

Research Paper

Corporate Social Responsibility for Strategic Distinctiveness: A Review

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ABSTRACT

Purpose: This study examines the relationship between Corporate Social Responsibility (CSR) and differentiation strategy, exploring how firms leverage CSR to respond to contemporary challenges such as automation, population aging, and climate change.

Design/Methodology/Approach: A systematic literature review was conducted following PRISMA guidelines, using the Web of Science (WOS) database, and identifying six main thematic perspectives: CSR as part of differentiation, CSR and competitive advantage/performance, consumer perception, factors influencing CSR adoption, specific implementation practices, and paradigm change.

Findings: The review shows that CSR integration within differentiation strategies generally enhances competitive advantage, consumer attitudes, and firm performance. Nonetheless, mixed results highlight contextual dependencies and the need for further research to clarify when and how CSR drives performance.

Originality/Value: By systematically classifying the fragmented literature into six perspectives, this study offers an integrative framework that advances understanding of CSR as a differentiation tool and underscores its potential in addressing societal megatrends.

Research Limitations/Implications: While the study synthesizes valuable insights, its reliance on published literature limits generalizability. Future research should examine industry-specific and cultural contexts for a more nuanced understanding.

Practical Implications: The findings suggest that strategically embedding CSR into differentiation strategies can create competitive advantage, strengthen stakeholder trust, and improve organizational resilience.

Social Implications: Beyond firm-level benefits, CSR-driven differentiation contributes to societal well-being and sustainable development, signaling a paradigm shift in the role of business.

Keywords: *Corporate Social Responsibility; Differentiation Strategy; Competitive Advantage; Sustainability; Paradigm Change; Business Strategy.*

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1. Introduction

We are living in an era of “creative disruption,” often described as the Fourth Industrial Revolution, where robotics, artificial intelligence (AI), and digital platforms are transforming industries and organizational models (Boyd & Holton, 2018; Jastram et al., 2022). In this context, the continuous adoption of new technologies is vital to maintain competitiveness (Szabó-Szentgróti et al., 2021). Yet automation also intensifies anxieties about mass unemployment or underemployment (Arat & Waring, 2022). At the same time, this “age of automation” carries constructive potential, enabling a rethinking of the right to work, reducing working hours, and fostering more meaningful, self-directed forms of labor (Arat & Waring, 2022).

Alongside automation, other megatrends are reshaping the business environment. Population aging introduces structural challenges for labor markets and consumption (Fischer et al., 2021), while climate change, biodiversity loss, and shifting consumer expectations demand sustainable production and marketing models (Galbreath, 2015; Ratten, 2018). Recent studies underline that firms cannot ignore these pressures, as environmental concerns are increasingly intertwined with competitiveness, consumer trust, and regulatory frameworks (Lopez-Gamero et al., 2022; Wu et al., 2024).

Innovation remains a central driver of change. However, success today depends not only on technological innovation but also on social and organizational innovation (Danciu, 2013; Corsini et al., 2019). As Danciu (2013, p. 39) emphasized, “self-empowering will be accompanied by social responsibility, transparency, and sustainability.” Businesses are thus challenged to design strategies that reconcile profitability with societal welfare and environmental stewardship. In this respect, digital transformation and CSR integration are increasingly seen as complementary forces enabling firms to enhance competitiveness while advancing sustainability goals (Al-Swidi et al., 2024; Wang et al., 2024).

The growing axiological dimension in management reflects a shift from a sole focus on maximizing profits to “doing well by doing good.” A stronger emphasis on sustainability is now at the heart of corporate and marketing strategy (Danciu, 2013). In this context, Corporate Social Responsibility (CSR) is emerging not as a reactive risk-management tool, but as a strategic driver of value creation (Høivik & Shankar, 2010; Marchini et al., 2022). New governance models, such as Benefit Corporations, institutionalize a dual mission of profit and public benefit, reflecting the convergence of business and ethical imperatives (Marchini et al., 2022). More recently, CSR has been linked to green

innovation and AI-driven reporting practices, highlighting its role in fostering sustainable and transparent business transformation (Jain et al., 2024; Al-Swidi et al., 2024).

Despite the extensive body of literature on CSR, prior studies tend to examine CSR either as a reputational mechanism (e.g., McWilliams & Siegel, 2000; Flammer, 2018), as a driver of performance (e.g., Galbreath et al., 2022; Gupta et al., 2020), or through specific practices such as supply-chain responsibility or communication (Hoejmose et al., 2013; Papadopoulou et al., 2022). However, these streams remain largely disconnected, and few studies explicitly analyze how CSR operates as a deliberate differentiation strategy across industries, organizational sizes, and governance models. Existing evidence is therefore fragmented and inconclusive regarding the mechanisms through which CSR generates distinctiveness and the conditions under which it strengthens competitive advantage. This lack of integrative systematization constitutes the theoretical gap that the present review addresses. This gap limits our understanding of how responsible business strategies can simultaneously foster competitiveness, legitimacy, and societal value.

To address this gap, the present study identifies and interprets the main perspectives through which CSR operates as a differentiation strategy, examining its mechanisms, contextual determinants, and potential to respond to three major challenges of contemporary capitalism – automation, population aging, and climate change. By consolidating diverse streams of research, this review aims to clarify how CSR-driven differentiation contributes to sustainable competitive advantage and to provide a conceptual framework for future empirical studies.

The paper is structured as follows. Section 2 reviews the conceptual foundations of differentiation strategy and CSR. Section 3 describes the methodology of the systematic review. Section 4 presents and systematizes the main findings. Section 5 concludes by discussing the study’s theoretical, managerial, and societal implications, outlining directions for future research

2. Theoretical background

2.1. Differentiation strategy

Up to the present day, there is no universally accepted definition of strategy; instead, the concept is approached through a wide range of perspectives and interpretations (Köhler & Zerfass, 2019). For the purposes of this research, the notion of strategy is adopted in line with Porter’s (1996) view—namely, the act of making choices that allow firms to

carry out activities in a manner distinct from their competitors. At the business level, or competitive level, strategies represent the set of actions organizations employ to secure an advantage within a specific industry or market. Among the most influential and frequently debated frameworks is Porter's typology of generic strategies—cost leadership, differentiation, and focus—which remains central in both academic research and managerial practice (Islami et al., 2020a; Islami et al., 2020b; Moon et al., 2014; Parnell, 2011).

A differentiation strategy entails positioning a product or service as unique within an industry, typically through superior quality, innovative features, or other distinctive attributes (Porter, 1998). This approach enables firms to stand out from competitors, often reducing customer sensitivity to competing features and providing opportunities to control costs in less critical areas (Sharp & Dawes, 2001). While differentiation can enhance profit margins, it may simultaneously constrain the ability to capture a large market share (Porter, 1998).

Porter (1998) identified multiple potential sources of differentiation, such as design, brand image, technological innovation, product features, customer support, or distribution networks. Ideally, firms combine several of these elements to reinforce their distinctiveness. Building on this, Yamin et al. (1999) conceptualized differentiation along four dimensions: customer service, technological leadership, product attributes, and logistics. Similarly, Islami et al. (2020a) highlighted that differentiation can be pursued at three levels: (1) creating unique offerings that respond to consumer needs (market level), (2) designing distinctive supply chain practices (organizational level), and (3) presenting products or services in a novel manner (offering level). Differentiation may be horizontal, when products have equivalent quality but diverge in features, or vertical, when differences are based on quality itself (Kim & Wang, 2014).

From Porter's (1998) perspective, differentiation shields firms from intense competitive pressures by fostering customer loyalty, which in turn reduces price sensitivity and supports higher margins without reliance on a low-cost position. Empirical studies confirm that pursuing multiple dimensions of differentiation – such as service, technology, product, and logistics – can significantly enhance firm performance (Islami et al., 2020a). Moreover, when compared to cost leadership and focus, differentiation has been shown to exert the strongest positive influence on organizational outcomes (Islami et al., 2020b).

2.2 CSR concept

Since the second half of the 20th century, the concept of corporate social responsibility (CSR) has become central to debates on the relationship between business and society. Bowen (1953) was among the first to define CSR, describing it as the obligation of business leaders to adopt policies, make decisions, and pursue actions that align with the values and objectives of society.

According to an ILO report (2003), three main sources shaped the modern form of CSR that took shape during the 1990s. The first stemmed from growing environmental concerns. The second was linked to the consequences of liberalization, deregulation, and privatization, which shifted responsibilities traditionally handled by governments onto businesses (Justice, 2002). A third influence came from human resource development (HRD), particularly the recognition of workforce training and retention as a dimension of social responsibility.

Nevertheless, the concept has faced criticism from advocates of “corporate egoism” (e.g., Levitt, 1970; Friedman, 1970), who argued that the sole responsibility of business is to maximize profits, fulfill legal obligations (such as paying wages and taxes), and leave social welfare to the state. Within this perspective, any voluntary social engagement is a matter of managerial discretion rather than an institutional requirement. Friedman (1970), for instance, famously asserted that the social responsibility of business is simply “to increase its profits.” Despite this critical view, the practice of reporting on CSR activities has become widespread, with many firms now integrating CSR disclosures into their annual reports.

The European Commission defines CSR as the responsibility of enterprises for their impact on society. Beyond legal compliance, firms are expected to integrate social, environmental, ethical, consumer, and human rights concerns into their strategy and daily operations. The Commission emphasizes that CSR benefits not only companies—by supporting risk management, cost savings, access to finance, customer loyalty, human resource management, and innovation—but also the wider economy and society, by enhancing sustainability, cohesion, and competitiveness.

In this sense, CSR is generally understood as a voluntary commitment to go beyond the minimum obligations imposed by law or by conventional business practices. Falck and Heblich (2007) argue that CSR should be viewed as a strategic management tool: one that allows companies to remain profitable while simultaneously contributing to societal well-being. Importantly, CSR is not considered an act of altruism but a long-term approach

through which both firms and communities benefit.

From this perspective, the company is conceived as a social community, where owners, managers, employees, suppliers, consumers, and broader stakeholders engage in joint action to create value. CSR, therefore, represents a process of embedding ethical, legal, and societal expectations into corporate strategies, often aiming to exceed them. The key argument in contemporary CSR theory is that short-term profit reductions caused by socially oriented spending generate a favorable environment that fosters long-term business sustainability and profitability.

3. Methodology

This study adopts a Systematic Literature Review (SLR) design to synthesize and critically analyze academic contributions addressing the relationship between *Corporate Social Responsibility (CSR)* and *differentiation strategy*. Following the methodological principles proposed by Moher et al. (2009), the review process was structured to ensure rigor, transparency, and replicability. The objective was to identify, categorize, and interpret the main theoretical and empirical approaches connecting CSR to strategic differentiation and competitive advantage.

The SLR was selected as the most appropriate method for consolidating a dispersed body of research that spans multiple theoretical traditions and disciplines. Unlike narrative or integrative reviews, the systematic approach enables a replicable, transparent, and unbiased synthesis of the existing evidence base (Snyder, 2019). In this context, the review aimed to map the intellectual structure of research linking CSR and differentiation strategies and identify dominant thematic clusters and emerging paradigms.

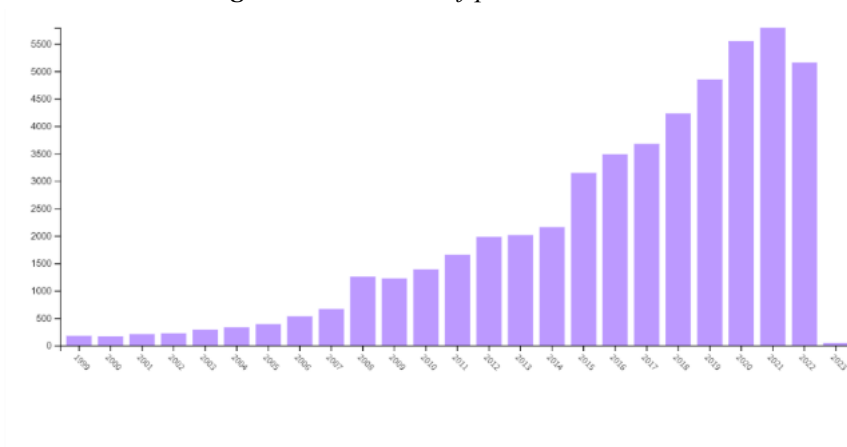
Data collection was conducted using the Web of Science (WOS) Core Collection, given its recognized rigor, multidisciplinary coverage, and indexing of leading journals in management, strategy, and sustainability. The search query applied was: (“corporate social responsibility” OR “CSR”) AND (“differentiation strategy”)

This formulation was designed to capture publications explicitly discussing CSR in relation to competitive or strategic differentiation. The search encompassed peer-reviewed journal articles published between 1999 and 2024, without geographical restrictions, to reflect the temporal evolution of the field.

From evolutionary perspective, it is clear that CSR is steadily growing research subject:

in 1999 there were only 175 publications, as long as the last three years the number of yearly publications overcome 5000 (Figure 1).

Figure 1. Evolution of publications on CSR



Business and management are a leading field in CSR research. From 51964 16,730 are in this field (Figure 2).

Figure 2. Thematic areas on CSR



USA, China, India and England are leading in number of publications (Figure 3).

Figure 3. Countries



It is clear that CSR is inherently linked to strategy, there are over 5000 publications for this combination.

To ensure methodological precision, inclusion criteria required that studies:

- (a) explicitly conceptualized CSR as part of or related to business strategy;
 - (b) examined its implications for differentiation, competitiveness, or performance;
- and
- (c) were written in English and published in peer-reviewed academic outlets.

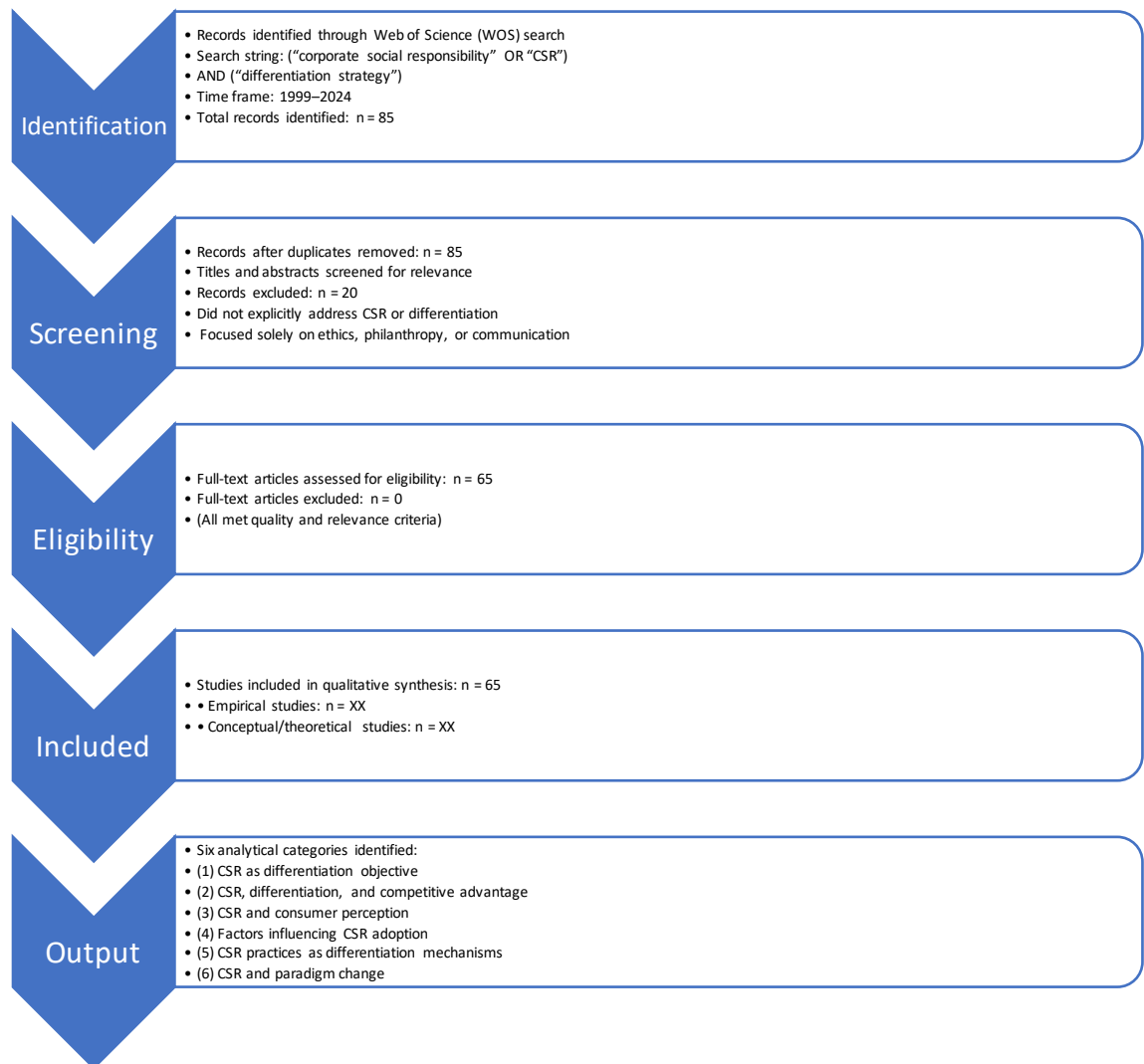
Studies were excluded if they:

- (a) focused exclusively on CSR communication, ethics, or philanthropy without a strategic component;
- (b) consisted of conference papers, editorials, or non-scholarly materials; or
- (c) did not establish an explicit link between CSR and competitive strategy.

The initial search yielded 85 records. Each publication was screened in three stages: (1) title and abstract review, (2) full-text eligibility assessment, and (3) final inclusion validation. After applying the exclusion criteria, 65 studies remained for detailed analysis. Table 1 (Evidence Matrix) presents the classification process, ensuring methodological transparency and analytical rigor in the identification of CSR–Differentiation Strategy research streams.

This multi-stage screening process ensured both conceptual relevance and methodological quality (see Figure 4 for a schematic representation of the review protocol, consistent with PRISMA guidelines).

Figure 4. PRISMA Review protocol



All retained studies were subjected to qualitative content analysis to identify patterns, theoretical linkages, and research gaps. Each article was coded according to:

- publication year, journal, and disciplinary orientation;
- methodological approach (empirical, conceptual, or theoretical);
- contextual scope (sectoral and geographical focus); and
- the nature of the CSR–strategy relationship addressed.

Subsequently, findings were thematically synthesized, allowing the systematization of six major analytical categories (Table 1):

1. *Differentiation via CSR and as an objective;*
2. *CSR, differentiation, and competitive advantage/performance;*

3. *CSR–differentiation–consumer perception;*
4. *Determinants of CSR adoption within differentiation strategies;*
5. *Specific CSR implementation practices as differentiation mechanisms; and*
6. *CSR as part of an emerging paradigm shift in business strategy.*

Table 1. *Categories of CSR and differentiation research*

<u>Link to Differentiation as an objective</u> <u>14 Sources</u>		<u>Marchini et al., 2022, Crossley et al., 2021; Rankin, 2021; Bhattacharyya et al., 2020; Flammer, 2018; Bhupendra & Sangle, 2018; Hapsoro & Fadhillah, 2017; Luth & Schepker, 2017; Grolleau et al., 2016; Crifo & Forget, 2013; Hoejmoose et al., 2013; Miron et al., 2011; Cruz & Boehe, 2008; Siegel & Vitaliano, 2007</u>
<u>2. Differentiation, CSR and competitive advantage / performance</u> <u>26 sources</u>	<u>2.1. CL and D lead to “+” Competitive advantage / performance</u> <u>6 sources</u>	<u>Lopez-Gamero et al., 2022, Liu et al., 2020, Chen et al., 2018, Parnell, 2018, Cavaleri & Shabana, 2018, Reyes-Rodriguez et al., 2016</u>
	<u>2.2. D and CSR lead to “+” Competitive advantage / performance</u> <u>18 sources</u>	<u>He & Chittoor, 2022, Ding et al., 2022, Fuchsova, 2022, Galbreath et al., 2022, Gras & Krause, 2020, Gupta et al., 2020, Martin-de Castro et al., 2020, Parnell & Brady, 2019, Duanmu et al., 2018, McWilliams et al., 2016, Lee & Jung, 2016, Hogan & Evans, 2015, Linder et al., 2014, Casado-Diaz et al., 2014, Maas et al., 2014, Boehe & Cruz, 2010, Bilgin, 2009, McWilliams & Siegel, 2000</u>
	<u>2.3. D and CSR lead to “-” Competitive advantage / performance</u> <u>2 sources</u>	<u>Duanmu et al., 2018; Linder et al., 2014;</u>
<u>3. CSR – D. - Consumer positive perception</u> <u>7 sources</u>		<u>Soni, 2022; Papadopoulou et al., 2022; Losada-Otalora & Alkire, 2021; Ramesh et al., 2019; Valente, 2015; Gupta et al., 2013; Fosfuri et al., 2013.</u>
<u>Factors for CSR adoption – D.</u> <u>6 sources</u>		<u>Long & Zhang, 2021; Bager & Lambin, 2020; Xu & Liu, 2020; Banerjee & Wathieu, 2017; Cruz et al., 2015; Baron, 2009.</u>
<u>Specific way of CSR as D.</u> <u>11 sources</u>		<u>Mohliver et al., 2022; Zhan et al., 2020; Plaza-Ubeda et al., 2020; Calveras & Ganuza, 2018; Upadhaya et al., 2018; Dupire & M'Zali, 2018; Chun, 2017; Bhupendra & Sangle, 2017; Stoian & Gilman, 2017; Varadarajan, 2017; Martinez et al., 2014; Pelozo et al., 2012.</u>
<u>Paradigm change</u> <u>2 sources</u>		<u>Plaza-Ubeda et al., 2020; Castello & Lozano, 2011.</u>

These categories collectively capture the intellectual evolution and current frontiers of the field, serving as the structural basis for the discussion and integrative framework presented in Section 4.

4. Results – CSR and Differentiation strategy

The analysis of the studies that met the inclusion criteria revealed six dominant thematic patterns reflecting the multifaceted relationship between Corporate Social Responsibility (CSR) and differentiation strategy. These categories were derived from a systematic coding process that classified the studies according to their conceptual focus, methodological approach, and empirical evidence linking CSR to strategic differentiation. The results are organized to move from the most direct conceptualizations of CSR as a differentiation objective to more complex interpretations involving performance outcomes, consumer perceptions, contextual determinants, implementation mechanisms, and paradigm-level transformations. Each subsection below synthesizes the key contributions, identifies converging and diverging findings, and highlights emerging theoretical and managerial implications within each thematic cluster.

4.1. Differentiation via CSR and as an objective

One of the most consistent lines of inquiry within the CSR–strategy literature establishes a direct link between Corporate Social Responsibility (CSR) and differentiation strategy, conceptualizing CSR as both a strategic objective and a mechanism for competitive distinctiveness. This category, labelled “Link to Differentiation as an Objective,” encompasses 14 studies (Marchini et al., 2022; Crossley et al., 2021; Rankin, 2021; Bhattacharyya et al., 2020; Flammer, 2018; Bhupendra & Sangle, 2018; Hapsoro & Fadhilla, 2017; Luth & Schepker, 2017; Grolleau et al., 2016; Crifo & Forget, 2013; Hoejmose et al., 2013; Miron et al., 2011; Cruz & Boehe, 2008; Siegel & Vitaliano, 2007). Collectively, this research demonstrates that CSR initiatives can serve as strategic levers for differentiation, shaping corporate identity, stakeholder relations, and long-term competitiveness.

A significant recent development within this stream is the rise of the Benefit Corporation (BC) model, viewed as an institutional evolution of CSR practice and a powerful form of strategic differentiation (Marchini et al., 2022). BCs are legally bound to pursue both profit and public benefit, embedding sustainability principles into their corporate purpose and governance structure. Marchini et al. (2022) argue that the differentiation outcomes of the BC model evolve over time: in the short term, firms benefit from enhanced community reputation, whereas in the long term, differentiation becomes rooted in stronger, value-based customer relationships.

The relevance of CSR as a driver of differentiation is also evident in small and medium-sized enterprises (SMEs), where sustainable social and environmental practices contribute directly to market distinctiveness (Crossley et al., 2021). Several studies (Rankin, 2021; Flammer, 2018; Bhupendra & Sangle, 2018) reinforce this argument, suggesting that CSR can be strategically deployed to establish uniqueness in competitive markets. Bhupendra and Sangle (2018), in particular, emphasize that mere regulatory compliance is insufficient for sustained differentiation. Instead, firms should pursue “beyond compliance” strategies that internalize responsibility throughout the entire product life cycle and actively minimize negative externalities across the value chain. Even incremental improvements in these domains, they note, can substantially enhance brand distinctiveness and stakeholder trust.

The degree to which CSR supports differentiation also depends on a firm’s strategic orientation. Hoejmose et al. (2013) found that firms pursuing differentiation strategies tend to exhibit greater engagement with socially responsible supply-chain practices, while cost leaders often deprioritize such initiatives in favor of efficiency. This reinforces the notion that CSR functions as a strategic discriminator rather than a universal managerial practice. Moreover, effective differentiation through CSR requires a holistic organizational commitment. Bhattacharyya et al. (2020) argue that CSR cannot remain isolated within specialized departments; it must be integrated across hierarchical levels and involve both employees and external stakeholders. As their findings demonstrate, socially and environmentally sensitive initiatives—when embedded throughout the organization—strengthen responsibility, foster cohesion, and enhance the perceived quality and marketability of products and services.

Overall, this cluster of studies underscores that CSR can function not only as an ethical imperative but also as a strategic instrument of differentiation. Firms that integrate CSR into their core strategic objectives are better positioned to convert social responsibility into a sustainable source of competitive advantage.

4.2. CSR in business strategies and competitive advantage / performance

The largest group of studies examines the effectiveness of CSR when integrated into business strategy, specifically focusing on its relationship with competitive advantage and firm performance. This category, labelled “Differentiation, CSR and competitive advantage/performance” (26), can be divided into three sub-themes.

4.2.1. Business strategies and competitive outcomes

A first stream of research finds that both cost leadership and differentiation strategies are linked to positive competitive advantage and performance outcomes (Lopez-Gamero et al., 2022; Liu et al., 2020; Chen et al., 2018; Parnell, 2018; Cavaleri & Shabana, 2018; Reyes-Rodriguez et al., 2016). Several moderators have been highlighted in these studies. For instance, Reyes-Rodriguez et al. (2016) showed that environmental initiatives contribute simultaneously to cost reductions and differentiation advantages. Similarly, Lopez-Gamero et al. (2022) demonstrated that environmental CSR can enhance both cost efficiency and differentiation, moderated by agility and innovation. Their findings suggest that hoteliers should adopt environmental initiatives not only because they improve societal wellbeing, but also because they lower resource consumption (e.g., water, energy, raw materials) and improve waste management, while at the same time strengthening customer loyalty, service quality, and brand image.

The role of innovation also emerges as crucial: sustainability initiatives built on radical innovation are more likely to generate positive impacts on financial performance (Cavaleri & Shabana, 2018). Moreover, competitive context matters—Liu et al. (2020) identified competitive intensity and government regulation as significant moderators. Drawing on ambidexterity and contingency theory, their study concluded that firms can benefit from hybrid strategies that combine low-cost approaches with CSR initiatives, even when tensions between the two exist.

Business strategies themselves may also serve as moderators in the CSR–CFP (corporate financial performance) relationship. Chen et al. (2018) found that competitive strategies reinforce the positive effects of CSR on financial performance. Parnell (2018) also reported that cost leaders are more likely than differentiators to emphasize nonmarket strategies, including CSR. According to Parnell (2018), this suggests that firms may pursue CSR and lobbying primarily as cost-effective nonmarket initiatives, undertaken less out of normative commitments and more as a way to secure economic benefits.

4.2.2. Differentiation strategy and CSR as drivers of performance

A second line of research shows that differentiation strategies in combination with CSR are particularly effective in generating competitive advantage and improving firm performance (He & Chittoor, 2022; Ding et al., 2022; Fuchsova, 2022; Galbreath et al., 2022; Gras & Krause, 2020; Gupta et al., 2020; Martin-de Castro et al., 2020; Parnell & Brady, 2019; Duanmu et al., 2018; McWilliams et al., 2016; Lee & Jung, 2016; Hogan & Evans, 2015; Casado-Diaz et al., 2014; Maas et al., 2014; Boehe & Cruz, 2010; Bilgin, 2009; McWilliams & Siegel, 2000).

Several studies argue that rising competitive pressures push firms to strengthen CSR initiatives as a means of differentiating their products, building stronger stakeholder relationships, and ultimately gaining pricing power (Ding et al., 2022). In this regard, CSR becomes a profit-maximizing strategy rather than a purely ethical choice. For instance, Lee and Jung (2016) found that CSR activities in firms with a differentiation focus and external investment strategies were associated with higher financial returns. In export contexts, Boehe and Cruz (2010) showed that CSR embedded in product differentiation strategies improved export performance. Similarly, Bilgin (2009) suggested that firms can achieve competitive advantage by combining ethical conduct with environmental responsibility.

The distinction between differentiation and cost leadership is further reinforced by recent evidence. Fuchsova (2022) reported that firms in the Czech Republic with systematic CSR strategies outperform those with ad hoc approaches, with differentiation strategies yielding the strongest economic benefits and supporting human rights protection, while CSR combined with cost leadership did not generate similar advantages. Galbreath et al. (2022) reached comparable conclusions, observing a negative association between cost leadership and ethical/discretionary CSR, whereas differentiation was positively related to both. They also highlighted the role of performance management systems as moderators in this relationship. Parnell and Brady (2019) found that although both cost leadership and differentiation were positively related to non-financial performance, only differentiation was significantly linked to financial performance.

The stakeholder perspective provides additional insights. He and Chittoor (2022) concluded that stakeholder management, with CSR as a key dimension, enhances financial performance when integrated into differentiation strategies. Gupta et al. (2020) similarly emphasized that firms can use stakeholder engagement as a tool for differentiation, with such strategies often translating into superior performance outcomes.

Other authors have examined moderating factors. Gras and Krause (2020) argued that the positive link between corporate social performance and financial outcomes is stronger in industries where CSR is less common, suggesting differentiation potential in less favorable environments. Casado-Diaz et al. (2014) noted that CSR is particularly effective in service industries, where it acts as both a public relations instrument and a differentiation tool, compared to manufacturing. Maas et al. (2014) showed that third-party logistics providers can build a differentiation advantage through pollution prevention and service stewardship, with environmental communication moderating the

effect. Martin-de Castro et al. (2020) added that green management strategies enhance performance when coupled with strong green competencies. Hogan and Evans (2015) further stressed the importance of aligning CSR with the firm's socially responsible value drivers.

Finally, methodological contributions are also noteworthy. McWilliams and Siegel (2000) highlighted the difficulty of isolating the effects of CSR on performance because many firms pursuing differentiation also make strategic investments in R&D. Extending this, McWilliams et al. (2016) proposed the use of data envelopment analysis (DEA) to evaluate trade-offs across the triple bottom line of profits, people, and the planet, acknowledging CSR as a fundamental component of differentiation strategies.

4.2.3. CSR strategies and negative performance outcomes

Although much of the literature highlights the positive role of CSR—particularly when aligned with differentiation strategies, and in some cases with cost leadership—there is also evidence of negative effects. This constitutes the third sub-category, “Cost leadership and differentiation with CSR leading to negative competitive advantage/performance.”

Linder et al. (2014) reported a negative relationship between environmental orientation and economic performance, suggesting that not all CSR-driven initiatives result in financial benefits. Similarly, Duanmu et al. (2018) emphasized that the effectiveness of CSR as a differentiation strategy is highly context-dependent. In their study of Chinese manufacturing firms between 2000 and 2005, intensified market competition was associated with overall declines in environmental performance. This adverse effect was particularly pronounced among firms following cost leadership strategies, though it was less severe in those adopting differentiation. Nevertheless, their findings indicate that competitive pressures can limit the potential of environmental CSR to deliver sustained performance benefits. As a result, firms are cautioned not to assume that CSR-related investments will automatically provide a viable path to competitive advantage but to carefully evaluate the conditions under which CSR creates value.

Across the 26 studies analyzed, evidence consistently supports the strategic complementarity between CSR and differentiation, with positive performance effects emerging when CSR is embedded in innovation, stakeholder management, and environmental stewardship. However, several studies caution that CSR is not universally performance-enhancing: its impact depends on strategic alignment, competitive context, and organizational capabilities. The literature thus reinforces CSR as a conditional

strategic resource—one that strengthens differentiation when coherently integrated but may underperform when treated as an isolated or symbolic activity.

4.3. Importance for Consumers

One of the main reasons why CSR within a differentiation strategy enhances competitive advantage and performance lies in its impact on consumer perceptions and attitudes. This is reflected in the third category, “CSR – Differentiation – Consumer positive perception” (7: Soni, 2022; Papadopoulou et al., 2022; Losada-Otalora & Alkire, 2021; Ramesh et al., 2019; Valente, 2015; Gupta et al., 2013; Fosfuri et al., 2013).

Research shows that consumers respond positively to CSR-linked differentiation. For instance, Ramesh et al. (2019) demonstrated that although customers may not consciously recall CSR details, such initiatives shape favorable attitudes that increase the likelihood of brand inclusion in their consideration set. Similarly, Valente (2015) highlighted that ethical differentiation is valued by consumers, allowing firms to successfully charge premium prices. Gupta et al. (2013) stressed the importance of embedding sustainability into brand knowledge and value creation as a way of building long-term differentiation in competitive markets. From a community engagement perspective, Fosfuri et al. (2013) observed that interactions with local communities protect differentiation advantages by turning products into community symbols.

However, some limitations remain. Papadopoulou et al. (2022) noted that while European fashion companies invest in sustainability and environmental protection, their marketing communication often fails to effectively target the intended consumer base. Soni (2022) found that consumers respond more favorably to cause-related marketing—an extension of CSR—than to conventional sales promotions. Yet, Losada-Otalora and Alkire (2021) cautioned that consumer reactions to CSR are not always aligned with corporate intentions. They argued that rising perceptions of CSR-related hypocrisy lead consumers to question symbolic CSR practices. Importantly, such skepticism is reduced when CSR initiatives produce visible benefits for consumer wellbeing.

4.4. Factors Influencing CSR Adoption as a Differentiation Strategy

The fourth category focuses on the drivers of CSR adoption within differentiation strategies – “Factors for CSR adoption–Differentiation” (6: Long & Zhang, 2021; Bager & Lambin, 2020; Xu & Liu, 2020; Banerjee & Wathieu, 2017; Cruz et al., 2015; Baron,

2009).

Several structural and contextual factors play a role. Long and Zhang (2021) analyzed the interplay between focal firms' CSR adoption and peer behavior, highlighting the moderating effects of corporate visibility and environmental uncertainty. They found that CSR adoption initially decreases but then increases as peer CSR adoption rises. Moreover, firms with higher visibility tend to emphasize CSR differentiation, whereas firms facing uncertainty are more inclined to pursue conformity strategies.

Firm size and sector characteristics also matter. In the coffee industry, Bager and Lambin (2020) showed that large, risk-averse firms adopt internal sustainability practices along the value chain, while smaller, consumer-facing firms often rely on external voluntary standards. Thus, market differentiation through sustainability is more likely among progressive firms whose practices align with stakeholder expectations and value chain dynamics.

Political connections have also been identified as an influencing factor. Xu and Liu (2020) reported that politically connected firms exhibit stronger CSR performance, particularly in non-state-owned enterprises, small firms, and firms in less market-oriented cities. They also found that social-based CSR activities are more likely to be politically motivated than environmental or economic initiatives.

Market structure further shapes CSR adoption. Banerjee and Wathieu (2017) analyzed monopoly and duopoly settings, finding that in monopoly markets CSR may act as a substitute for quality—firms with lower-quality products invest more in CSR. In duopolies with significant quality differences, high-quality firms often invest less in CSR than low-quality competitors, suggesting that premium brands are less likely to pursue strong CSR reputations.

Institutional and resource-related pressures are also influential. Cruz et al. (2015) demonstrated that internal resources, international exposure, and institutional pressures significantly affect CSR adoption at the product level. They noted that environmental and social pressures indirectly shape firm-level CSR by acting through product-level practices. Baron (2009), adopting a theoretical perspective, argued that CSR adoption reflects a mix of moral duty, self-interest, and social pressure, with NGOs and citizen activism amplifying corporate social performance (CSP) as a form of differentiation

4.5. Specific ways of implementing CSR within differentiation strategies

The fifth category explores concrete mechanisms through which CSR becomes part of differentiation strategies – “Specific ways of CSR as Differentiation” (12: Mohliver et al., 2022; Zhang et al., 2020; Plaza-Ubeda et al., 2020; Calveras & Ganuza, 2018; Upadhaya et al., 2018; Dupire & M’Zali, 2018; Chun, 2017; Bhupendra & Sangle, 2017; Stoian & Gilman, 2017; Varadarajan, 2017; Martinez et al., 2014; Pelosa et al., 2012).

One line of research examines CSR as a positioning tool on social issues. Mohliver et al. (2022) argue that firms may differentiate themselves by adopting opposing stances on controversial societal matters, taking advantage of the absence of social consensus to stand out and generate mutual profit.

Another approach highlights the role of conformity versus differentiation in CSR practices. Zhang et al. (2020) showed that while CSR conformity enhances analyst coverage, differentiation in CSR emphasis attracts more favorable analyst recommendations and improves firm market value. Similarly, Plaza-Ubeda et al. (2020), using survey data from SMEs in China, found that corporate charitable giving complements differentiation strategies, particularly in service industries and less-developed markets. They also reported that investments in R&D and advertising reinforce charitable giving.

CSR can also be realized through product and service quality improvements. Upadhaya et al. (2018) demonstrated that both internal CSR practices (such as training and labor stability) and external CSR initiatives (e.g., involvement in social projects) contribute to enhancing product quality, which strengthens product differentiation. Dupire and M’Zali (2018) suggested that competitive pressures push firms to increase positive CSR activities, even though this does not necessarily eliminate negative practices. Chun (2017) emphasized the need for CSR to engage stakeholders at a deeper emotional level. Their study showed that organizational virtue—expressed through integrity for employees and empathy for customers—fosters satisfaction and distinctiveness.

Workforce-centered CSR initiatives are also considered a critical pathway for SMEs. Bhupendra and Sangle (2017) highlighted that firms with stronger absorptive capabilities are better positioned to adopt product-service systems (PSS), integrating stakeholder voices into decision-making for market differentiation. Stoian and Gilman (2017) similarly noted that CSR activities linked to human resources—such as effective recruitment and development, work–life balance, flexible working, and health and

safety—can prevent sales decline, attract skilled and committed employees, and support growth. These practices are particularly relevant for SMEs pursuing differentiation or quality-driven strategies.

Finally, sustainability-related CSR provides further avenues for differentiation. Varadarajan (2017) stressed the strategic role of sustainable innovation capabilities in creating competitive advantage. Martinez et al. (2014) observed that CSR contributes to a favorable organizational image. However, Pelozo et al. (2012) cautioned that using sustainability as a source of differentiation can be challenging unless it is deeply embedded in organizational culture and practices. Their study suggested that only firms with such integration are able to effectively communicate sustainability as part of their mainstream branding.

4.6. CSR and Paradigm Change

The final category identified is “Paradigm Change” (Plaza-Ubeda et al., 2020; Castelló & Lozano, 2011).

Castelló and Lozano (2011) distinguished three rhetorical approaches in CSR discourse: strategic rhetoric, rooted in the economic–scientific paradigm; institutional rhetoric, aligned with traditional CSR theories; and dialectic rhetoric, which seeks to enhance communication between corporations and stakeholders. Their findings suggest that CSR “laggards” typically rely on positivist and foundational arguments, while “leaders” are increasingly adopting dialectic rhetoric alongside conventional forms. This shift, they argue, reflects a search for moral legitimacy, moving CSR beyond a purely economic, utility-driven perspective toward a communicative and political conception of organizational responsibility. In this view, the adoption of dialectic rhetoric signals an emerging paradigm in which corporations redefine their societal role through dialogue and legitimacy-building.

Plaza-Ubeda et al. (2020) expand the paradigm discussion by linking CSR to planetary boundaries. They stress that unsustainable levels of production and consumption are reaching ecological limits, which necessarily constrains business systems operating within them. As they note, firms must develop management practices that reconcile the paradox of competing in traditional capitalist markets while pursuing degrowth-oriented, environmentally responsible strategies. Specifically, they emphasize the importance of transparency and responsible collaboration in finance and accounting; marketing approaches that avoid stimulating excessive consumerism while addressing social and

environmental concerns; and human resource practices that promote employee wellbeing and foster sustainability awareness. According to the authors, employees represent the central agents of change not only within firms but also in society at large.

5. Discussion and Conclusion

The findings of this review confirm that CSR is increasingly regarded as an integral part of business strategy. As Cavaleri and Shabana (2018, p. 3) emphasize, “when firms adopt sustainability techniques not closely aligned with their business strategy it may undercut their capacity for creating and sustaining competitive advantage.” Among the strategic orientations, CSR is most strongly associated with differentiation strategies, and the growing body of research on this relationship can be organized into six main perspectives: (1) CSR as a driver and objective of differentiation; (2) CSR, differentiation, and competitive advantage/performance; (3) CSR, differentiation, and consumer perceptions; (4) factors influencing CSR adoption within differentiation; (5) specific CSR practices that support differentiation; and (6) CSR as part of a broader paradigm shift.

The first perspective highlights CSR as a proactive form of differentiation (Marchini et al., 2022; Crossley et al., 2021; Rankin, 2021; Bhattacharyya et al., 2020; Flammer, 2018; Bhupendra & Sangle, 2018; Hapsoro & Fadhillah, 2017; Luth & Schepker, 2017; Grolleau et al., 2016; Crifo & Forget, 2013; Hoejmose et al., 2013; Miron et al., 2011; Cruz & Boehe, 2008; Siegel & Vitaliano, 2007). Beyond compliance, CSR initiatives help firms to position themselves as socially and environmentally responsible, reinforcing competitive distinctiveness. The emergence of benefit corporation certification represents a concrete step in this evolution, institutionalizing CSR as both a commitment to society and a tool for differentiation. Importantly, CSR is not solely a managerial function: to avoid symbolic application, firms must involve employees and stakeholders to embed CSR into organizational culture and practice.

The second perspective investigates the impact of CSR on competitive advantage and performance. While some studies report that CSR enhances both cost leadership and differentiation strategies (Lopez-Gamero et al., 2022; Liu et al., 2020; Chen et al., 2018; Parnell, 2018; Cavaleri & Shabana, 2018; Reyes-Rodriguez et al., 2016), the prevailing view is that differentiation strategies capture greater benefits (He & Chittoor, 2022; Ding et al., 2022; Fuchsova, 2022; Galbreath et al., 2022; Gras & Krause, 2020; Gupta et al., 2020; Martin-de Castro et al., 2020; Parnell & Brady, 2019; Duanmu et al., 2018;

McWilliams et al., 2016; Lee & Jung, 2016; Hogan & Evans, 2015; Casado-Diaz et al., 2014; Maas et al., 2014; Boehe & Cruz, 2010; Bilgin, 2009; McWilliams & Siegel, 2000). However, results are not uniform. Some research warns that additional CSR activities in low-cost strategies may not generate economic gains (Fuchsova, 2022; Galbreath et al., 2022), and in certain contexts CSR investments can even negatively affect performance (Linder et al., 2014; Duanmu et al., 2018). Thus, while CSR is generally found to reinforce differentiation strategies, its performance outcomes are conditional on external pressures and strategic alignment.

The third perspective stresses the importance of consumer perception. CSR-driven differentiation often translates into more favorable attitudes toward brands (Ramesh et al., 2019; Valente, 2015; Gupta et al., 2013; Fosfuri et al., 2013), enabling firms to charge price premiums or secure brand loyalty. Yet, effectiveness depends on communication quality. While cause-related marketing is perceived more positively than sales promotions (Soni, 2022), weak or symbolic messaging can trigger perceptions of hypocrisy (Losada-Otalora & Alkire, 2021). This underlines the need for authenticity in CSR strategies and targeted marketing efforts (Papadopoulou et al., 2022).

The fourth and fifth perspectives identify the factors and practices shaping CSR adoption as differentiation. CSR integration is driven by internal resources, market exposure, institutional pressures (Cruz et al., 2015), corporate visibility (Long & Zhang, 2021), political connections (Xu & Liu, 2020), and competitive intensity (Liu et al., 2020). At the organizational level, CSR can enhance product quality (Upadhaya et al., 2018), workforce engagement (Stoian & Gilman, 2017), and innovation capacity (Varadarajan, 2017; Martin-de Castro et al., 2020). Specific CSR practices—ranging from charitable giving (Plaza-Ubeda et al., 2020) to stakeholder-driven innovation (Bhupendra & Sangle, 2017) and virtue-driven stakeholder engagement (Chun, 2017)—illustrate the diverse ways CSR strengthens differentiation. Yet, sustainability-based differentiation requires deep cultural integration to achieve meaningful results (Peloza et al., 2012).

Finally, the sixth perspective considers CSR in the context of paradigm change. Castelló and Lozano (2011) suggest that CSR is moving from a utility-driven, strategic discourse toward one focused on moral legitimacy and communicative responsibility. Similarly, Plaza-Ubeda et al. (2020) emphasize the necessity of reconciling business operations with planetary limits, advocating transparency, degrowth-oriented strategies, and employee-driven sustainability as pathways toward systemic change.

Overall, this synthesis highlights CSR as a powerful but complex strategic lever.

Table 2. Integrated Systematization of Findings on CSR and Differentiation Strategy

Main Themes / Subthemes	Key Insights	Moderators / Contextual Factors	Strategic Implications
4.1. CSR as a Differentiation Objective	CSR acts as a strategic discriminator, aligning ethical and competitive goals and reinforcing firm identity.	Strategic orientation, firm culture	Enables firms to stand out through responsibility-driven positioning.
Institutionalization through new models	CSR becomes institutionalized through governance forms that combine profit and public benefit.	Legal frameworks, stakeholder expectations	Embeds sustainability into the firm’s formal structure.
SME and beyond-compliance context	Proactive CSR and life-cycle responsibility enhance market legitimacy, especially among SMEs.	Firm size, innovation capacity	Builds trust and long-term differentiation.
4.2. CSR, Differentiation, and Performance	Integrating CSR into business strategy improves both cost and differentiation performance outcomes.	Innovation capacity, market competition, regulation	CSR enhances efficiency, brand value, and resilience.
CSR–Performance Synergy	CSR strengthens stakeholder relations, reputation, and financial performance when strategically aligned.	Stakeholder engagement, environmental communication	Firms gain competitive advantage through shared value creation.
Negative outcomes	CSR may reduce performance if misaligned, under high competition, or lacking institutional support.	Market intensity, resource limitations	CSR benefits are contingent and context-dependent.
4.3. Consumer Perception and CSR Differentiation	CSR-linked differentiation increases consumer trust, loyalty, and willingness to pay premium prices.	Brand authenticity, community engagement	Strengthens emotional connection and symbolic brand capital.
CSR communication and skepticism	Poor communication or symbolic CSR may generate consumer skepticism.	Message transparency, ethical coherence	Clear and visible CSR actions enhance credibility and trust.
4.4. Drivers of CSR Adoption	CSR adoption patterns depend on peer behavior, visibility, and environmental uncertainty.	Market maturity, competitive intensity	Visibility amplifies CSR differentiation; uncertainty leads to conformity.
Firm size and structure	Large firms internalize CSR; smaller firms rely on external certifications and partnerships.	Resource base, value chain structure	Tailored CSR strategies optimize differentiation potential.
Institutional and political influences	Political ties, regulation, and institutional pressures shape CSR motives and outcomes.	Political context, governance systems	CSR can serve as both a strategic and legitimacy tool.
4.5. Specific CSR Implementation Mechanisms	CSR operates through diverse mechanisms: social positioning, workforce engagement, innovation, and sustainability.	Public expectations, HR capabilities, cultural alignment	Multifaceted CSR integration reinforces long-term differentiation.

Main Themes / Subthemes	Key Insights	Moderators / Contextual Factors	Strategic Implications
Workforce-centered CSR	Employee well-being, training, and engagement support productivity and brand differentiation.	Organizational culture, leadership commitment	Workforce CSR builds internal distinctiveness and loyalty.
Sustainability and innovation-driven CSR	Sustainable innovation and deep cultural embedding create durable competitive advantages.	Innovation systems, R&D intensity	CSR drives continuous renewal and strategic flexibility.
4.6. Paradigm Change	CSR is evolving toward a communicative, legitimacy-oriented, and ecological paradigm.	Institutional change, global sustainability agendas	Redefines competitiveness under moral and environmental imperatives.

The synthesis reveals that CSR has evolved from an ethical add-on to a strategic and systemic differentiator. Across contexts, CSR supports performance and legitimacy when authentically embedded in strategy, communication, and innovation systems. Firms that institutionalize CSR—integrating it into governance, workforce, and stakeholder relations—achieve stronger and more sustainable forms of competitive advantage. The literature thus points to a paradigm transition from instrumental CSR to an ecological and communicative model of corporate responsibility, aligning competitiveness with sustainability and societal value creation.

While differentiation strategies appear to benefit most consistently from CSR integration, the evidence also underscores important contingencies—ranging from industry type, consumer perceptions, and institutional pressures to the authenticity and depth of CSR implementation. The growing recognition of CSR as more than an economic instrument points to its role in reshaping organizational purpose and legitimizing firms within society.

The synthesis of six research perspectives reveals that CSR-based differentiation is an evolving field shifting from isolated performance studies toward a systemic understanding of responsible competitiveness. The literature converges on CSR’s positive influence on firm reputation and market performance but diverges on the mechanisms and boundary conditions of this relationship.

For instance, studies emphasizing stakeholder engagement and innovation (e.g., differentiation strategies) consistently report superior outcomes, whereas cost-oriented or symbolic CSR approaches yield mixed results. This highlights a duality between

instrumental and transformative CSR—the former aimed at competitive gains, the latter at redefining business purpose.

When situated within current megatrends—automation, population aging, and climate change—CSR emerges as a strategic adaptation mechanism. In automated economies, CSR can humanize corporate identity and sustain employability through reskilling initiatives. In aging societies, socially responsible differentiation appeals to inclusivity and accessibility. In response to climate change, CSR-driven innovation redefines sustainability as a source of long-term competitive advantage.

Thus, CSR differentiation should be understood not merely as a marketing or performance tool but as part of an ongoing paradigm shift toward sustainability-oriented strategic management.

To conclude, study systematically reviewed the evolution of research on the relationship between Corporate Social Responsibility (CSR) and differentiation strategy, highlighting how CSR has transitioned from a peripheral ethical concern to a strategic and institutionalized driver of competitive advantage. By synthesizing evidence from multiple contexts and methodological approaches, the review identified six thematic categories through which CSR contributes to firm differentiation: strategic positioning, performance synergy, consumer perception, adoption drivers, implementation mechanisms, and paradigm evolution.

The relevance of this study lies in its integrative perspective, which bridges theoretical, managerial, and societal dimensions of CSR. It demonstrates that CSR differentiation operates not as a single practice but as a multi-level system that links internal capabilities (such as innovation, workforce engagement, and culture) with external legitimacy (stakeholder relations, brand trust, and institutional alignment). The systematic synthesis provides a structured understanding of how and under what conditions CSR enhances differentiation and performance, offering a conceptual framework that firms and scholars can apply to evaluate CSR integration in strategic decision-making.

From a theoretical standpoint, the findings advance strategic management and sustainability research by reconciling instrumental and legitimacy-based views of CSR. The analysis reveals that firms increasingly adopt a dialectic CSR paradigm, balancing profit orientation with moral and ecological imperatives — a sign of paradigm shift in corporate competitiveness.

From a managerial perspective, this study underscores the need for strategic coherence

between CSR initiatives and core differentiation logic. Managers are encouraged to embed CSR across governance, operations, and communication systems, ensuring that social responsibility is not symbolic but authentically tied to innovation and value creation. So CSR must be seen as an innovation platform rather than a compliance obligation, embedding it deeply in value creation and stakeholder dialogue.

While the literature increasingly acknowledges CSR as a driver of differentiation, several conceptual and empirical gaps remain. Future studies should analyze the intersection of CSR with digital transformation, AI ethics, demographic transitions, and environmental adaptation. Such investigations could clarify how responsible differentiation contributes not only to firm competitiveness but also to systemic resilience in an era of technological and ecological disruption (Table 4). It is important to address unresolved tensions, particularly the conditions under which CSR creates or undermines competitive advantage, and explore the social dimension of CSR alongside its environmental applications. This is especially relevant in addressing the challenges of automation, population aging, and climate change. If today CSR-driven differentiation serves as a marker of strategic distinctiveness, tomorrow it may evolve into the baseline expectation of legitimacy, pushing pioneering firms to advance even more transformative CSR practices. As Plaza-Ubeda et al. (2020, p. 78) remind us, “companies are responsible for developing themselves beyond simply economic development and for demonstrating to society that social and environmental goals lie at the core of the progress of social systems.”

Table 4. Identified Research Gaps and Future Directions

Category	Main Insights	Research Gaps / Opportunities
CSR as Differentiation Objective	CSR drives distinctiveness and legitimacy.	Lack of studies on digital/AI-enabled CSR differentiation and SME scalability.
CSR & Performance	Positive correlation, moderated by innovation and stakeholder management.	Contradictory results in manufacturing vs. services; limited longitudinal data.
Consumer Perception	CSR fosters trust and premium pricing.	Need to study generational and cultural differences in CSR perception.
CSR Adoption Factors	Influenced by peer behavior, visibility, and regulation.	More research on institutional pressures in emerging markets.
CSR Implementation	Product, workforce, and sustainability-centered mechanisms.	Integration of CSR into digital transformation strategies.
Paradigm Change	Shift from instrumental to dialogic CSR.	Limited exploration of CSR’s role in addressing automation and climate resilience.

Finally, future studies should explore CSR-differentiation dynamics across emerging markets, new digital industries, and under sustainability-oriented business models (such as circular and regenerative economies). Quantitative meta-analyses and mixed-method designs could also enhance the robustness of evidence and identify causal mechanisms linking CSR, differentiation, and long-term competitiveness.

In conclusion, CSR is no longer a reputational add-on but a structural determinant of differentiation. The growing convergence of ethical, social, and environmental responsibilities with strategic management represents a transformative shift in how firms compete and create value in contemporary markets.

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ANNEXES

Annex I. Evolution of CSR and differentiation research

CSR AND DIFFERENTIATION STRATEGY					
	Author	Description of research	Core focus	X (exclude) /V (include)	Categorization
1.	(Mohliver et al., 2022)	Firms may exploit the lack of social agreement about what is right to differentiate them-selves from their rivals by taking opposing stances on a social issue, mutually enhancing their profits.	Taking opposing stances on a social issue as a part of CSR as a way of differentiation strategy	V	Specific way of CSR as D.
2.	(Zhang et al.)	Two dimensions of corporate social responsibility (CSR) practices are identified - CSR scope conformity and CSR emphasis differentiation -that is develops a unique CSR strategy.	Unique CSR strategy as differentiation, not part of business differentiation strategy.	X	
3.	(Lopez-Gamero et al., 2022)	In the hotel industry - agility and innovation influence environmental management positively that positively influences cost and differentiation competitive advantages.	Environmental CSR lead to cost and Differentiation competitive advantages with agility and innovation	V	CL and D and CSR lead to “+” Competitive advantage / performance (moderators)
4.	(Marchini et al., 2022)	A benefit corporation (BC) is a for-profit company that pursues common benefits for stakeholders. How BC model fits with corporate social responsibility (CSR) practices. We show that larger and profitable firms focus on customers, while mature firm focus on the environment. Most frequent perceived advantage of BC status is differentiation.	Frequent perceived advantage of BC status is differentiation. First customers, then environment.	V	Link to Differentiation as an objective
5.	(He & Chittoor, 2022)	Both primary and secondary SM are likely to improve financial performance for differentiators. Not good for cot leadership. Empirical analyses using a panel data set of S&P 500 firms over a 15-year period (2005-2019). (The secondary SM is comprised of six broader stakeholder areas that represent activities that are not directly related to transactions with the contractual or primary stakeholders: resource use, emissions, environmental innovation, human rights, community, and corporate social responsibility (CSR) practices.).	SM (CSR a part of it) via differentiation increase financial performance	V	D and CSR lead to “+” Competitive advantage / performance
6.	(Ding et al., 2022)	Intensifying competition spurs firms to increase corporate social responsibility (CSR) to strengthen relationships with non-shareholder stakeholders (e.g., workers, suppliers, customers, and local communities) and differentiate their products to gain pricing power. 47 countries from 2002 to 2015 and employ multivariate regressions. Intensifying competition laws leads firms to increase their CSR activities. The results imply that firms use CSR, at least partially, as a profit-maximizing strategy.	profit-maximizing strategy through differentiation	V	D and CSR lead to “+” Competitive advantage / performance
7.	(Soni, 2022)	The result of the study shows that the consumer has more positive attitude towards cause related marketing as compare to the sales promotion strategy	Consumer has more positive attitude towards cause related marketing	V	CSR – D. - Consumer positive perception
8.	(Jastram et al., 2022)	In this paper, we contribute a comparative intraorganizational differentiation of institutional adoption processes in the field of CSR, and we distinguish between broad and narrow organizational institutional adoption across different management functions relating to institutions of a similar type.	Types of intraorganizational adoption. Symbolic versus substantial. Not directly linked to differentiation strategy.	X	

9.	(Fuchsova, 2022)	In the Czech Republic business entities with a strategic concept of CSR achieve better economic results compared to those whose approach to social responsibility is rather intuitive and unsystematic. The differentiation strategy has shown the benefits of cultivating a market environment and the highest quality strategy for human rights protection. On the other hand, with the lowest price strategy, additional CSR activity does not mean an economic advantage.	Differentiation strategy has shown the benefits of cultivating a market environment and the highest quality strategy for human rights protection	V	D and CSR lead to “+” Competitive advantage / performance
10.	(Galbreath et al., 2022)	Using a sample of 229 Italian firms, a low-cost strategy is negatively associated with ethical and discretionary CSR, while a differentiation strategy is positively associated with both. Given its focus on nonfinancial outcomes and stakeholders, we test if a performance management system (PM system) acts as a moderating influence. We find that a PM system positively moderates the negative association between a low-cost strategy and ethical and discretionary CSR, while also positively moderating these relationships with respect to a differentiation strategy.	Ethical and discretionary CSR, while a differentiation strategy is positively associated with both.	V	D and CSR lead to “+” Competitive advantage / performance (moderation)
11.	(Papadopoulou et al., 2022)	Although European fashion manufacturers invest in sustainability and engage in environmental protection, their marketing efforts need to be more effectively managed and targeted towards their target consumer markets. Environmental consciousness, motivation and response is shaped by distinct characteristics, which, in turn, create implications for the effectiveness of sustainability efforts towards differentiation and competitiveness.	Importance for consumers	V	CSR – D. - Consumer positive perception
12.	(Tian et al., 2022)	This paper aims to develop a culturally sensitive model based on the Chinese Confucian philosophy and normative ethics, which emphasizes the wholehearted social responsibility of a Junzi (a noble man). The data supported that Junzi orientation has a positive influence on companies' performances.	Junzi orientation has a positive influence on companies' performances. Not related with differentiation strategy.	X	
13.	(Khan, 2021)	Framework to construct a favourable image of Islamic banks and CSR initiatives	Not directly link to differentiation strategy	X	
14.	(Crossley et al., 2021)	SMEs' underlying rationales when claiming substantive legitimacy can range from attracting new business, breaking business barriers down when they have been dominated by large business's, enhancing and exploiting their image and reputation for corporate gain, differentiating their business and educating clients (feed forward). (SME in UK)	Link to be an industry differentiator	V	Link to Differentiation as an objective
15.	(Long & Zhang, 2021)	Focal firms' CSR would first decrease and then increase with the increase in peers' CSR. Furthermore, this paper found that corporate visibility would stress more value on CSR differentiation strategy and environmental uncertainty would stress more value on CSR conformity strategy, such that the U-shaped relationship would be more pronounced in high corporate visibility or low environmental uncertainty situation	Peers' CSR versus focal firms' CSR. CSR differentiation strategy versus CSR conformity strategy. Corporate visibility factor for CSR differentiation.	V	Factors for CSR adoption – D..
16.	(Shen et al., 2021)	service differentiation and low costs so that even with limited resources, property management services can distribute their services effectively, reduce unnecessary costs, and implement an optimal plan.	CSR not the focal point of investigation	X	
17.	(Rankin, 2021)	Organizations engage in practices that conform to industry standards in order to be seen as legitimate members of their industry. Organizations differentiate themselves in order to compete and outperform their rivals. Pressures for conformity and differentiation were salient among mutual fund executives but emphasized differently for the two types of mutual funds. SRI firms use both strategies of conformity and differentiation to amplify the message that they adhere to the values of CSR.	CSR to increase differentiation and outperform	V	Link to Differentiation as an objective
18.	(Febransyah & Goni, 2022)	Measure the supply chain competitiveness of the e-commerce industry in Indonesia.	CSR not the focal point	X	
19.	(Liu et al., 2020)	Empirical examination of 171 listed firms in China, dimensions of hybrid strategies that emphasizes both low-cost and CSR-based differentiations, both are found to be positively related to firm performance. And the effects of	Low-cost and CSR-based differentiations, both are found to be positively related to firm performance	V	CL and D and CSR lead to “+” Competitive advantage /

		these two dimensions are differentially moderated by competitive intensity and government pressure.			performance (moderation)
20.	(Bager & Lambin, 2020)	Coffee sector. Large, risk-aware companies tend to conduct 'hands-on' governance, adopting internal sustainability practices along their value chain. Small, consumer-facing companies and producers rely on 'hands-off' governance, adopting external voluntary sustainability standards. Several sustainability issues remain underaddressed by most companies, including climate change and deforestation. We found indications of potential greenwashing by some companies. Market differentiation through sustainability with progressive companies adopting sustainability strategies that align with their stakeholders, depending on value chain characteristics.	Enviroemntal CSR. Degrees of CSR adoption. Part of differentiation.	V	Factors for CSR adoption – D.
21.	(Xu & Liu, 2020)	Politically connected firms exhibit better CSR. However, the effect is considerably more significant for firms with existing political relationships. Additionally, findings show that the effect is more prominent in firms for which political connections are more valuable, namely, non-state-owned enterprises, small firms, and firms operating in less market-oriented cities, indicating that CSR can serve as a differentiation strategy to compete against other bidders. Dividing CSR activities into economic, environmental and social aspects, we find that the social-based activities are more likely to be driven by political motivations.	CSR – political connection. CSR as a differentiation strategy. CSR - economic, environmental and social aspects; social-based activities are more likely to be driven by political motivations.		Factors for CSR adoption – D.
22.	(Bager & Lambin, 2020)	Differentiation strategies focusing on the current consumers' needs – product attributes.	CSR not the focal point	X	
23.	(Gras & Krause, 2020)	Corporate social performance as a form of strategic differentiation and predict that the positive link between corporate social performance and corporate financial performance is strongest when a firm competes in an environment that is not conducive to corporate social performance.	CSR – performance, industry type moderation. Pays only in non-CSR types to differentiate. However, what further?	V	D and CSR lead to “+” Competitive advantage / performance
24.	(Gupta et al., 2020)	Firms can use stakeholder engagement to differentiate themselves from their peers, and such engagement strategies are often linked to high performance.	Even though CSR is not directly addressed the relation with stakeholders and employees is a relevant issue, so it used in the analysis.	V	D and CSR lead to “+” Competitive advantage / performance
25.	(Zhang et al., 2020)	Effects of conformity versus differentiation in corporate social responsibility (CSR) practices on evaluations by security analysts and responses of the financial market in general. While conformity in CSR scope enhances analyst coverage, differentiation in CSR emphasis leads to more-favorable analyst recommendations and higher market value.	conform in CSR scope and differentiate in CSR emphasis to achieve optimal distinctiveness.	V	Specific way of CSR as D.
26.	(Thaker & Ariff, 2020)	Supply-side drivers of residential price in Malaysia	CSR not the focal point	X	
27.	(Stocker et al., 2020)	Stakeholder engagement in sustainability reporting	CSR as a strategy is not the focal point	X	
28.	(Bhattacharyya et al., 2020)	Study focused on developing a scale to operationalize a construct to measure CSR from an individual microfoundations perspective. This has been captured by seeking responses from individuals playing roles as a customer or an investor or as a prospective employee. implementation of CSR initiatives is not a standalone activity of CSR managers but it requires inclusion of other employees of organization and stakeholders of organization. Such initiatives that would help sell products and services that are socially and environmentally sensitive.	implementation of CSR initiatives is not a standalone activity of CSR managers but it requires inclusion of other employees of organization and stakeholders of organization. Not directly as differentiation, but leads to increase in sales.	V	Link to Differentiation as an objective

29.	(Plaza-Ubeda et al., 2020)	The earth and the natural world have physical limits. Thus, industries or firms systems operating on this planet have limits as well. Infinite growth is intrinsically impossible. Some firms have integrated these principles into their management methods while struggling to survive in a traditional competitive environment with short-term economic constraints. This paper explores the managerial practices that help firm systems address these paradoxical tensions of being responsible for the environment and having a long-term degrowth orientation while also successfully competing in traditional capitalistic markets.	CSR in the whole paradigm change of society, business and economics.	V	Paradigm change
30.	(Martin-de Castro et al., 2020)	Corporate Environmental Reputation	CSR not focal point	X	
31.	(Fontana & Egels-Zanden, 2019)	Suppliers are interlinked in a horizontal network that restricts unilateral CSR engagement. This is justified in that unilateral CSR engagement is a source of heterogeneity in labour practices; consequently, it triggers worker unrest. Need to spread CSR homogeneously among suppliers and to reconceptualize the meaning of CSR in developing countries, encouraging more scrutiny toward horizontal dynamic	The need of CSR in developing countries through GVC, not directly linked to D.	X	
32.	(Plaza-Ubeda et al., 2020)	Evidence from a nationwide survey of private small- and medium-sized enterprises (SMEs) across China shows that corporate charitable giving generally complements rather than substitutes differentiation strategy. In particular, the combined spending in R&D and advertising increases corporate charitable giving. In addition, the positive relationship between differentiation strategy and charitable giving is more prominent for firms located in service sector and in less developed markets.	Differentiation strategy and charitable giving (Charitable giving, also termed philanthropic giving, is regarded as one category of CSR)	V	Specific way of CSR as D.
33.	(Martin-de Castro et al., 2020)	Divergent green management strategy is associated with higher firm performance and that such relationship is moderated by green competencies. The study confirms that a differentiation strategy pays off for firms that implement green management	Environmental CSR leads to higher performance by differentiation	V	D and CSR lead to “+” Competitive advantage / performance
34.	(Losada-Otalora & Alkire, 2021)	Despite the substantial budgets spent on Corporate Social Responsibility (CSR), customers' reactions toward companies' socially responsible strategies are not always in line with companies' goals. This is mainly due to the rising CSR-related-hypocrisy occurring as a customer response to a common concern that companies are investing in symbolic CSR. When CSR-related-activities positively affect the wellbeing of customers, it is less likely that they judge a firm CSR activity as a hypocrite.	CSR perception form customer perspective towards differentiation	V	CSR – D. - Consumer positive perception
35.	(Ramesh et al., 2019)	CSR is used as a strategic approach that gives competitive differentiation through coagulation of both business and overarching societal goals. Customers process CSR details unconsciously and may not remember the explicit detail, but they are more likely to include the brand in the consideration set evoked by positive attitudes trailing behind.	CSR perception form customer perspective towards differentiation	V	CSR – D. - Consumer positive perception
36.	(Pamell & Brady, 2019)	Both cost leadership and differentiation were significantly linked to non-financial performance, but only differentiation was significantly linked to financial performance. An increased emphasis on social NMS was linked to higher financial performance, but not non-financial performance. Political NMS was linked to neither financial nor non-financial performance.	CSR part of strategy (differentiation) linked to performance.	V	D and CSR lead to “+” Competitive advantage / performance
37.	(Corsini et al., 2019)	To what extent the latter leads to better cost and differentiation advantages and operating performance, carefully considering the proactive environmental strategy and environmental awareness in order to increase the environmental performance that, in turn, has a significant impact on the operating performance through cost advantages.	Environmental performance CSR not the focal point	X	

38.	(Calveras & Ganuza, 2018)	On the one hand, observable external CSR (e.g., a firm's involvement in a social project) can be used as a signal to unobservable product quality. On the other hand, internal CSR (e.g., human resources practices such as training and labor stability) can improve a firm's labor productivity, specially in firms supplying high quality. We show that CSR may serve as a tool for a firm's product differentiation strategy, finding that both internal and external CSR enhance a firm's product quality.	Social aspect of CSR and quality differentiation	V	Specific way of CSR as D.
39.	(Chen et al., 2018)	Cost leadership and differentiation strategies may positively moderate the relationship between CSR and CFP, and negatively moderate the relationship between CSiR and CFP.	Competitive strategies and CSR and performance	V	CL and D and CSR lead to “+” Competitive advantage / performance (moderation)
40.	(Duanmu et al., 2018)	Chinese manufacturing firms between 2000 and 2005, intensified market competition has an overall negative impact on firms' environmental performance. The negative impact is exacerbated in firms adopting a cost-leadership strategy, but is attenuated in those adopting a differentiation strategy. However, managers may be misguided if the assumed benefits of differentiation critically depend on certain presumptions. In the Chinese context and focusing on the environmental dimension of CSR, our study finds a negative relationship between market competition and corporate environmental performance. It suggests that firms, to a large extent, cannot escape competition via environmental differentiation. Managers should therefore be cautious about the value of strategic investment in CSR as a viable competitive device.	Is CSR always good for performance via differentiation?	V	D and CSR lead to “-” Competitive advantage / performance (moderation)
41.	(B. Upadhaya et al., 2018)	Adoption of CSR is directly linked to differentiation strategy, the link is fully mediated by the innovation and respect for people dimensions of organizational culture. Respect for people culture is equally essential in order to achieve successful integration of CSR into organizations' strategy.	Very important role of organizational culture as a link of CSR and differentiation	V	Specific way of CSR as D.
42.	(Flammer, 2018)	Companies with higher CSR receive more procurement contracts. The effect is stronger for more complex contracts and in the early years of the government-company relationship, suggesting that CSR helps mitigate information asymmetries by signaling trustworthiness. Moreover, the effect is stronger in competitive industries, indicating that CSR can serve as a differentiation strategy to compete against other bidders.	CSR linked to differentiation	V	Link to Differentiation as an objective
43.	(Dupire & M'Zali, 2018)	While CSR is sometimes used as part of a differentiation strategy, this article analyzes which specific CSR strategies arise in response to competitive pressures. The results suggest that competitive pressures lead firms to increase their positive social actions without necessarily decreasing their social weaknesses.	Social and environmental dimensions verusu competitive pressures	V	Specific way of CSR as D.
44.	(Bhupendra & Sangle, 2018)	Product stewardship strategy (PSS) implementation creates differentiation' advantage for a firm. 60 Indian firms. Firms are collaborating with upstream and downstream supply chain partners to design eco-efficient products, and promoting their transformation toward sustainability with effective marketing and advertising campaigns. The firms are relatively more responsive than transparent so that they can balance the interests of all stakeholders. However, the firms are lagging in their commitment to go beyond regulatory norms.	Product stewardship strategy (PSS- a form of CSR - implementation creates differentiation'	V	Link to Differentiation as an objective
45.		NMS was linked to high marketing capability, high competitive uncertainty and high technology uncertainty.	CSR a building block of NMS.	V	CL and D and CSR lead to “+”

	(Parnell & Brady, 2019; Parnell, 2018)	Cost leaders were more likely than differentiators to emphasize on NMS, although all three strategies were positive drivers of performance. NMS appears to be viewed as a part of an integrated strategic approach by managers in many organizations. (US)	Interestingly pursued by cost leaders in this sample.		Competitive advantage / performance (moderation)
46.	(Cavaleri & Shabana, 2018)	The sustainability-strategy model presented illustrates that sustainability initiatives relying more on radical innovation are more likely to generate a positive impact on firm financial performance, while those relying on incremental innovation may result in a temporary competitive advantage or a competitive disadvantage. Further, sustainability initiatives adopted by imitation may prove to be useful to firms as they would allow them to maintain their competitive parity with their competitors are the lowest possible cost.	Sustainability vs. Competitive strategies vs. Type of Innovation and performance. Does not differentiate what type of strategy leads to higher performance. But the need of including into strategy is stressed.	V	CL and D and CSR lead to “+” Competitive advantage / performance (moderation)
47.	(Chun, 2017)	Managers expend effort in creating a differentiated organizational image by promoting CSR. However, this research found that organizational virtue leads to satisfaction among employees and customers, which then leads to distinctiveness. For employees, identification (with a firm) was driven most significantly by integrity, whereas customers’ identification was principally influenced by empathy. A significant implication drawn from this finding is that only when organizational virtue leads to stakeholder satisfaction, can it then be used strategically, as differentiating variable in the market place.	Importance of customer and employee satisfaction for distinctiveness	V	Specific way of CSR as D.
48.	(Hapsoro & Fadhillah, 2017)	CSR disclosure activities have a very important role in meeting stakeholders' interests and ensuring the sustainability of the company long-term. In addition, CSR disclosure is considered to be an assertion of a company's brand differentiation, which means obtaining operating licenses both from the government and society, and the company's risk management strategy.	Importance for differentiation	V	Link to Differentiation as an objective
49.	(Banerjee & Wathieu, 2017)	In monopoly markets where consumers are willing to pay a premium for CSR and firms choose CSR optimally, we find that CSR is a substitute for product quality (i.e., lower quality firms invest more in CSR) under common market conditions such as when there is a sizable segment of consumers who value product quality higher than other consumers. Specifically, in a duopoly where the quality differentiation is sufficiently large, the high-quality product is offered with a lower level of CSR than the low quality product. High end brands are significantly less likely than mainstream brands to acquire a strong CSR reputation.	Corporate social responsibility and product quality	V	Factors for CSR adoption – D.
50.	(Onkila & Siltaoja, 2017)	In-house assumption and by examining how members of two organisations discursively make sense of CR, as a daily rule-bound practice, via three strategies: integration, differentiation and fragmentation	Different ways of adoption of CSR, not linked to the competitive strategy	X	
51.	(Bhupendra & Sangle, 2017)	Implementation of Product Stewardship Strategy (PSS) requires integration of voices of stakeholders' in business decisions to create differentiation' in the market place. Considering that absorptive capability (AC) is a critical aspect of organizational learning, it may deliver dynamic integration of stakeholder's expectations and know-how in decision making. The result shows that firms demonstrating the traits of AC are in better position to implement PSS.	Absorptive capability between PSS and Differentiation	V	Specific way of CSR as D.
52.	(Stoian & Gilman, 2017)	Aligning CSR activities with the competitive strategy of the firm, SMEs enhance firm growth. We find that CSR activities related to the community enhance firm growth for all SMEs, but especially for firms adopting a cost leadership strategy, and that CSR activities related to the workforce are crucial to avoid sales decline, especially for SMEs adopting a differentiation or a quality-driven strategy. Environment-related CSR activities are not beneficial for SMEs' growth and that human rights-related	Different aspects of CSR linked to competitive strategies.	V	Specific way of CSR as D.

		CSR activities slow growth for firms adopting a differentiation or a quality-driven strategy.			
53.	(Luth & Schepker, 2017)	Industry dynamism increases a firm’s positive CSP, most likely as a means of engendering stakeholder support when the competitive environment yields uncertainty. Industries with greater levels of product differentiation also have a strong effect on a firm’s CSP. Here, CSP may be an additional avenue through which firms differentiate their products in competitive environments where differentiation matters. Our dimensional analyses show that firms engage in greater CSP activities in industries with greater levels of product differentiation, indicating that firms enhance positive social performance when their industry’s products are more differentiated. These findings provide further indication that CSP is often coupled to a differentiation strategy. In highly differentiated industries attempt to stand-out from the competition through the use of positive CSP, not necessarily the avoidance of negative CSP.	A form of differentiation	V	Link to Differentiation as an objective
54.	(Varadarajan, 2017)	firm's sustainable innovations capabilities as a source of competitive advantage and the sustainability related attributes of a firm's product offerings as bases for market segmentation, target marketing, positioning, and differentiation can also be expected to grow in importance.	sustainable innovations capabilities - differentiation	V	Specific way of CSR as D.
55.	(Grolleau et al., 2016)	CRM results in product differentiation and a way to obtain market power. The increase in prices, and the loss of direct donations as a result, is not compensated by the cause-related donations. We conclude that for products characterized by a socially irresponsible feature and sold in markets that are highly competitive and/or characterized by low product differentiation,	CRM results in product differentiation		Link to Differentiation as an objective
56.	(Reyes-Rodriguez et al., 2016)	Danish SMEs have increasingly deployed environmental initiatives that are associated with both lower costs and a differentiation dimensions of competitive advantage.	Both for LC and D	V	CL and D and CSR lead to “+” Competitive advantage / performance
57.	(McWilliams et al., 2016)	Corporate social responsibility (CSR) has become a mandate for strategic managers and is often an important element of a differentiation strategy, but there is little research on how managers can make socially responsible decisions within the context of competitive strategy. In this study we explain how data envelopment analysis (DEA) results can be used to determine the trade-offs inherent in managing the triple bottom line of profits, people and the planet.	How to determine the efficiency of CSR for D	V	D and CSR lead to “+” Competitive advantage / performance
58.	(Flores & Gavronski, 2016)	The influence of sustainability on the export performance in the beef international market	No link to competitive strategies	X	
59.	(Lee & Jung, 2016)	CSR effort in firms with differentiation and outside investment strategies can improve financial returns related to CSR effectively.	Link to performance through D	V	D and CSR lead to “+” Competitive advantage / performance
60.	(Cruz et al., 2015)	Corporate social responsibility (CSR)-based differentiation strategy for export firms. Internal resources, international market exposure, and environmental and social institutional pressures significantly affect product-level CSR, whereas the latter two factors influence firm-level CSR only as a result of their mediating effects on the product-level CSR	Drivers of CSR for D	V	Factors for CSR adoption – D.
61.	(Valente, 2015)	Ethical differentiation is valued by consumers, even in such an abstract setting, and that sellers are able to charge higher prices successfully.	Perception and impact of it on consumers	V	CSR – D. - Consumer positive perception

62.	(Delmas & Pekovic, 2015)	Resource Efficiency Strategies and Market Conditions	CSR not the focal point	X	
63.	(Hogan & Evans, 2015)	simply focusing on socially responsible employee and customer relations alone does not result in higher earnings persistence. But rather, higher earnings persistence is associated with firms whose strategic orientation is aligned with the firm's socially responsible value drivers	Link to performance through employee and customer relations	V	D and CSR lead to “+” Competitive advantage / performance (moderator)
64.	(Miragaia et al., 2014)	Do Stakeholders Matter in Strategic Decision Making of a Sports Organization?	No link between CSR and D	X	
65.	(Martinez et al., 2014)	CSR can add value to hospitality companies through a favorable organizational image	CSR organizational image – D.	V	Specific way of CSR as D.
66.	(Linder et al., 2014)	negative effect of environmental orientation on economic performance	Negative performance – environmental aspect	V	D and CSR lead to “-” Competitive advantage / performance
67.	(Casado-Diaz et al., 2014)	CSR activities have a positive impact on firm performance that is higher for service firms than for manufacturing firms. Actions related to the environment, responsible labor relationships and good corporate governance are especially important in the service context. Service firms are likely to gain from focusing on some CSR activities (environment, employees and good corporate governance) and should use their responsible behavior as a valuable tool for public relations and differentiation in the market.	CSR – D - Performance	V	D and CSR lead to “+” Competitive advantage / performance (moderator)
68.	(Maas et al., 2014)	pollution prevention and service stewardship capabilities can help third-party logistics providers to achieve a differentiation advantage. Also, the results show that environmental communication moderates the effect of pollution prevention on differentiation advantage and can hence be considered a valuable complementary asset	Link to D + moderator – environmental communication	V	D and CSR lead to “+” Competitive advantage / performance (moderator)
69.	(Crifo & Forget, 2013)	Private Equity socially responsible investing is characterized by investor engagement and strategically driven by a need for new value creation sources, increased risk management and differentiation. In particular, results show that independent funds, which need to attract investors, are more likely than captive funds to develop socially responsible practices.	socially responsible investing – D.	V	Link to Differentiation as an objective
70.	(Gupta et al., 2013)	Opportunity for marketers to create differentiation based on the concerns of brand towards overall issue of sustainability. Recommends embedding sustainability into brand knowledge and brand value for creating a differentiation for the brand in a competitive market.	Importance for consumers – D.	V	CSR – D. - Consumer positive perception
71.	(Fosfuri et al., 2013)	Firm community interactions protect the firm's differentiation advantage by turning its products into symbols of the communities	Importance for consumers – D.	V	CSR – D. - Consumer positive perception
72.	(Hoejmose et al., 2013)	Low-cost producers largely neglect their social responsibilities in the supply chain. In contrast, firms pursuing differentiation strategies are considerably more engaged with these issues, partly because they have better supply chain processes.	Influence of differentiation strategies on socially responsible supply chain management	V	Link to Differentiation as an objective

73.	(Peloza et al., 2012)	In such an active marketplace, especially for firms who have not pursued leadership positions, it is difficult for companies to use sustainability to create meaningful differentiation from competitors and thus benefit from their investments. There is often a major gap between stakeholder perceptions and firm performance. Firms that integrate sustainability into their culture and business practices are better able to integrate sustainability messaging into mainstream communications.	Integrate sustainability into their culture – D.		Specific way of CSR as D.
74.	(Castello & Lozano, 2011)	Through the analysis of annual sustainability reports, we have determined the existence of three types of rhetoric: (1) strategic (embedded in the scientific-economic paradigm); (2) institutional (based on the fundamental constructs of Corporate Social Responsibility theories); and (3) dialectic (which aims at improving the discursive quality between the corporations and their stakeholders). We claim that dialectic rhetoric seems to signal a new understanding of the firm's role in society and a search for moral legitimization.	Paradigm shift	V	Paradigm change
75.	(Miron et al., 2011)	The corporations' competitive strategies should include - apart from specific goals such as market share, product differentiation or smart promotion - the goal of harmonizing stakeholder expectations. In this context, the commitment to social responsibility becomes an important pillar in gaining the partners' and the public's confidence, along with a recognition that would strengthen the company's market position and its commitment to a competitive sustainable approach.	Importance for advantage		Link to Differentiation as an objective
76.	(Lund-Thomsen & Nadv, 2010)	CSR in the tension between global pressures and local responses	CSR as competitive strategy is not focal point	X	
77.	(Boche & Cruz, 2010)	CSR contribute to product differentiation in export markets and thus improve export performance	CSR -D. -Performance	V	D and CSR lead to “+” Competitive advantage / performance
78.	(Husted & Allen, 2009)	Strategic Corporate Social Responsibility and Value Creation	CSR as competitive strategy is not focal point	X	
79.	(Bilgin, 2009)	Corporation might obtain competitive advantage by combining "going ethical" with "going green."	CSR – competitive advantage	V	D and CSR lead to “+” Competitive advantage / performance
80.	(Baron, 2009)	Theory of firm behaviour motivated by moral duty, self-interest, and social pressure. A morally managed and a self-interested firm compete in a market in which their corporate social performance (CSP) provides product differentiation. Some citizens have altruistic or warm glow preferences for products with associated CSP, personal giving to social causes, holding shares in firms providing CSP, and contributing to social pressure to increase CSP. Social pressure is delivered by an activist NGO funded by voluntary contributions by citizens.	theory of firm behaviour – CSP - product differentiation.		Factors for CSR adoption – D.
81.	(Runhaar & Lafferty, 2009)	CSR has become an important element in the business strategy of a growing number of companies worldwide. A large number of initiatives have been developed that aim to support companies in developing, implementing, and communicating about CSR	CSR as competitive strategy is not focal point	X	
82.	(Maxfield, 2008)	Alternative views of strategy focus on learning and adaptation; they align more easily with corporate social responsibility. In practice this alignment comes about because social engagement facilitates the learning and adaptation that are a source of competitive advantage. Among the many business arguments for CSR such as improved employee morale/productivity or brand differentiation, this view prioritizes innovation.	CSR as competitive strategy is not focal point	X	

83.	(Cruz & Boehe, 2008)	Three main themes have emerged, which can be considered as underlying issues of an emerging concept that the authors call the "sustainable global value chain". These are: bargaining power between the chain's players; a differentiation strategy along the global value chain; and a collaborative awareness-building process along the global value chain. In particular, managers need to be aware of how the relationships between power balance, CSR product differentiation strategies and awareness building may influence the competitiveness of their sustainable global value chain.	Link to D.		Link to Differentiation as an objective
84.	(Siegel & Vitaliano, 2007)	strategic use of corporate social responsibility (CSR) emphasize the role of information asymmetry and how CSR is likely to be incorporated into a firm's product differentiation strategy. A key empirical implication of these theories is that firms selling experience or credence goods are more likely to be socially responsible than firms selling search goods. Using firm-level data, we report evidence that is consistent with this hypothesis.	CSR adoption for D. depending on the type of goods.		Link to Differentiation as an objective
85.	(McWilliams & Siegel, 2000)	Many firms that actively engage in CSR are also pursuing a differentiation strategy, involving complementary strategic investments in R&D. This makes it difficult to isolate the impact of CSR on performance without simultaneously controlling for R&D. Therefore, we caution readers to be wary of models that claim to "explain" firm performance, but do not include important strategic variables, such as R&D intensity	Importance of R&D as part of D. as a moderation between CSR and performance	V	D and CSR lead to "+" Competitive advantage / performance