needed for corporate sustainability to move forward, and that for this to happen, better social investment appraisal must be created. Although the SB Index's ranking alone is not an adequate basis for social investment evaluation, it can provide meaningful information on reputational risks associated to an investee's corporate brand. Without the

information provided in the SB Index's official report, social investors would have to conduct their own market research, which would be both costly and time consuming.

6.1.2 The Individually Tailored Brand Reports

There are primarily five reasons to why their customers choose to purchase the individual brand report each year (pers. com., Hedén, 2017). The report adds value to the client's corporate sustainability work by providing:

- *Increased market knowledge:* The brand report acts as a valuable addition to the client's own market research. The report helps the company identify how external factors affect their sustainability brand. According to Hörish *et. al.,* (2014), such information can increase the company's knowledge of important sustainability issues and their stakeholders' attitudes towards these issues.

- *Basis for strategic decisions:* The data and analysis provided by the SB Index can act as a foundation in the creation of a future marketing and communication plan. Marketing and communications teams can use the individual report as a tool for deciding what actions should be taken within sustainability, branding and communication, as well as how these actions should be carried out (pers. com., Hedén, 2017).

- *Discovering risk and unveiling opportunities:* As mentioned above, the results in the individual report shows how different macro and micro sustainability trends and developments affect the corporate brand, both negatively and positively. By using this information, the client has the possibility and opportunity to uncover risks, which gives the marketing and communication teams the opportunity to be proactive in their planning (pers. com., Hedén, 2017). Additionally, the report can create a foundation for marketing campaigns and overall communication (pers. com., Kausits, 2017).

- *Key performance indicators:* The brand parameters in the individual report can be used as internal key performance indicators (KPI). A KPI can be described as a type of performance measurement used when evaluating factors that are essential for the success of a company (López *et al.*, 2007). Marketing, communications, and sustainability departments have targets that they need to exceed. The KPIs provided by the individual brand report can be used to ensure that enough resources are used to build and maintain the sustainable brand.

- *Planning tool:* According to the SB Index (2017), one of the most important reasons for why their clients choose to purchase the individual brand report is because the report can be used as a planning tool. The report enables the clients to better recognise target groups and how these groups behave, which helps the client to develop effective corporate sustainability communication.

Not only by ranking companies in terms of how they live up to sustainability expectations and standards in the market, the tailored SB Index reports offer an attractive solution to fundamentally understanding what a problem is in an organisation, or what a company is doing well already, when it comes to their sustainability branding efforts.

By making the reports tailored, it can be argued that SB Index creates approachability and easy access for specific companies to implement individual sustainability strategies into their operations. In other words, it could be argued that companies will have an easier time implementing analytical results and recommendations that come from the reports, since they are tailored and dedicated to their specific companies. Moreover, it might even be said that the individual results increase motivation among companies as a result of this. Furthermore, it could also be said that in a hectic industrial environment in which sustainability might not be the highest priority for some, the tailored SB Index reports, saves companies time in that the companies can use the tailored reports instead of having to draw conclusions of their own from the official SB Index report.

Anders Rynell is the director of brand and customer insight at Apoteket - the organisation that has reached first place in the official brand ranking in both 2016 and 2017. Rynell (2017) describes the value of the individual report for Apoteket:

"Sustainable Brand Index is an important tool for us at Apoteket. The study highlights sustainability in a way that is relevant and creates interest among various stakeholders in society. Our tailored brand report has been crucial for our development in recent years – both internally and in the official ranking. (…) The rigorous insights in the report are valuable and give us a solid foundation to work with both our brand and our communications." (pers. com. Rynell, 2017)

Although Rynell's remarks above serves as an opinion and an evaluation that point to the positive effects and successful applications of the SB Index's work, it should also be mentioned that this statement can be somewhat biased. Since Apoteket has been ranked the number one most sustainable Swedish brand in the SB Index report two years in a row, it could be said that their positive experience influences the company's perception of the SB Index method. Even though incorporating Rynell's view could be deemed redundant because of its biased nature, it was important to mention it since it contributes to the study's nuanced and well-rounded perspective and approach. The value and quality of the results linked to the area of application of the SB Index's individually tailored reports, should also be addressed. It can be argued that the value and quality in terms of credibility and generalisability might be negatively affected by the fact that the study's method did not include any interviews or observation with the companies that are using SB Index's services. The credibility of the results can be questioned since they are based mainly on information provided by the creator of the brand reports (The SB Index). In other words, there is a risk that the information is biased. To enhance the credibility, interviews with multiple customers of SB Index are needed, which was not possible due to the time constraints of this study.

6.2 The SB Index's Impact on Sustainability Branding

According to Stuart (2011), the knowledge surrounding sustainability branding is still under researched. As previously explained, the SB Index were chosen as the case company for this study since its practices sheds light on this area. The following section contains a reflection on how the SB Index have an impact on sustainability branding, based on the theories presented in chapter 2.

6.2.1 The VCI-Model

As described in the theoretical framework, Hatch and Schultz (2001) have studied what makes a corporate branding process successful, i.e. how companies can create and maintain a successful corporate brand. Their study resulted in the Vision-Culture-Image Alignment model (VCI-model). The central idea behind the VCI-model is that the areas of vision, culture and image must be in alignment with each other in order to create a successful corporate brand. The stronger connection between vision, culture and image, the stronger the corporate brand (the VCI-model is presented again below in figure 4.). This thesis argues that 1) Hatch and Schultz's (2001) model can be applied to the concept of sustainability branding, and 2) with the help of the VCI-model, it is possible to better understand how SB Index can have an impact on sustainability branding.

Figure 4. *The VCI Alignment model (Hatch and Schultz, 2008, 11).*

When applying the VCI-model to the notion of sustainability branding, a company must reflect over its corporate sustainability by considering all areas in the model (*ibid.*). As stated by Stuart (2011), corporate branding can be viewed as a process in which a firm signals its key values, and builds an image that reflect those values. A sustainability brand in turn communicates the firm's promise and commitment to sustainability as a core value (*ibid.*). In order for this communication to be successful, sustainability must be integrated in both the strategic vision,

organisational culture, and the stakeholder image. Firstly, an organisation's strategic vision can be described by what an organisation aspires to be in the future (Collin and Porras, 1994). Here an organisation must make sure that sustainability is what the company aims for, i.e. make sustainability a key issue in its strategic vision. Secondly, a company with a successful sustainability brand must have an organisational culture that embraces sustainability (Kumar and Christodoulopoulou, 2014) This means that sustainability must be a priority among leadership, management teams, and employees. Finally, the stakeholder image, i.e. the overall view of a company developed by its stakeholders, must reflect sustainability.

This thesis argues that the practices of the SB Index can help a company to align its vision, culture and image, so that sustainability becomes an integrated part of its corporate brand. Furthermore, this study has resulted in a model, based on Hatch and Schultz (2001), presented in figure 8. The model, shows the key factors that need to be addressed when a company attempts to align its vision, culture and image in order to create a sustainability brand, and how the SB Index help companies in this goal.
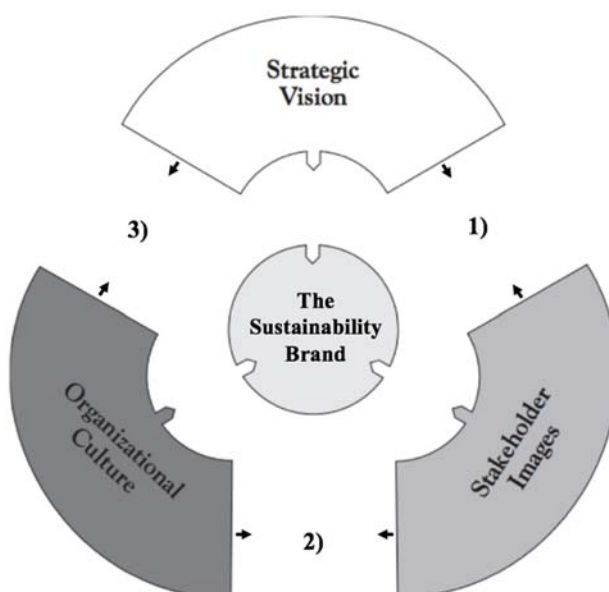
Figure 8. Alignment of vision, culture and image when creating a sustainability brand (based on Hatch and Schultz, 2008, 11).

1) *The sustainability views of the consumers must become a part of a company's strategic vision process.*

The views of the consumers have a close connection to a company's brand image, since the views or opinions of the consumers will strongly contribute to how the corporate brand will be perceived (Harrison, 2013). Therefore, the sustainability views of the consumers must be addressed and included in the creation of the strategic vision. The SB Index can help companies to meet this goal, since they can provide insights on both sustainability trends and sustainable

consumption behaviour (SB Index, 2017). Firstly, their study on sustainability trends and developments shows how consumers prioritise among various sustainability goals, i.e. what sustainability views they consider most important. Secondly, the SB Index's mapping of the sustainable consumer can provide information valuable to the sustainability branding process by helping companies identify what consumer groups identifies with the company's strategic vision.

2) *The sustainability brand must be based on values that are in line with the organisational culture, since this leads to a higher brand credibility in the eyes of the consumers.*

According to Parment (pers. com., 2017), achieving brand credibility requires that the whole organisation behind the brand 'speaks the same language'. In other words, every member of the organisation must communicate the same sustainability message to create a sustainable brand image. By educating the customer of the importance of internal communication in the sustainability branding process, the SB Index can help their customers to create a united external communication of the sustainability values.

3) *In order for a sustainable strategic vision to be reached, the company needs to have a unified and comprehensive organisational culture, in which all layers are dedicated to implementing sustainable measures throughout the organisation.*

Creating a sustainability brand requires motivation and dedication from all employees of an organisation (Zouganeli *et al.,* 2012). According to Parment (pers. com., 2017), this necessitates an organisational culture that promotes, inspires and motivates the organisational members to actively address corporate sustainability. It could be argued that helping customers in this area creates the biggest challenge for the SB Index, since it involves working with the organisational culture of the customer. Changing the organisational culture of a company is a complex and difficult task that does not happen over night (Galnaz and Lees, 2001). Such an extensive and time consuming task might be unmanageable for the SB Index. However, the SB Index's expertise can guide the customer in identifying a vision for the organisation culture, but the implementation of the new culture must be addressed by the customer itself.

6.2.2 The Individually Tailored Brand Reports' impact on Sustainability Branding

The individually tailored SB Index brand reports, as discussed in the empirical study of the SB Index (chapter 5), can to a purchasing company serve as a corporate sustainability tool. This tool can help corporations develop, and ultimately improve, their corporate brand by understanding how their consumers view their brands in terms of sustainability. In other words, it could be argued that these reports serve as strategic tools for companies to gain more acceptance and tolerance from consumers who are concerned about sustainability, particularly consumer groups such as the 'smart' and 'dedicated' (described in section 5.1.2).

Whilst the ambition of the SB Index and the tailored reports is to enhance sustainability efforts among Swedish corporations, this study found an important backside to this ambition, which counters its purpose. The sum of 80.000 SEK (pers. com., Hedén, 2017) that a corporation pays

to purchase a tailored SB Index report is in relative terms a surmountable sum. This is proven by the fact that around 100 companies buy the tailored reports annually. However, the sum of 80.000 SEK can to numerous Swedish companies and start-ups be a significant amount of money in relation to the size of their businesses. As a result, a large number of small Swedish companies might abstain from, or be unable to, purchase the report. In theory, the exclusion of these companies from the sustainability efforts that SB Index has aimed to create might reflect poorly on the aimed goal of the SB Index. In other words, companies that cannot afford to purchase the tailored reports will get a disadvantage in their sustainability branding efforts compared to large corporations that can afford the tailored reports. Arguably, this might lead to the development and improvement of sustainability branding being impacted by larger corporations only. This outcome of the SB Index tailored reports' impact on sustainable branding would not necessarily have to be a negative thing, but it should also be mentioned that the push forward in the industry should ideally be shared between as many influencing groups affected by it as possible (Stuart, 2011). For example, if more companies were included and engaged in the sustainability branding process, more consumer groups, such as 'Ego' and 'Moderate', could be reached.

Again, it should be mentioned that these results are solely based on interviews with the SB Index, and not with their customers. The results greatly contribute to the aim of this study, by showing how a Swedish CSI can provide insight to the area of sustainability branding. However, any generalisation outside the study's context, should be conducted with caution.

6.3 SB Index and its Impact on Corporate Sustainability

To place the topic of this thesis in a wider perspective, and to demonstrate how SB Index's work fits in that perspective, this final section will analyse and discuss how the SB Index can have an effect on the corporate sustainability in Sweden.

6.3.1 Decreased Information Failure

The theoretical framework in this study (2.3.1) presented Erdem *et. al.* (2006)'s concept of how sustainability branding can reduce asymmetric information between firms and consumers. In fact, sustainable corporate brands can serve as signals for sustainability attributes, and can help solve the information failure that sustainability-oriented consumers experience. This study would also suggest that not only are consumers provided with more information through sustainability branding, but they also do so as a result of technological developments, social media, and improved news reporting. The increase in transparency for the consumers that this leads to is of great significance to sustainability branding, as corporations can (and are at times forced to) generate higher credibility levels (pers. com., Parment, 2017). Based on this argument, it can be suggested that increased levels of sustainability-oriented consumers feed the development and increase of corporate sustainability, and increased levels of corporate sustainability feed the development and increase of sustainability-oriented consumers. It could therefore be argued that that CSIs, such as the SB Index, allow for these relationships to take

place. This could in turn be argued to improve the relationship between consumers and corporations. In other worlds, the results linked to how CSIs (such as the SB Index) promotes, and contributes to, corporate sustainability in Sweden, confirms Erdem's *et. al.* (2006) theory that sustainability branding can reduce asymmetric information between firms and consumers.

6.3.2 A Tool for Strategic Sustainable Development

This thesis additionally argues that CSIs, such as the SB Index, can provide insights to the area of strategic sustainable development. As mentioned in chapter 2, strategic sustainable development describes the process in which companies can create an overall strategy or action plan on which they can make real progress towards corporate sustainability (Robèrt *et. al.,* 2015). One of the latest contributions to the understanding of strategic sustainable development is the Framework for Strategic Sustainable Development **(FSSD)**. Building on the theory in chapter 2, the FSSD can be seen as an extensive framework that demonstrates and explains the sustainability challenge, and helps to see the 'big picture' of how: *'we as a society negatively influence the functioning of the socio-ecological system, what and how to strategically plan towards that with prioritised actions, and applying the appropriate tools for those actions'* (Broman and Robért, 2015, 2). Some of the tools that are argued to be suitable in this framework include the ABCD-model, ISO standards, and the LEED Rating Systems (*ibid.*). What these tools have in common is that they offer support for sustainability-oriented decision making and progress monitoring (Robèrt *et. al.,* 2015).

The results from the empirical study of the SB Index shows that CSIs can provide a valuable additional tool in the framework for strategic sustainable development. The SB Index's official report, along with the individually tailored brand reports that they offer, can provide valuable information that can help companies in their strategic sustainability development process. As discussed in chapter 6.1.2, the data and analysis provided by the SB Index can deliver a basis for decision making and help to identify key sustainability performance indicators. Most importantly, the SB Index offers a planning tool that can be used to recognise target groups, and how these groups behave, which helps the client to develop effective corporate sustainability communication.

The above presented framework was presented just recently, and Broman and Robért (2015) suggest that more research is needed on how the framework can be further developed. Building on this statement, the results from this thesis shows that CSIs, such as the SB Index, should be viewed as valuable additions to the tools presented in the framework.

6.3.3. Risks associates to Greenwashing

As is evident is chapter 5.1.1 of the empirical study, developments, trends and current events around the world influence sustainability awareness among both consumers and corporations (pers. com., Hedén, 2017). Therefore, it could be argued that in order to succeed in such a landscape, i.e. the Swedish market, corporations need to incorporate sustainability into their operations. It is in this scenario that corporate sustainability measures, and sustainable branding,

will increase. CSIs, and SB Index, will enable this promotion of CS by increasing transparency and flows of information. By enlightening the consumers, and by providing corporations with the information needed to improve their communication methods, CSI (SB Index) will then, in fact, promote sustainable corporate branding.

More and more organisations now take an interest in communicating their environmental and social conduct through marketing and branding strategies (Erdem *et. al.,* 2006). Although this is generally a positive development, it has led to an undesirable situation in where some companies falsely label themselves as green - a concept known as greenwashing (Ekstrand and Nilsson, 2011). Delmas and Burbano (2011, 65) define greenwashing as *'the intersection of two firm behaviours: poor environmental performance and positive communication about environmental performance'*. In other words, these organisations typically spend more resources on communicating that they are green, than on actual sustainability oriented practices. This thesis argues that the SB Index's practices can, if used in the wrong way, lead to an increased risk of greenwashing among companies that utilises their services. As discussed earlier in this chapter, the SB Index's official report and their brand analysis should not alone be considered a complete strategic sustainability tool. Companies that are using the SB Index with the goal to not just improve their sustainability branding but their overall corporate sustainability, risk to contributing to the problem of greenwashing. This is because they place their focus on the sustainability communication instead of the sustainability work, since CSIs (as in the SB Index) measures and analyses consumer perception on sustainability, and not actual sustainability performance. This can lead to a scenario in which an organisation communicates and promises more environmental advantage than they can actually provide.

7 Conclusions

The final chapter of this study aim to address to present the main findings of the study, and gives a suggestion for future research.

The aim of this study has been to investigate the role of a Consumer Sustainability Index (CSI) to promote more sustainable corporate branding, and how this contributes to improved corporate sustainability within the Swedish market. The results from this study suggests that CSIs, such as the Sustainable Brand Index, can have an important role in promoting more sustainable corporate branding, and can have an impact on the corporate sustainability in Sweden.

By providing valuable information on consumer perception of sustainability, sustainability market trends and developments, sustainable consumer behaviour, as well as brand specific analyses, CSIs can help organisations to place sustainability as an integrated part of its corporate brand. By applying the VCI-model, CSIs, such as the SB Index, can help companies to align their vision, culture and image in order to create and maintain a sustainability brand. CSIs can, therefore, serve as a strategic tool for companies to gain more acceptance and tolerance from consumers who are concerned about sustainability. Additionally, CSIs can be used as a social investment tool, to estimate the reputational risk linked to the brand of an investee.

CSIs can also have an impact on a larger scale, i.e. the corporate sustainability in Sweden. The results from this study shows that indices such as the SB Index, can serve as signals for sustainability attributes, and can help solve the information failure that sustainability-oriented consumers experience. CSIs can also provide a valuable additional tool in the framework for strategic sustainable development, by offering meaningful information that can help companies in their strategic sustainability development process. Although, CSIs mainly have a positive impact on corporate sustainability in Sweden, this study also suggests that they may lead to an increased risk of greenwashing among companies. In other words, a CSI alone is not a comprehensive corporate sustainability tool, since it measures and analyses consumer perception on sustainability, and not actual sustainability performance.

Finally, it is important to understand that the value and quality of the findings presented in this study may be affected by the fact that they are based solely on interviews with the SB Index. The method behind the study did not include any interviews with, or observation of, the companies that are using SB Index's services. To ensure a higher credibility and generalisability of the findings, more empirical research is needed. As a suggestion to future research on CSIs, this study therefore propose additional research with a focus on the perspective of the index's users.

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Personal Communication

Hedén, Erik.
CEO at Sustainable Brand Insight. Stockholm: 2017-02-20

Kausits, Maria.
Head of analysis at Sustainable Brand Insights. Stockholm: 2017-02-27

Parment, Anders.
Ph.D. and lecturer at Stockholm University. Stockholm: 2017-04-21.

Appendix 1. Interview Guides

Appendix 1 presents the interview guides that was used during interviews with the management at Sustainable Brand index, Erik Hedén and Maria Kausits, and with the key informant Anders Parment. Since multiple interviews were conducted, with numerous topics of discussion, this interview guide mainly present an overview of topics that ended up relevant to the study.

Table 6. *Interview guide: SB Index*

Topic of discussion	Discussion questions related to the specific topic
About the Sustainable Brand Index	*Tell me about yourself (educational background, work history, and you position at the Sb Index).*
	What lead to the creation of the SB Index?
	How would you describe the business idea, vision, and mission of the SB Index?
	How have the Index developed from the initial idea to what it is today?
The SB Index's ranking	*What is the main purpose behind your sustainability index?*
	How can the index be used, and by whom?
	Who do you consider as the main audience?
	How do you think the index will develop in the future?
	What are you short and long term goals?
	Do you think the consumers are using the index?
	How have the media responded to the index?
	How would you describe the content of the official reports?
	How would you compare your index to more conventional indices?
The SB Index's individually tailored brand reports	*How would you describe the reports?*
	What are the content of the reports?
	What is the main purpose behind the reports?
	How much does the report costs?
	What information are the reports based on?
	What value does the report offer to your customers?
The SB Index method	*How would you describe the method behind the official report?*
	The method consists of a quantitative and a qualitative study, how do they differ? Why do you use both methods?
	How are the brands chosen?
	How are the respondents of the study chosen?
	How do you handle and analyse the gathered data?
	How would you describe the research process?
	How have the research process changed over time?
	What are some typical problems that you encounter during the process?
	What could be improved in the method?
Corporate Sustainability (CS)	*How would you define CS?*

	What does CS mean to the Sb Index?
	How have the interest for CS in Sweden developed throughout since the SB Index was first created?
	Do you believe that the SB Index can promote CS in Sweden? How?
Sustainability Branding	*How would you describe sustainability branding?*
	Why is sustainability branding important?
	How can sustainability branding contribute to improved CS in the Swedish market?
	How can the SB Index contribute to this development?
	What are some of the key aspect the companies should address when conducting sustainability branding?
	How can the Sb Index help companies to address these key aspects?

Table 7. *Interview guide: Anders Parment*

Topic of discussion	**Discussion questions related to the specific topic**
About Anders Parment	*Tell me about yourself (educational background, work history, and your current line of work).*
	What created your interest in corporate branding and communication?
Sustainability Indices and CSIs	*What is the main purpose behind a sustainability index?*
	How can the index be used, and by whom?
	Who do you consider as the main audience?
	How do you think the index will develop in the future?
	Do you believe that the CSIs can promote CS in Sweden? How?
Corporate Sustainability (CS)	*How would you define CS?*
	How would you describe the link between CS and corporate branding??
	How have the interest for CS in Sweden changed throughtout the years??
Sustainability Branding	*How would you describe sustainability branding?*
	Why is sustainability branding important?
	How can sustainability branding contribute to improved CS in the Swedish market?
	How can the CSIs contribute to this development?
	What are some of the key aspect the companies should address when conducting sustainability branding?
	How can the CSIs help companies to address these key aspects?
	Describe the importance of credibility in sustainability branding?
	How can companies ensure credibility in their branding process?
	Describe the importance of reputation in sustainability branding?
	How can companies ensure a good reputation through their branding process?
	What other key aspects should companies address in a sustainability branding process?

Appendix 2. Behavioural Groups: Development

These figures show how the proportion of The Sustainable Brand Index's four behavioural groups have changed between 2013-2017.
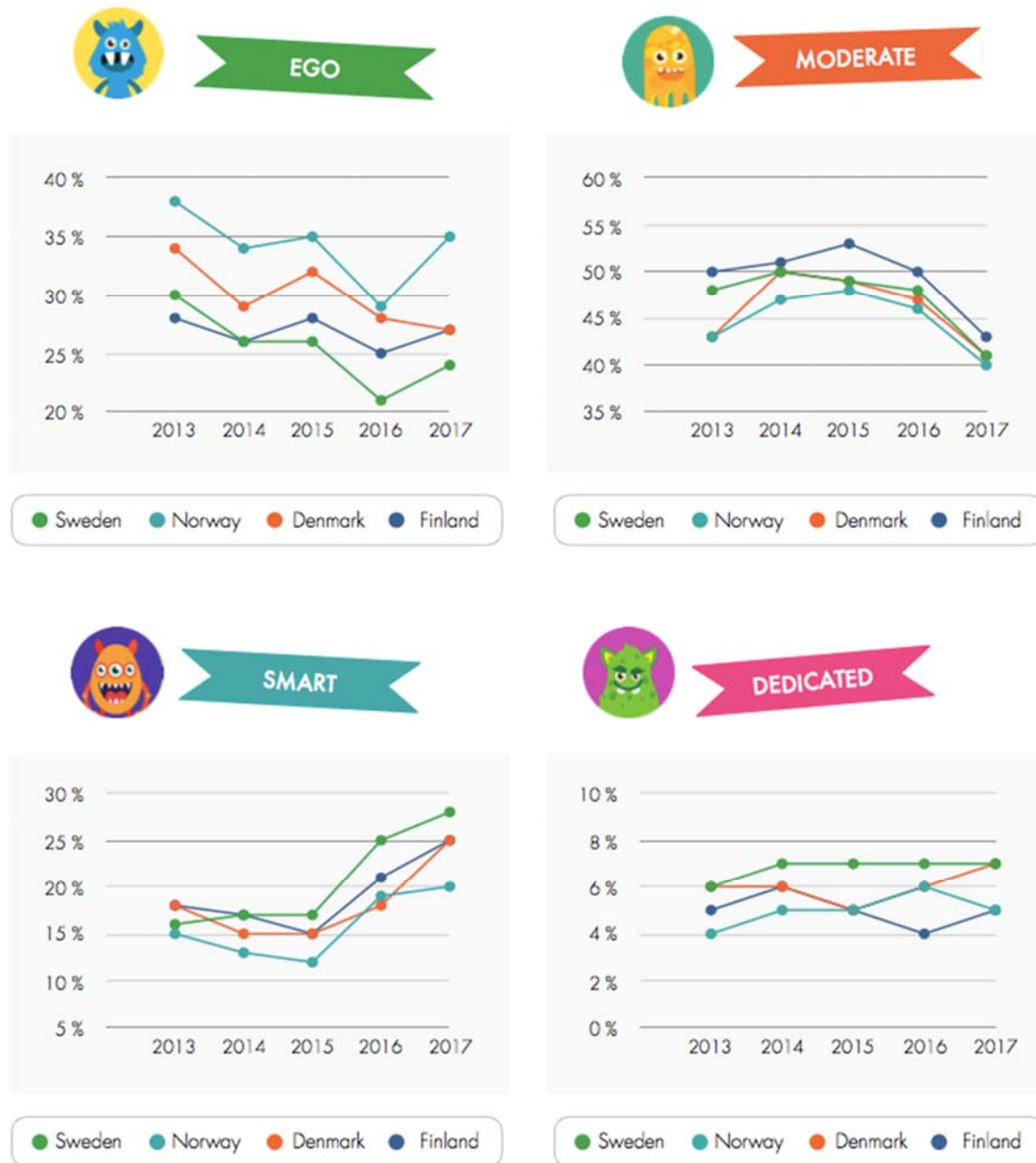

Figure 9. *Development of SB Index's behaviour groups (SB Index, 2017, 16).*

Appendix 3. SB Index: Full Brand Ranking

1. Apoteket ⊕

2. Saltå Kvarn ⊕
3. ICA ⊕
4. IKEA ⊕
5. Coop
6. Lantmännen
7. Tesla ⊕
8. Systembolaget
9. Kung Markatta
10. Volvo
11. SJ ⊕
12. Apotek Hjärtat
13. The Body Shop ⊕
14. Fjällräven
15. GodEl ⊕
16. Skånemejerier
17. Apoteksgruppen
18. Naturkompaniet
19. Arla
20. Norrmejerier
21. Max ⊕
22. Kronans Apotek
23. Axa
24. Kungsörnen
25. Skellefteå Kraft
26. City Gross
27. Apotea.se
28. Bilprovningen ⊕
29. Scandic ⊕
30. SL
31. Google ⊕
32. Jämtkraft
33. Telge Energi
34. Haglöfs
35. Blocket
36. Västtrafik
37. Risenta
38. Oatly
39. Tetra Pak
40. Willys
41. Hemköp
42. Polarbröd
43. Nordic Choice Hotels
44. Wasabröd
45. Skånetrafiken
46. Arlanda Express
47. KPA Pension ⊕
48. Folksam ⊕
49. Clarion Collection Hotels
50. Pågen
51. Clarion Hotels
52. Polarn O. Pyret
53. AMF
54. Vattenfall
55. Zoégas
56. McDonald´s
57. Länsförsäkringar
58. Arvid Nordquist
59. Löfbergs
60. Tradera
61. Åhléns
62. ICA Banken ⊕
63. E.ON
64. Valio
65. Toyota
66. Microsoft ⊕
67. Elite Hotels
68. Comfort Hotels
69. First Hotels
70. Spotify
71. Scan
72. Abba
73. Felix
74. Quality Hotels
75. Gevalia
76. Fortum
77. Trygg-Hansa
78. Clas Ohlson

79. Swebus
80. Stadium
81. INDISKA
82. Öresundskraft
83. Lindex
84. Göteborg Energi
85. SAS ⊕
86. H&M
87. KappAhl
88. Electrolux
89. Swedbank
90. Findus
91. Hästens
92. Marabou
93. Radisson Blu
94. If
95. Skogaholm
96. Flygbussarna
97. Svenska Spel ⊕
98. Facebook
99. Apple
100. Miele
101. Göteborgs Kex
102. Espresso House
103. Telia ⊕
104. Åbro Bryggeri
105. Handelsbanken
106. Best Western
107. OKQ8 ⊕
108. Mercedes-Benz
109. The North Face
110. SPP
111. Lidl
112. Familjen Dafgård
113. Kopparbergs Bryggeri
114. Samsung
115. Bauhaus
116. Byggmax
117. INTERSPORT
118. TUI ⊕
119. Circle K
120. BMW
121. Ving
122. Swedavia
123. Audi
124. LloydsApotek
125. Team Sportia
126. Preem
127. Santa Maria
128. Mio
129. Cylinda
130. Kjell & Company
131. Husqvarna
132. Spendrups
133. Ikano Bank
134. Elgiganten
135. Cloetta
136. Orkla ⊕
137. Dressmann
138. Wayne´s Coffee
139. Kavli
140. Alecta
141. Hemtex
142. Biltema
143. Volkswagen
144. Bosch
145. Pressbyrån
146. SEB
147. XXL
148. Coca-Cola
149. Subway
150. Mekonomen
151. SBAB
152. Starbucks
153. Fazer
154. Estrella
155. NetOnNet

156. Jula
157. Carlsberg
158. Nike
159. Sibylla
160. Stena Line
161. Coffeehouse by George
162. Siemens
163. OLW
164. Apollo
165. Hyundai
166. Viking Line
167. Tele2
168. Joe & The Juice
169. Adidas
170. Skoda
171. Burger King
172. Nordea
173. Skandia
174. Bredbandsbolaget
175. Nokia
176. Absolut Vodka
177. Avanza Bank
178. Twitter
179. Heinz
180. Silja Line
181. Filippa K
182. NK
183. Park Inn
184. Nissan
185. Ford
186. Barista
187. Rusta
188. Norwegian
189. Johnson & Johnson
190. Vagabond
191. FOREX Bank
192. Com Hem
193. Peugeot
194. Lagerhaus
195. Reebok
196. Subaru
197. Fontana
198. Sony
199. Nespresso
200. JYSK
201. Heineken
202. Kia
203. St1
204. Barilla
205. Telenor
206. Honda
207. ASUS
208. INGO
209. Pepsi
210. Mazda
211. Nordnet Bank
212. Lenovo
213. Cubus
214. Renault
215. Zara
216. British Airways
217. Acne
218. BRA (Braathens Regional Airlines)
219. Gina Tricot
220. GANT
221. MediaMarkt
222. Shell
223. Opel
224. Mondelez International
225. Unilever
226. Mitsubishi
227. Finnair
228. Lufthansa
229. MQ
230. Canon
231. Taxi Stockholm
232. Solresor

233. 7-Eleven
234. Nestlé
235. Dell
236. LG
237. Toshiba
238. HORNBACH
239. Acer
240. KICKS
241. HP
242. Colgate-Palmolive
243. Tre (3)
244. DinSko
245. Danone
246. Moderna Försäkringar
247. Nilson Shoes
248. Danske Bank
249. Scorett
250. Skopunkten
251. Sverigetaxi
252. Netto
253. Suzuki
254. HTC
255. Brothers
256. KLM
257. JACK & JONES
258. SEAT
259. Decathlon
260. Europcar
261. Procter & Gamble (P&G)
262. Puma
263. Tulip
264. L'Oréal
265. Fiat
266. TaxiKurir
267. MECA
268. Citroën
269. Hertz
270. Mabi
271. Air France
272. Sixt
273. Deichmann
274. VERO MODA
275. JC
276. Avis
277. Santander
278. Jerns
279. Chevrolet
280. Fujitsu
281. Mars
282. Budget
283. Alfa Romeo
284. Unibet
285. Ryanair
286. Betsson

⊕ = INDUSTRY LEADER

About the Ranking in Sustainable Brand Index™

The ranking is based on the percentage of consumers who assess the company's sustainability efforts as good (4) or very good (5) on a scale of 1-5 + "don't know." The maximum score is 200%. A company that has 200%, performs very well within both environmental and social responsibility according to consumers, ie. 100% have then answered 4 or 5 (a company like that does not exist).

Figure 10. *The SB Index's Full Brand Ranking (Sweden) (SB Index, 2017, 26).*

Appendix 4. The UN's Sustainable Development Goals

Goal		Description
1	No Poverty	End poverty in all its forms everywhere.
2	Zero Hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
3	Good Health and Well-Being	Ensure healthy lives and promote well-being for all at all ages.
4	Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
5	Gender Equality	Achieve gender equality and empower all women and girls.
6	Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all.
7	Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all.
8	Decent Work and Economic Growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
9	Industry, Innovation and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
10	Reduced Inequalities	Reduce inequality within and among countries
11	Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient and sustainable.
12	Responsible Consumption and Production	Ensure sustainable consumption and production patterns.
13	Climate Control	Take urgent action to combat climate change and its impacts.
14	Life Below Water	Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
15	Life on Land	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests,

		combat desertification, and halt and reverse land degradation and halt biodiversity loss.
16	Peace, Justice and Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
17	Partnerships for the Goals	Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Figure 10. The United Nation's 17 Sustainable Development Goals (www, UN, 2017).