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The importance of corporate social responsibility (CSR) for branding and business success in small and medium-sized enterprises (SME) in a business-to-distributor (B2D) context

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ABSTRACT

Integrating corporate social responsibility into brand positioning strategies has become a key concept for the brand marketing of many companies. There is a wealth of studies focusing on the effects of CSR for large international brands and companies operating in business-to-consumer markets. However, there is only limited empirical evidence about the relevance of CSR for sales and branding strategies of small and medium-sized enterprises (SMEs) in a business-to-distributor (B2D) context. Using a qualitative research design based on an exploratory case study approach, this paper therefore explores how CSR can be incorporated into the brand marketing strategy of a SME in the B2D sector and how CSR is evaluated in terms of brand perceptions and purchase intentions of business partners ($n = 25$). The findings suggest that although industrial buyers attribute a certain importance to CSR, product design and perceived product quality are nevertheless the main purchase reasons. The paper concludes with discussing practical and theoretical implications.

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1. Introduction

Considering and acting upon cognate megatrends can be very profitable for companies. One of today's most important megatrends concerns environmental and social responsibility and the impact of business activities on consumption and lifestyle (Kapferer, 2008). Kotler (2011b) argued that consumers increasingly buy products from companies that care or seem to care. Among other reasons, this may explain why companies and managers desire to add an environmental dimensionality to their brand profile. Indeed, businesses do not want to appear indifferent to economic, social and political concerns, since word-of-mouth and C2C (consumer-to-consumer) marketing are an increasingly important factor that shape consumer decisions (Kotler, 2011a; Mohr, Webb, & Harris, 2001).

Corporate social responsibility (CSR) refers broadly to a company's societal engagement for ensuring sustainable development, and is today a principle and activity often integrated

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into marketing and business strategies in many industries. CSR is seen as a business philosophy to substantiate brand value propositions. Despite the complexity of measuring the relevance of CSR for the purchase decision process, its impact on consumer perceptions and brand value is worthy of consideration. The understanding of the role of CSR for brand image and its outcome variables might indeed allow for a more comprehensive brand management. Unfortunately, there is a paucity of empirical evidence about how brand concepts may influence consumer responses to CSR activities (see Torelli, Monga, & Kaikati, 2012).

Research into the effects of CSR has until recently mainly focused on larger enterprises and international brands (Munasinghe & Malkumari, 2012; Santos, 2011). Tools and concepts for responsible business practices have mostly been specified for international firms that have financial resources to invest in strategies for reducing reputational risk (Fox, 2005). However, there is also a need for understanding how CSR might be useful for marketing and business development in small and medium-sized enterprises (SMEs). Graafland, van de Ven, and Stoffele (2003) for instance expect systematic differences between the instruments that large and small firms use to foster ethical business behaviour. It is supposed that large firms will make more use of instruments to organise CSR as they are more visible to the public and may develop ethical instruments with lower costs than small firms. Besides, large businesses may have less personal contact with customers and so need to put more emphasis on values and norms in their brand communication. Finally, small firms might be more competitive on the output market if large firms do not invest in ethical business concepts (Graafland et al., 2003).

Although the role of CSR for SME is now getting in the focus of the academic debate (Perrini, Russo, & Tencati, 2007), CSR implementation in SMEs has been addressed in a rather fragmentary manner. Johnson and Schaltegger (2015) for instance find that sustainable management tools have been considered an important business approach for SME, however, most of them are perceived to have little to no implementation in SMEs. Drawing on a different sample, Santos (2011) suggests that CSR has indeed been integrated into the management of SME, but in an informal, non-systematic way. In the end, theory about the incorporation of CSR into the brand marketing of SMEs may require further corroboration.

Furthermore, research in the field of CSR practice has focused almost entirely on business-to-consumer (B2C) markets (Leppelt, Foerstl, & Hartmann, 2013). Although CSR is being given significant importance in current business practices, research examining the influence of CSR among organisational business relationships is still scarce (Homburg, Stierl, & Bornemann, 2013). There is evidence that attributes such as a positive CSR perception or ethical behaviour are regarded as necessary prerequisites for potential business-to-business (B2B) partners (see Hill, 1985; Mudambi, 2002), however, there is still ambiguity whether supply chain-oriented CSR capabilities are rather an order winner or an order qualifier within buyer–supplier relationships (Leppelt et al., 2013). In particular, little is known about how industrial business partners respond to and interpret CSR engagement in terms of brand perception and purchase intentions. The understanding of the latter is however necessary to enable SME marketers in a B2B context to more accurately evaluate the relevance of CSR for perceived brand image and sales strategies. Drawing from brand perception and value proposition theories, this paper will investigate the impact of CSR in a business-to-distributor (B2D) context by analysing the case of Mazzali Armadi, an Italian furniture manufacturer that adopted an environmentally oriented business strategy. The paper seeks to assess the importance of CSR for an SME's value proposition in sight of its re-distributors purchase

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decisions. Thus, the following research questions – linked to the overarching issue about the role that CSR can play for SME in a B2D context – are addressed:

- How does a SME incorporate CSR into brand, business and marketing strategies?
- How does CSR influence client brand perceptions?
- How important is CSR for client purchase intentions in a B2D market?

Prior to exploring these questions, literature concerning CSR as an influential factor in business performance is being reviewed. Next, the qualitative research design is presented – based on an in-depth interview with the marketing director of Mazzali and a survey with Mazzali's distributors. The findings are then discussed, and the paper concludes with managerial implications about the importance of CSR for SMEs in a B2D context.

2. A literature overview

The CSR is described as an umbrella concept encompassing various intersecting areas, such as corporate citizenship, stakeholder theory, business ethics and corporate sustainability (Freeman & Hasnaoui, 2011). Many studies adhere to the definition of the European European Commission (2001) which provides a broad view on CSR defining it as:

> a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. (European Commission [EC], 2001, p. 8)

The CSR discussion began and was translated into actions in the early years of the twentieth century. The accompanying debate, from CSR's inception, arose between Anglo-Saxon shareholder capitalism, which portrayed companies should pursue exclusively shareholder interests, versus stakeholder capitalism, claiming that companies are also responsible to workforce communities and other stakeholders. The notion that businesses may be focused not just upon economic criteria, but also be responsive to social expectations, emerged gradually. Consequently, moving from 'economics of irresponsibility', as defined by Clark (1916, p. 228), to 'economics of responsibility', entrepreneurs and managers began to recognise a wider societal role and began to incorporate actions not only considering economic outcomes, but also the social and environmental effects of their activities. This wider sphere of responsibility for businesses is part of the [now] famous debate on the 'fiduciary duties of management' that took place in the Harvard Law Review (see Berle, 1931; Dodd, 1932).

Over time, many different definitions and conceptualisations of such responsibility were developed and broadly subsumed under the CSR title. These included: social obligation, stakeholder obligation, ethics-driven, as a managerial process (Maignan & Ferrell, 2004), and more recently as philanthropy, business practice or even as product-related initiative (Peloza & Shang, 2011), thus moving closer to marketing. While these conceptualisations provide the basis for CSR debate and empirical analysis, they also present limitations. Öberseder, Schlegelmilch, and Murphy (2013) for example state that these issues:

(1) deal entirely with business ethics rather than CSR;
(2) consider – at best – only a few selected stakeholders; and
(3) consider only the corporate perspective, without taking into account other stakeholder voices and needs

Authors (i.e. Freeman, 1984; Göbbels, 2002; Quazi & O'Brien, 2000; Van Marrewijk, 2003) tend to identify three main conceptual approaches:

- First, according to the shareholder approach, the social responsibility of a business is to increase profits (Friedman, 1962). This classical view of CSR (Quazi & O'Brien, 2000) points to the primary objective for companies which is profit maximisation (and in recent times shareholder value creation) and interest for CSR concerns only to the extent that it contributes to the aim of business (i.e. the creation of long-term value for owners) (Foley, 2000).
- Second, the stakeholder approach enlarges the above perspective to include other stakeholder's interests. Beyond shareholders and investors, there are other societal groups to whom the firm owes responsibilities, including employees, customers, suppliers, government, lobbying groups and society at large (Freeman, 1984). In recent years, this perspective has been much more prevalent (Plewa, Conduit, Quester, & Johnson, 2015).
- Thirdly, the societal approach where companies – being an integral part of society – are responsible to it as a whole. They receive a licence for operating by public consent, in order to 'serve constructively the needs of society – to the satisfaction of society' (Committee for Economic Development [CED], 1971, p. 16). This approach requires organisations to fundamentally rethink their position and act in terms of the complex societal context of which they are a part (Van Marrewijk, 2003).

These approaches or themes of CSR have led to many contributions in the economic and management literature (see Table 1). In the fairly recent past, the economic interests of diverse firms and production organisations prevailed over any possible social disadvantages. The search for profit and value was directed mainly at achieving short-term financial results, based on a myopic perspective that took lightly or ignored client and societal needs. However, stakeholders – in particular – government and local communities, now demand greater attention to the environment, economic growth and worker conditions, while customers are increasingly more demanding in terms of quality and innovation. Following and underpinning this bandwagon, many academic authors emphasise that firms now have to adequately construct and implement an appropriate social agenda (Ferrando, Pellicelli, & Rusconi, 2014; Gazzola & Pellicelli, 2010). If done well, this allows them to achieve the synergies of social and economic benefits and simultaneously to improve the relationship between corporate strategy and the advancement of [some] social conditions (Porter & Kramer, 2006).

Fran and Handelshögskolan (2011) identify several critical components for CSR strategies   AQ5
which mainly involve believability perceptions. Credibility and trustworthiness are also essential elements for CSR engagement. Underpinning responsible codes of conduct by specific CSR activities, for example, combining the company's products with a social cause, and constructing a relationship between initial and new positioning by emphasising a more responsive brand character, can be crucial in these contexts (Fran & Handelshögskolan, 2011).

Companies are now actively investing in CSR activities as a technique to accomplish their societal obligations, and simultaneously enhance profits and sustainability (Babiak & Trendafilova, 2011; Cone, 2010; Lo, 2010; Smith, 2003), and create favourable consumer attitudes (Groza, Pronschinske, & Walker, 2011). Some research demonstrates that CSR positively impacts consumer attitudes, purchase intentions, consumer–company identification,

Table 1. An overview of literature on CSR, its effects upon consumer behaviour, and the relationship between CSR and brand strategies.

Key CSR elements	
Simon (1945)	Organisations must be responsible to community values
Drucker (1954)	Management must consider impacts of every business policy upon society
Carroll (1979)	The elements that must be met simultaneously and in an interactive manner are: economic responsibilities, legal responsibilities, ethical responsibility and philanthropic contributions
World Business Council for Sustainable Development [WBCSD] (1998)	Business must behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large
Carroll and Shabana (2010)	Organisations that make the right choices and build focused, proactive and integrated social initiatives in concert with their core strategies will increase their competitive advantage
The effect of CSR activities on consumer behaviour	
Matute-Vallejo, Bravo, and Pina (2011)	Consumers tend to give incentives (or penalties) to socially responsible (or irresponsible) companies and consumers are loyal to ethical companies
Creyer and Ross (1996)	Consumers pay higher prices to companies whose activities are more ethical than consumers' expectations
Trudel and Cotte (2009)	Consumers are unwilling to purchase or pay lower prices for products from companies who do not invest in CSR activities
Tian et al. (2011)	Firms selling experience products are indeed more likely to gain consumers' product favour and purchase support through positive CSR activities
Lin-Hi and Müller (2013)	'Doing good' offers corporations a variety of opportunities to benefit from CSR – ranging from enhanced customer loyalty to the penetration of new markets
The relationship between CSR and branding strategy	
Sen and Bhattacharya (2001)	Communications of CSR activities not only boost purchase intentions, but also enhance evaluations of the company or brand
Bhattacharya, Du, and Sen (2007)	For brands that anchor its positioning on CSR, integrating the CSR strategy in the core business strategy is more likely to reach CSR-specific benefits from consumers than brands that solely engage in CSR without positioning the brand accordingly
Hampf and Lindberg-Repo (2011)	Brand identity has seven causal connections, and these are the contents of the brand identity hexagon; CSR is located in the middle due to its predicted central role in the future
Suprawan (2011)	If a company intends to be socially responsible, its claims must be authentic as opposed to mere window dressing
Werther and Chandler (2014)	Brands today are often a focal point of corporate success and should be protected by integrating a strategic CSR perspective throughout the firm; companies try to establish popular brands in consumers' minds because it increases their competitive advantage; there are three benefits of CSR to brands: positive brand building, brand insurance and crisis management

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loyalty and satisfaction (e.g. Öberseder et al., 2013). Increasingly, it is claimed that consumers extend loyalty to companies that appear to be socially responsible (Brink, Odekerken-Schröder, & Pauwels, 2006; Dutta & Singh, 2013; Pirsch, Gupta, & Grau, 2006). Although different studies have led to inconsistent and multifaceted outcomes, many highlight the positive effect of CSR initiatives, as illustrated in Table 1.

For companies and brands embracing these principles, CSR is an incremental element of a brands value proposition. Brand value proposition can be described as the configuration of values that a brand provides for consumers by means of its products or services. Armstrong and Kotler (2013) define value proposition as a mix of benefits a brand is positioned upon. And, notably, according to Werther and Chandler (2005), the importance of CSR to any organisation is directly related, and rises in proportion, to the value of a firm's brand. In times of increasing globalisation, growing affluence and shifting social expectations, CSR becomes a necessitous strategic consideration in brand-based strategies, as it can help establish or support an organisation's social legitimacy (Werther & Chandler, 2005). Thus, CSR positioning

must be based on an overall brand value or theme that should connect or resonate with all relevant stakeholder groups (Brüggenwirth, 2006; Torres, Bijmolt, & Tribó, 2010; Vallaster, Lindgreen, & Maon, 2012).

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To summarise, certain variables which mark the effects of CSR on consumers are identified including corporate reputation, relatedness of the CSR domain to product categories, consumers personal values, product quality, type of benefit valued in a product, perceived sincerity of CSR efforts and response modalities (Irwin & Naylor, 2009; Kim, Kim, & Kim, 2012; Luchs, Naylor, Irwin, & Raghunathan, 2010; Madrigal, 2000; Madrigal & Boush, 2008; Sen & Bhattacharya, 2001).

However, the development, operationalisation and management of CSR within branding, until recently, is largely a fallow field (Vallaster et al., 2012).

On the one hand, little research has focused upon how CSR branding may influence consumer response (Torelli et al., 2012). In recent times, CSR principles have not only been adopted by large enterprises, but also by SMEs to some degree (International Institute for Sustainable Development, 2004). Over the last two decades, CSR implementation in SMEs has been increasingly addressed albeit with somewhat differing findings (Graafland et al., 2003; Johnson & Schaltegger, 2015; Nicolopoulou, 2014; Perrini et al., 2007). Johnson and Schaltegger (2015) find that most sustainable management tools are perceived to have little to no implementation in SMEs, whereas Santos (2011) suggests that CSR has indeed been integrated into the management of SME. Santos (2011) argues that CSR results mostly from attention to the potential benefits to the business from gains in eco-efficiency, a better social climate and higher profile in the local community. The existing literature about the incorporation of CSR in SME's branding strategies necessitates however further corroboration.

On the other hand, the B2B sector has been neglected by research into the role and effects of CSR (Homburg et al., 2013; Leppelt et al., 2013). Since SMEs operate in both B2C and B2B markets, more research into CSR within B2B markets seems to be necessary. (There is evidence that attributes such as a positive CSR perception or ethical behaviour are regarded as necessary prerequisites for potential B2B partners (see Hill, 1985; Mudambi, 2002). Pai, Lai, Chiu, and Yang (2013) find that CSR perceptions of industrial buyers are intensively and positively related to brand advocacy and equity when industrial buyers consider the CSR activities of their suppliers as driven more by intrinsic and less by extrinsic motives. Furthermore, it was found that brand advocacy mediates the interactive effects of CSR and attribution to industrial brand equity (Pai et al., 2013). Homburg et al. (2013) suggest that business practice CSR boosts customer trust, while philanthropic CSR reinforces customer–company identification. Leppelt et al. (2013) demonstrate that CSR promotion strengthens a supplier's reputation if consistent market signals are sent. However, B2B firms frequently interact with professional buyers that tend to emphasise tangible attributes such as supplier's financial salience, competencies and production, instead of intangible attributes such as brand image and identification, or emotional satisfaction (Leppelt et al., 2013). Despite these insights into the role of CSR in B2B markets, there is still little theoretical knowledge about the relevance of CSR engagement for purchase intentions.

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3. Methodology and analysis

The methodology of this study draws on a grounded theory approach. Grounded theory focuses on theory construction, and focuses on empirical cases to ensure that the results

are grounded in the social world of the issue being studied (Charmaz, 2006). The research questions are explored via a qualitative research design. Qualitative research is an empirical inquiry process for understanding certain empirical phenomena (Creswell, 2012) and based on distinct methodological approaches that explore a social or human problem. Yin (2003) distinguishes between exploratory, explanatory and descriptive case study approaches. Exploratory case studies are conducted to define research questions and hypotheses. Explanatory case studies seek to link an event with its effects and are suitable for investigating causality relations. Descriptive case studies are often used to illustrate events and their specific context (Yin, 2003). The present study adopted an exploratory approach to analysing CSR of SME in a B2D context.

3.1. Research design

This paper develops a case study design based upon Mazzali Armadi, an Italian SME that manufactures and distributes eco-responsible furniture. The research design is grounded initially on an in-depth interview with the marketing manager of Mazzali, and later on a standardised questionnaire with randomly selected product distributors of Mazzali Armadi ($n = 25$). The survey was intended to generate insights into how important Mazzali's CSR engagement was relative to purchase decisions. The following questions lay at the heart of the research:

(1) For how long have you been a business partner of Mazzali?
(2) Why do you buy products from Mazzali?
(3) How important is Mazzali's engagement in CSR projects for you as one of its business partners?
(4) How important is CSR for your own business concept and commercial strategy?
(5) What are the main reasons for your customers to buy your products?

The interview with Mazzali's marketing manager aimed at analysing Mazzali's branding and business strategy, and how the company positions itself via CSR aims in the market. The interview provided data on how Mazzali perceives itself, which allows for assessing the congruence of Mazzali's self-identification and customer perception. For the purpose of confirmability, the documentation of the interview responses has been reviewed by Mazzali's marketing manager. A total of 13 questions dealing with such topics as 'participation in CSR projects', 'utilisation of CSR projects for marketing purposes and corporate identity' and 'its CSR incorporation' are addressed among others (see Table 2).

4. The case study: Mazzali Armadi

4.1. Company history

In 1962, Mazzali was founded by two carpenters in Parma, Italy, who saw in the wardrobe production a growing market. In 1964, the company moved its production facilities to another location and continued producing and commercialising furniture locally. In exhibiting wardrobes at the Campionaria Fair in Milan in 1969, the company achieved national visibility. This was the beginning of favourable development over the next 30 years, accompanied by an increasingly strong positioning and market share, as well as patents for

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Table 2. Questionnaire for the marketing manager of Mazzali.

Topic	Questions
Participation in CSR projects	(1) In which areas does Mazzali Armadi have CSR projects? (2) What are the main objectives of Mazzali Armadi's participation in CSR projects? (3) What were the main reasons for participating in CSR projects? (4) Which activities have been realised in the framework of CSR since the foundation of Mazzali Armadi? (5) Which activities does Mazzali Armadi plan for developing its CSR engagement in the future?
Utilisation of CSR projects for marketing purposes	(1) How many customers of Mazzali Armadi know that the brand is involved in CSR projects? (2) In case customers mentioned their opinion about the CSR projects: How was the feedback from the customers? (3) How does Mazzali Armadi communicate the involvement in CSR projects to the public? (4) How important is the communication of CSR involvement within the marketing strategy of Mazzali Armadi? (5) What is the impact of Mazzali Armadi's communication of CSR projects (i.e. positive resonance)?
Corporate brand identity and its CSR incorporation	(1) How do the employees of Mazzali Armadi share the values of the CSR activities of their employer? (2) How much do the CSR concepts impact your daily work? (3) How detrimental are the financial investments in CSR projects on sales margins?

innovative wardrobe solutions. In 1992, a new factory was built, corresponding to the highest environmental standards of that time. Increasing investments in environmental protection as well as the collection 'Green Island' composed of eco-friendly products with low environmental impact in 1998 allowed Mazzali to successively consolidate its strategy.

5   In 2000, the company developed a new water painting technique, leading to Mazzali's leadership role as an 'environmentally friendly' company in its industry. The year 2003 marked the inauguration of the company's first showroom for presenting the whole collection. In the same year, Mazzali was awarded an 'Excellent Enterprise 2003' prize. In its business philosophy, Mazzali presented in 2004 the 'Zerosettantacinque' project, which had the objective

10   to invest 0.75% of sales revenues for initiatives aiming at environmental protection and social responsibility. During the years 2004 and 2005, Mazzali was among the finalists for the 'Sodalitas Social Award', and in 2006, the company won the award with its CSR initiative 'I saw the kids fly'. In 2005, Mazzali joined the 'Global Compact' initiative for sustainable development by the United Nations. However, Mazzali not only consolidated its market position

15   in terms of CSR engagement and environmental protection, but also in the field of product design and aesthetics. In 2005, the bed 'Sfera' was selected for the IDCS as the best product of classic design, while in 2006, the bed 'Fior di loto' was selected for the I.DoT as the best product of contemporary design. With the new finishing '100% water', Mazzali introduced in 2007 a product that had a LIFE mark for sustainable development. In 2007, the company

20   was also awarded the 'Champions of Responsibility' award at the Sodalitas Social Awards, and in 2009, Mazzali joined the Sodalitas Foundation. In other words, the production capacity, the marketing strategy and the social initiatives all reinforced Mazzali's positioning as environmentally oriented.

4.2. Brand identity

25   Sustainable development, social responsibility and environmental impacts are values and commitments that characterise Mazzali's production concept according to the interviewee. Mazzali attempts to use wood reforestation programmes, low-emission paint solvents,

improved environmental technologies, sustainable research materials and solutions to reduce ecological impacts, with attention to consumer health. Mazzali supports sustainable production with social and environmental initiatives in conjunction with corporate citizenship as exemplified below:

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> Providing furniture solutions, with quality products, customised to client expectations, in compliance with ethical principles and protection of the environment is our company commitment. (Zanandrea, 2015)

The interviewee believes the future of the industry is dependent on sustainable harmony with the environment within which it is immersed. Mazzali, in its own operative social context, invests in initiatives and is committed to design and development of environmentally friendly and sustainable products. Among associated principles are to abhor child labour, reduce emissions of pollutants, such as gas, or waste discharges, and support projects in the social and environmental domain through humanitarian organisations and 'non-profit' activities. Mazzali requires its suppliers to also respect the ethical and environmental principles that it adheres to. Mazzali wants to create products with strong identities that mirror the values of those who purchase them.

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In this context, Mazzali claims awareness of not creating environmental impact through its business. Efforts in recent years have been to gradually reduce this impact through search for new technologies and selection of innovative raw materials. CSR and sustainability rely on guidelines that impact directly and virtuously on investment choices and long-term return returns. Today, Mazzali claims that 90% of the company's products are made with materials and technologies with low or no environmental impact. This suggests that R&D has a symbiotic relationship with marketing (Zanandrea, 2015).

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4.3. Business strategy

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Mazzali has an industrial vision where sustainable development is not only an ethical imperative, but also, and above all, a carrier of competitiveness. CSR at Mazzali was introduced and developed as a strategic choice of marketing driven by corporate governance particularly attentive to ethical, social and environmental impact. Suppliers, customers and environmental groups are the first parties on which the company built its path of engagement. Social responsibility is for Mazzali also a cultural approach to business. It has been the fundamental driver of growth and differentiation and impacted on intangible assets such as promotion and development of the company and allowed strong differentiation compared to competitors by generating advantage that led to significant growth in value, sales volumes and continuous improvement in community relations. This enabled the company to acquire expertise and improve its offer thanks to constructive interaction with stakeholders.

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Generally, the company and brand have developed different operational concepts for implementing its strategy. A marketing plan that integrates the principles of sustainable development is the main part of it. Coordination of stakeholders – closely linked with active stakeholder engagement – plays a key role. Furthermore, Mazzali plans the direction and coordination of all activities of corporate citizenship, as well as relations with non-profit organisations. The marketing division of Mazzali is in this context responsible for internal and external communication, as well as internal training and sales network development.

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The practical involvement begins with marketing and customer relationship management. It is an activity of dissemination and information, verbal or written, delicate, and

Table 3. Overview of Mazzali's internal measures of CSR impact on business.

Survey year	Main findings	CSR relevance
2000	Ecological aspect considered as innovative, but not important	Relatively low
2006	Mazzali is attributed a leading position in terms of environmental responsibility; low environmental impacts of its production are evaluated as strategic tools and sales plus for the final consumer	Impact of CSR as a concept appears to be rather vague; CSR is poorly perceived and not influential in the choice of the suppliers, but for consumers it can be a plus
2008	Leading position in 'green' business is confirmed; company won several awards for its engagement	CSR remains vague, but for some customers, it is seen as a plus value
2012	'Green' business shows that the strategy attracts growing interest, but the economic crises impacts on business performance	CSR importance shrinks, given the impacts of the economic crisis; price more important than CSR

unidirectional. Communication is targeted and accentuated for events or awards occasions. To support customers, brochures describe and explain the activities and procedures of sustainability and responsibility pursued by Mazzali (Zanandrea, 2015).

Mazzali periodically tries to quantify the impact of its CSR engagement and communication on consumer brand perception and customer satisfaction. The main internal measures adopted are described in Table 3.

Mazzali considers CSR to be an integral element of the company's business success, since these projects have positively influenced relationships with customers.

5. Findings from Mazzali's distributor survey

The interview with Mazzali's Marketing Director provided insights into how CSR is incorporated into the brand's strategy. In order to evaluate also external perceptions of Mazzali's branding, and especially the importance of CSR engagement as purchase incentive for customers, responses from 22% of Mazzali's distributors in Italy ($n = 25$) were randomly collected. In July 2015, i.e. the time of the survey, Mazzali distributed its products via a total of 113 business partners located in different regions of Italy.

The average duration of collaboration of surveyed distributors with Mazzali was 20 years (minimum: 4 years, and maximum 31 years). The greater proportion of Mazzali's distributors has thus been working with the company for a relatively long time. Therefore, consistent brand knowledge was assumed for most of the surveyed business partners. Besides, the surveyed distributors were mainly SMEs, and more than 50% exclusively commercialised their products locally.

Mazzali's customers rated Mazzali's product appeal and product quality as the most relevant purchase factor. The innovative character of Mazzali's production concept was mentioned nine times and therefore also played an important role. Mazzali's CSR philosophy was cited eight times. The company's product range and staff, as well as the relationship between price and quality and the brand reputation were each mentioned by one distributor. A summation of each attribute is provided in Table 4. It should be noticed that these findings represent absolute counts, so it may have occurred that one and the same distributor mentioned both 'product design' and 'product aesthetics'.

Although Mazzali's product design and quality were the most cited purchase factors, the third question of the survey nevertheless showed that Mazzali's CSR engagement was

Table 4. Ranking of top purchase factors for Mazzali's products.

Rank	Purchase factor	Total	Purchase reason	Counts
1	Product appeal	19	Design	14
			Aesthetics	5
2	Perceived product quality	19	Quality	13
			Product quality	4
			Material quality	2
3	Innovativeness	9	Innovation	9
4	Corporate social responsibility	8	Eco-responsibility	4
			Sustainable development	3
			Ecological products	1
5	Product offer	4	Product range	4
6	Regional development	3	Territorial development	3
7	Staff	2	Good staff	2
8	Relationship price/quality	1	Relationship price/quality	1
9	Brand reputation	1	Reputation	1

relevant for business partners. For 92% of respondents, Mazzali's CSR activities were either important or very important. The reasons why distributors rated Mazzali's CSR engagement as important were diverse. One distributor claimed CSR to be important because it 'ensures the conditions to be a solid company to invest and trust in'. Another distributor stated that CSR is 'an important value added'. Two distributors underlined that CSR is important because it serves as a 'communication instrument'. Five distributors underlined that Mazzali's CSR engagement serves as a 'differentiation argument' from other brands, while three distributors claimed that Mazzali's CSR makes customers loyal. One client answered that it is 'very important because of several dozens of vendors, it turns out that only one really pursues CSR'. This statement was given by a distributor that had been a business partner of Mazzali for 20 years. Only one distributor claimed that it is only intermediately important because CSR 'is something that we underline with our clients', but which 'is not fundamental'. Only one distributor was not sure about the relevance of CSR.

On the other hand, CSR was also important for distributors' own business strategy (72%), while 20% claimed it to be 'very important'. For nine distributors, CSR was important for their own business strategy because it increased sales revenues. One distributor stated that CSR was not only very important for his business, but especially for end customers, while another distributor underlined that it underpins customer loyalty. One distributor also evoked that CSR serves for increasing brand reputation. Another distributor mentioned that it is very important 'because it gives value added to the product'. Finally, one distributor explained that its company relies on 'honest trading' and 'credibility and professionalism'. Therefore, suppliers need to comply with these principles, as the company could otherwise not trust them. For four distributors, CSR was irrelevant, and three distributors were not sure of the importance of CSR for their own business.

Finally, Mazzali's distributors commonly underlined that customers purchase their products because they contribute to the strengthening of 'made in Italy'. Service was mentioned by six distributors as the most important reason. The relationship between quality and price was evoked by five distributors, while quality alone was mentioned by four distributors. Trustworthiness was for five distributors the most important purchase reason, while three distributors claimed that their products make customers confident. The product customisation or personalisation offerings were for four distributors most decisive. Regional development (two distributors) and job creation (one distributor) were also mentioned.

6. Discussion

The results of the in-depth interview with Mazzali's marketing director, as well as the distributor survey shed light on the potential of CSR for branding strategies of SME in a B2D context. With these findings, the present paper confirms the findings from previous research dealing with CSR in consumer markets that found that CSR impacts purchase intentions, loyalty and brand satisfaction (see Carrigan & Attalla, 2001; Dutta & Singh, 2013; Lin-Hi & Müller, 2013; Öberseder et al., 2013; Tian, Wang, & Yang, 2011).

The findings of this study make a contribution to research about CSR branding for SMEs (see Graafland et al., 2003; Johnson & Schaltegger, 2015; Nicolopoulou, 2014; Perrini et al., 2007), and also provide fresh insights into CSR understanding in industrial markets (Homburg et al., 2013; Pai et al., 2013). In this context, the results substantiate Leppelt et al.'s (2013) findings that industrial buyers rather emphasise tangible attributes than intangible attributes of the supplier's brand. Furthermore, the results are consistent with the findings of Sen and Bhattacharya (2001) who find that company-specific factors, such as the CSR issues a firm likes to focus on and the quality of the brand's products, as well as individual-specific factors, such as buyer's personal support for the CSR issues and their general beliefs about CSR, are key moderators of consumers' reactions towards CSR (Sen & Bhattacharya, 2001).

The obtained responses need however to be evaluated in light of potential bias in favour of the respective company and its products. The present study only focused on the case of one brand in order to illustrate how CSR can be embedded in branding strategies and how industrial buyers perceive the relevance of CSR for purchase decisions. The responses from Mazzali's distributors might need to be enhanced with further evidence on the relevance of CSR in a B2D context. As underlined by Yin (2013), case study research generally suffers from limited generalisability, what implies reduced overall validity. A cross-company data sample within the same industry could therefore further enrich the empirical representativeness of the conclusions. If these findings are also representative for other industries and sectors may be subject of further research.

7. Managerial implications

The research carried out in this paper also evidences some managerial implications. First, the case of Mazzali shows that purchase factors such as product design and perceived product quality can to a degree outweigh the engagement in CSR activities. Companies involved in CSR activities should therefore be interested in also developing a unique product appeal and product quality. The case of Mazzali Armadi suggests that CSR engagement is rather evaluated as a plus, but not as the most salient purchase factor. Second, certain business partners claimed that the CSR engagement of Mazzali is important for them and that it influences their choice behaviour, whereas these business partners do not necessarily rate CSR as equally important for their own business strategy. For instance, one distributor stated that Mazzali's CSR engagement is important for him, but not for his customers, which makes CSR less relevant for the distributor's own business strategy. This finding implies that CSR can create a kind of 'vertical pressure' within the supply chain, requiring the supplying party of the chain to adopt consistent CSR concepts. Suppliers are thus requested to realise CSR activities although their clients do not necessarily embrace CSR to a similar extent. Third, the questionnaire responses suggest that CSR engagement is associated with brand equity. Mazzali's business partners thoroughly mentioned that CSR creates value-added,

differentiation, and competitive advantages, leading to trustworthiness and customer loyalty. However, the effects of CSR on different brand equity components of small-sized industrial firms in a B2B context may require further corroboration.

8. Conclusions

This study had the objective of investigating the relevance of CSR in a B2D context by examining the case of Mazzali Armadi. It was intended to determine how CSR can be incorporated by an SME and how important it is for distributors' purchase decisions.

This study found that CSR can be a beneficial element for the business strategy of this specific SME. Although Mazzali's CSR engagement was consistently rated as important, the main purchase factors for Mazzali's products were perceived product quality and product design. Eco-responsibility or sustainability played a significantly less important role as purchase reason. This contains important managerial information, and confirms the findings of previous evaluations of the importance of CSR realised by Mazzali that found that CSR is only a plus value and not strictly the decisive factor. However, this does not imply that Mazzali's CSR activities are not important for his distributors. On the contrary, it turned out that CSR favours a variety of sales arguments such as brand trustworthiness, value-added, uniqueness and loyalty on which the firm can capitalise. Given that Mazzali's retailers even claimed that CSR is important for differentiating Mazzali from other brands, CSR seems to be a suitable tool for developing brand equity. For most of Mazzali's retailers, CSR was also important for their own business strategy. It was claimed that CSR serves for increasing revenues, while strengthening brand value. CSR was claimed to add value to products, which makes them attractive to consumers that increasingly demand socially responsible products. On the other hand, the positive synergies between CSR and regional development were also appreciated.

For further providing insights into the relevance of CSR for brand performance, it needs to be evaluated if the results of this study may be extrapolated on other types of industries and products. Therefore, future research needs to explore the importance of CSR in a B2B context using larger data samples, derived from cross-industrial probes. This study focused on SME in a B2D market in the furniture industry, while CSR communication and its influence on distributor purchase behaviour might be different in the food sector for example. Besides, further studies could concentrate on the role of the company size as moderating variable for the impact of CSR engagement on business performance. Larger firms might in fact have more possibilities to successfully employ CSR for marketing purposes than SME. It would be interesting to compare the impact on returns on investment of CSR between SME and large companies. This could allow for more quantitatively oriented measures.

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Disclosure statement

AQ9

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