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**Social Responsibility of Organizations.
CSR 1.0, CSR 2.0 and what's next?**



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Introduction

The presented volume of the Research Papers, devoted to the social responsibility of organizations, refers to the Visser's concept of CSR 1.0 and CSR 2.0. The concept does not concern so much the computer science categories but the progress and need to redefine its role in society. It is worth emphasizing that the CSR transition has different features depending on a company and country. It is a complex and diverse process, both from the perspective of time and space.

Within the framework of scientific discussion held on the CSR transition, several key areas of changes are pointed out. Firstly, early CSR understanding, often identifying it with philanthropy, slowly gives way to partnership relations and cooperation based on good communication between a company and a community. Secondly, the initiatives now should not be a minimalist response to social and environmental stakeholders' expectations but should be initiated by company's initiatives included in strategic plans and well-thought-out investments. Thirdly, the actions marked by image aspects and "produced" by PR departments will no longer constitute a credible motives confirmation for taking pro-social initiatives by a company. Enterprises will be judged on actual credible initiatives in the area of environment, society and ethics. Fourthly, a specialization (although still valid) will be gradually replaced by performances integrated into core companies' operations. Fifthly, the effects of pro-social activity of enterprises, being visible as a form of a product or service, should not be any longer a niche project, but should be directed to a wide audience. In other words – it is about converting the "nice-to-have" product to the "must-have" one. Sixthly, the expansion of the CSR concept from the local initiatives to the global venture will allow a more culturally diverse and internationally applied concept.

Summing up the transition from CSR 1.0 to CSR 2.0, it is important to mention the five principles that constitute the new approach: *creativity*, *scalability*, *responsiveness*, *glocality* and *circularity*. It is worth noting that the content presented and discussed by the Authors of the Research Papers, directly or indirectly relates to the above-mentioned principles. For example, the issues discussed by J. Szumniak-Samolej, K. Bachnik and M. Andrejczuk refer to the principle of *creativity*. The *scalability* principle corresponds with the issues mentioned by D. Teneta-Skwiercz, E. Jastrzębska, N. Saadi and A. Skrzypek, J. Kroik and J. Skonieczny, M. Roszkowska-Menkes as well. The next principle – *responsiveness* – can be visible in the papers written by G. Aniszewska, W. Husztrak, D. Teneta-Skwiercz, K. Bachnik, E. Jastrzębska and J. Szumniak-Samolej. The core idea of *glocality* principle is represented in the papers of K. Bachnik, E. Jastrzębska, D. Teneta-Skwiercz, J. Szumniak-Samolej. The last principle – *circularity* – is visible in K. Bachnik's and J. Szumniak-Samolej's paper.

In response to upcoming changes and parallel emerging questions “what’s next?,” I present with pleasure the Research Papers of Wrocław University of Economics, which not only describe current problems connected with the CSR concept, but also point out the new perspective and directions of CSR.

At this point, I would like to address my thanks to the reviewers of the Research Papers, whose efforts in the form of comments and suggestions expressed in the reviews contribute also a special part to the CSR discussion held on the pages of the current volume.

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CHANGES IN THE BUSINESS ENVIRONMENT THAT SUPPORT THE CREATION OF SOCIALLY RESPONSIBLE INITIATIVES

ZMIANY W OTOCZENIU PRZEDSIĘBIORSTW SPRZYJAJĄCE POWSTAWANIU SPOŁECZNIE ODPOWIEDZIALNYCH PRZEDSIĘWZIĘĆ

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Summary: The goal of this paper is to show and describe the areas of change in the social/business environment of operations, that is, areas that shape the conditions supporting the creation of business models and enterprises based on the social and/or ecological mission. The formation of these enterprises is in the author's opinion the result of a number of changes and trends characteristic of the modern world and the marketplace. Therefore, the article identified and described macro trends, trends and micro trends relevant to the paper topic supported by examples of socially responsible enterprises. In particular, the importance of consequences of networking and ICT technology revolution is highlighted with related social, economic and environmental changes. The paper uses the descriptive method.

Keywords: business environment, sustainable business models, impact business models, corporate social responsibility (CSR), trends.

Streszczenie: Celem niniejszego opracowania jest wyodrębnienie i scharakteryzowanie obszarów zmian w otoczeniu społeczno-gospodarczym przedsiębiorstw, które kształtują warunki sprzyjające tworzeniu modeli biznesowych i przedsięwzięć opartych na misji społecznej i/lub ekologicznej. Postawiono tezę, że omawiane przedsięwzięcia i modele biznesowe są w dużej mierze efektem pośrednim szeregu zmian, zjawisk i trendów charakterystycznych dla współczesnego świata i obserwowanych na rynku. Dlatego też w artykule wyróżniono i opisano makrotrendy, trendy i mikrotrendy istotne z punktu widzenia tematu opracowania oraz poparto je przykładami społecznie odpowiedzialnych przedsięwzięć. W szczególności podkreślono znaczenie zjawisk będących skutkami rewolucji informatyczno-komunikacyjnej i sieciowości oraz związane z nimi przemiany społeczne, gospodarcze i środowiskowe. W artykule zastosowano metodę opisową.

Słowa kluczowe: otoczenie biznesu, zrównoważone modele biznesowe, modele wpływu, społeczna odpowiedzialność biznesu (CSR), trendy.

1. Introduction

The statement that the contemporary world – business and consumers – is constantly changing in dynamic ways is obvious, yet also very true. Since the beginning of the 21st century many new and important phenomena in the business environment have appeared creating the seedbed for launching both new business enterprises and organizational models. The author of this paper would like to focus on one of them, namely the sustainable business model. The goal of such organisations and enterprises is not only to earn commercial profit, but also to implement and achieve a social and/or environmental mission. Lately many organisations of this type have been launched (i.e. Toms, One Earth Designs, Innocent, and in Poland-NotJustShop, or Wisłaki). We also can find many initiatives (The B Team, B Corp), and even institutionalised and legal (Benefit Corporation) solutions fostering such enterprises. Elkington and Zeitz forecast that in the coming years there will be more and more such organisations appearing; organisations fulfilling the social or ecological mission based on decisive ideas.¹

The aforementioned enterprises and business models to a large extent reflect many changes, phenomena and trends, typical for the modern world and modern economy. These phenomena appear mostly as a consequence of the IT and communication revolution, globalisation, as well as the social, economic and environmental changes following them. They are too broad and complex for a detailed analysis in such a brief paper. Yet since they shape the social/business environment of operations and consequently the conditions fostering the creation of enterprises based on the idea of corporate social responsibility, the objective of this paper is an attempt to identify and describe the most important areas of transition.

2. Megatrends

In every analysis of the changes taking place in the environment of modern organisations attention needs to be given both to social/economic occurrences in the macro scale, so-called megatrends, as well as to transitory currents, like fads or microtrends.² Yet we should emphasise that all of them – megatrends, transitory currents, particular phenomena and movements converge with each other. Therefore, it is difficult to define the clear borders and classify them since they overlap.

The first category are megatrends – important movements, tendencies or forces, appearing on both a local and global scale which can conceivably have an influence

¹ J. Elkington, J. Zeitz, *The Breakthrough Challenge*, Jossey-Bass, San Francisco 2014, p. 1.

² B. Mróz, *The Consumer in the Global Economy*, Oficyna Wydawnicza, Szkoła Główna Handlowa w Warszawie, Warszawa 2013, p. 116.

on almost every future aspect of an individual, a society and a business entity's form.³ R. Mrówka even claims that all the smaller elements are included in each megatrend.⁴ What is more, they can reinforce or weaken each other thus shaping consecutive transitions.

Despite the above obstacles, the author of this paper decided to define these megatrends, which – in her opinion – have the greatest influence on the emergence of the enterprises based on their social and/or ecological mission. Taking the list of megatrends proposed by R. Mrówka⁵ into consideration, the author would like to highlight the ones, which, according to her, are crucial and essential to the processes discussed: networking, globalisation, development and diffusion of the decisive network technologies, social/cultural trends and emerging significance of ecological issues.

The world, the people, objects and organisations are more and more networked, “entangled” by different networks, especially by ICT networks. Nevertheless, it is the ICT infrastructure that enables creating and modifying countless networks of other types – social, business, political, cultural, scientific, etc. Networking and related network's logic shape all the modern dimensions of human activities; therefore, anyone who wants to understand the way the world is changing must understand, how the network functions.⁶ R. Mrówka even claims that networking is a “mega megatrend,” which reshapes and reinforces all the other trends, and even creates them.⁷ It is consistent with opinions of many other researchers, who, like for example Van Dijk or K. Kelly, say that the 21st century is a “network century.”⁸

Intensifying networking is inseparably connected with globalisation, which is nowadays probably one of the most frequently analysed, critiqued and defined phenomenon in the social and economic science. The attempts to analyse the globalisation processes and their results are the starting point for many research studies and publications. It is a consequence of the fact that globalisation is a ubiquitous phenomenon and the megatrend shaping many fields of humans' life and activities. Moreover, globalisation, like networking, is a dynamic and evolving process.

The continuous development and diffusion of decisive technologies, especially in networking and communications, are driving globalisation and networking forward. In turn, the consecutive stages of the emerging Internet, as well as progress in availability and capabilities of mobile communication devices are followed by crucial and continuous transformation of economies and societies. New, critical technologies

³ R. Mrówka, *Hyperarchical Organisation – Creating Aspects, Model Genesis and Management*, Oficyna Wydawnicza, Szkoła Główna Handlowa w Warszawie, Warszawa 2013, p. 19.

⁴ *Ibidem*, p. 55.

⁵ *Ibidem*, pp. 15–55.

⁶ A. Bard, J. Söderqvist, *The Netocrats*, Wydawnictwa Akademickie i Profesjonalne, Warszawa 2006, p. 16.

⁷ R. Mrówka, *Hyperarchical Organisation...*, *op. cit.*, p. 55.

⁸ J. Van Dijk, *The Network Society*, SAGE Publications, 1999, p. 2; K. Kelly, *New Rules for the New Economy*, Penguin Books, 1999, p. 9.

(especially in communications) bring unforeseen possibilities, evoking new needs and social behaviours. In other words, the development of communication networks has changed the whole social infrastructure.⁹ Castells writes about “the network society”¹⁰ and Tapscott about “the network generation” that is the new generation, having grown up surrounded by new digital devices.¹¹ They start their adult life as a new type of employee, consumer and citizen. What is particularly significant is that all the tools broadly available make for the first time in history communication and cooperation possible on such a large scale through the usage of so many different methodologies. It is followed by the appearance of new habits and social effects among which are virtual societies or commons-based peer production.

Human activity and the dynamic development of civilisation are unfortunately being accompanied by many destructive changes in the earth’s ecosystem. They also generate an ever growing demand for natural resources and energy. The existing model of production and the life style of wealthy societies have led humans to wantonly use goods and resources as if there were three instead of one mother earth.¹² This evokes the need for a more sustainable use of natural resources (especially the non-renewable ones), as well as discovering new alternatives. Currently, we are witnessing many new initiatives to replace the current wasteful exploitative economic growth with sustainable growth that focuses on fulfilling the global needs of current generations while at the same time protecting the needs of future generations. The demand for sustainable growth leads to initiatives being sponsored by governments, international and non-governmental organisations as well as by a variety of different entities to ensure the implementation of models of corporate social responsibility. PwC, consulting firm, conducted a research project in 2014 involving the biggest global companies. The results showed that 46% of COOs view climate change and limited resources as the megatrend, which will irrevocably change their business models.¹³

3. Trends in the field of relations between organisations and their stakeholders as well as the field of consumers’ behaviour

As a result of the appearance of megatrends, many changes, transformations and trends can be observed in the field of relations between organisations and their stakeholders as well as in consumers’ behaviour. From this paper’s perspective, the most important issues are: stakeholders’ networking, new models of cooperation

⁹ J. Van Dijk, *The Network Society. Social Aspects of New Media*, Wydawnictwo Naukowe PWN, Warszawa 2010, p. 219.

¹⁰ M. Castells, *The Rise of the Network Society*, Wydawnictwo Naukowe PWN, Warszawa 2008.

¹¹ D. Tapscott, *Grown Up Digital*, Wydawnictwa Akademickie i Profesjonalne, Warszawa 2010.

¹² A. Kleanthous, J. Peck, *Let Them Eat Cake. Satisfying the New Consumer Appetite for Responsible Brands*, Abridged Version, WWF, p. 9.

¹³ *Annual Global CEO Survey 2014*, PWC, <http://www.pwc.com/gx/en/ceo-survey/2014/sustainability-perspective.jhtml> (date of access: 01.07.2015).

between organisations and stakeholders, the cooperative economy as well as sustainable consumption.

3.1. Stakeholders networking

The intense networking made the modern stakeholders (consumers are one of the most important groups among them) even “hypernetworked.”¹⁴ As a result of an interactive process, there are many changes taking place in their behaviour towards organisation. The summary can be found in Table 1.

Table 1. The fields of changes in the stakeholders’ behaviour

The field of changes	The change description
Connecting to the network	Communication ease between stakeholders, building communities
Information symmetry, transparency of firms	Easy access to countless information sources (for the first time in history). Traditional information foreclosure by companies is more difficult
Information sources	Internet forums, blogs, price comparison websites, social networks, interpersonal contacts (searching for opinions and experience)
Global point of view	Possibility of comparison of information regarding firms, products, technologies, prices and companies’ operations as well as consumers’ reactions all over the world
Real time operations, speed	Impatience, expecting immediate response
Creating, experimenting	Adjusting products/services to own, personal needs; using Internet tools for creating and publishing individual works (i.e. reflections, photos, movies, music, commercials, software or all kinds of products)
Activity and cooperation (between stakeholders as well as between stakeholders and organisations)	Contribution in design, production and distribution of goods/ services, interacting with companies, providing opinions, encouraging others to be active, providing feedback to companies and other stakeholders
Entertainment	Expecting that all information shared by the companies is interesting and has an attractive form. Products and services, besides their basic use, should provide entertainment

Source: J. Szumniak-Samolej, *Business Responsibility in the Network Economy*, Poltext, Warszawa 2013, p. 180.

¹⁴ *Winning over the Empowered Consumer: Why Trust Matters*, IBM Institute for Business Value, 2012.

3.2. New models of cooperation between organisations and stakeholders

From this paper's perspective, the change called "Activity and cooperation" (between stakeholders as well as stakeholders and organisations) is extremely important. The access to ICT technologies gives stakeholders a chance to network with one another as well as with other entities. It also makes them ready to interact and cooperate in a variety of ways.

The most important feature of these new models of cooperation between organisations and stakeholders¹⁵ is engaging external partners in internal processes, which were once restricted to the employees or associated firms. In other words, the point is that organisations are opening to outside talents, know-how, ideas and work resources. Briefly speaking, the clue of this process is using the potential of the above mentioned partnership productions in business operations.

Among such models of cooperation between organisation and stakeholders, two are the most popular: co-creation and crowdsourcing. They are used mostly as a support for chosen organisational processes, but now more and more often as a starting point for building business models, which are completely new and based partially or entirely on co-creation and crowdsourcing. A good example is Threadless, a company built on the crowdsourcing business model or Local Motors – based on the co-creation model.

The concept of co-creation is the virtual community's joint work on the final products and services. The group is organising online "meetings" in which each member is responsible for a particular part of the project, and the final product is an outcome of the teamwork. In order to create some value collectively, the cooperation should be based on systematic interactions, continuous learning, information exchanges and resources' integration.¹⁶ Although the co-creation forms of collaboration may be difficult, the most popular use of co-creation is an open-source movement. Therefore, just a few real examples of such business projects can be listed, like the car dealer, Local Motors, mentioned above.

Since crowdsourcing is a less complicated and less sophisticated model of cooperation, it is more often used. It can be defined as a process in which an organisation is inviting "the crowd" – a big, anonymous group of people – to work on the projects usually managed by its employees.¹⁷ Very often it is in the form of a contest in which the creator of the best solution is rewarded. A very important element of crowdsourcing

¹⁵ Detailed characteristics of cooperation between organisations and stakeholders has been presented in: J. Szumniak-Samolej, *Business Responsibility...*, *op. cit.*, pp. 191–210.

¹⁶ K. Bachnik, J. Szumniak-Samolej, *Business Potential of the Social Media*, Poltext, Warszawa 2015, p. 77. It is an authors' modification of the co-creation definition, proposed in: C.K. Prahalad, V. Ramaswamy, *The Future of Competition: Co Creating Unique Value with Customers*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2005.

¹⁷ R. Dawson, S. Byngthall, *Getting Results From Crowds*, Advanced Human Technologies, San Francisco, Sydney 2012, p. 5.

is the fact that the crowd not only generates ideas, but also criticises and validates them. As a result, it is a crowd that generates and chooses the best solutions.

There are five basic forms of crowdsourcing, which can be defined depending on the goal of using this model:¹⁸

1. distributed knowledge – access to fragmented knowledge in order to collect and sort out information;
2. crowdfunding;
3. cloud labour, online labour;
4. open innovation – access to expertise of any kind as well as creative solutions;
5. crowd creativity – design of art, advertising, media or any other materials.

From the perspective of modern, so-called start-ups, there is one more, very important aspect – crowdfunding. Sometimes it is treated as a crowdsourcing form, yet it seems to be a separate category, emerging in a very dynamic way. Crowdfunding can be defined as a process of raising capital through the ICT tools usage. This capital is needed for developing the specific project and it is provided by the virtual society, which expects some benefits for its contribution.¹⁹ Any enterprise (in the field of charity or culture; social or business), may use crowdfunding, yet those who initiate it must excite the virtual society to support their project.²⁰

Therefore, they need a well written, transparent business plan which they need to promote in a very convincing way. They need to be open to dialogue with the virtual community and foster its engagement. Besides the fund raising, crowdfunding also encourages “testing” projects, checking the stakeholders’ response and feedback, as well as building relations with the community; relations supporting the next stages of a project, when the crowdfunding is completed.

Usually, project initiators offer supporters material and non-material benefits. Therefore, one of the crowdfunding forms that should be emphasised is equity crowdfunding (crowdinvesting) where everyone who financially supports the enterprise gets shares in it. Consequently, equity crowdfunding is more and more available as an attractive form of raising capital for companies and as a viable alternative to other methods. Lately, this form of funding has been used by a Polish firm Migam, based on the social mission. The company offers an innovative technology enabling live translation of sign language. The crowdfunding action was run on Beesfund platform for 92 days (it was completed in June 2015) and gathered 147 shareholders, getting more than 300,000 PLN.²¹

¹⁸ Crowdsourcing.org, *Crowdsourcing and Crowdfunding Explained*, <http://www.youtube.com/watch?v=-38uPkyH9vI> (date of access: 02.09.2013).

¹⁹ See: <http://crowdfunding.pl/crowdfunding-faq/> (date of access: 18.11.2014).

²⁰ *Ibidem*.

²¹ See: <https://investors.migam.org/> (date of access: 01.07.2015).

3.3. Collaborative economy

Collaborative economy is a new, developing phenomenon, which is still in the process of being clearly and categorically defined. R. Botsman, the opinion leader regarding the collaborative economy, as well as co-author of the first book describing it,²² defines it as “An economy built on a series of networks of connected individuals and communities versus centralized institutions, transforming how we can produce, consume, finance, and learn.”²³ There are four basic fields of collaborative economy:²⁴

1. Production: design, production, and distribution of goods through collaborative networks. The processes of partnership production, crowdsourcing and co-creation previously described belong in this category.

2. Consumption – maximising the usage of resources by consumers, through new mechanisms of their redistribution, renting and sharing.

3. Finance – funding through dispersed social networks according to P2P (peer-to-peer) model,²⁵ including, *inter alia*, social lending²⁶ and crowdfunding.

Open education and P2P learning.²⁷

Second, among the fields mentioned previously there is collaborative consumption – a category often analysed separately. According to R. Botsman, it is “an economic model based on sharing, swapping, trading, or renting products and services, enabling access without actual ownership. It is reinventing not just what we consume but how we consume.”²⁸ R. Botsman and R. Rogers define three fields of consumption based on cooperation:²⁹

²² R. Botsman, R. Rogers, *What's Mine Is Yours*, Collins, 2011.

²³ See: <http://www.collaborativeconsumption.com/2013/11/22/the-sharing-economy-lacks-a-shared-definition/> (date of access: 19.11.2014).

²⁴ *Ibidem*.

²⁵ P2P, peer-to-peer – a network model of communication and resources exchange, where members are directly connected and have the same rights.

²⁶ Social lending – a service enabling lending money among individuals through online platforms, without traditional financial intermediary. Borrowers define on the platform how much money they need, payment period and the interest rate they can afford. Through minimizing intermediary costs and direct negotiations between two parties, loan platforms usually may offer the interest rate lower than the traditional deposits or loans. Source: *E-services Development in the World*, Polish Agency for Enterprise Development, 2010, http://www.web.gov.pl/g2/big/2010_08/fb558a7c0450c8ce7feb8bd-1891fde74.pdf, p. 20 (date of access: 19.11.2014).

²⁷ P2P learning – different than traditional, hierarchic model of teaching (teacher–student) – a flat model where people teach each other. Source: A. Bułkowski, Using peer-to-peer technology in cooperative e-learning, *E-mentor* 2006, no. 5(17), <http://www.e-mentor.edu.pl/artykul/index/numer/17/id/353> (date of access: 19.11.2014).

²⁸ <http://www.collaborativeconsumption.com/2013/11/22/the-sharing-economy-lacks-a-shared-definition/> (date of access: 19.11.2014).

²⁹ R. Botsman, R. Rogers, *What's Mine..., op. cit.*, p. 71.

1. Product service systems, PSS – chargeable or free sharing goods belonging to firms³⁰ or individuals³¹ among society members.

2. Redistribution markets – passing used or unneeded goods to other society members for free, selling them for money or points, exchanging them with similar goods³² or goods of similar value.

3. Collaborative lifestyle – not only material, but also non-material goods can be shared – (i.e. money, time, skills³³), space (sharing an office space,³⁴ apartment,³⁵ garden, seat in a car³⁶), experience/feelings regarding a specific activity (eating meals together,³⁷ travelling).

The terms “collaborative economy” or “consumption based on collaboration” are often used alternatively, yet the above characteristics show that collaborative consumption is only one of the elements of a broader phenomenon which is the collaborative economy.

What is interesting, the collaborative economy is a system in which individuals, including start-ups, who are able to find in this scheme an idea for a business model and traditional firms, which can conform to the conditions of this system, can operate in concomitance with each other.³⁸

The motivation of participants in the processes described above is also a very important aspect. There are many possible benefits of co-sharing, including:

- an opportunity of using goods, services and “experiences” for prices lower than those offered by traditional firms;
- an opportunity of using goods without a requirement to buy or own them;
- a source of additional earnings for contractors;

³⁰ For example, Car2Go – a system of affordable car rental, paid per hours, offered in cities by Daimler AG.

³¹ For example, relayrides.com – a platform where users can rent their cars to others.

³² For example, thingo.pl – a Polish platform of “creative exchange.”

³³ For example, bankzasu.org – non-commercial skills and services exchange market.

³⁴ So-called *coworking* – an idea of working together, usually offered to freelancers. They can share the office space with other people who also are independent but use office space, office equipment as well as the company of others, cf. *coworking-warszawa.pl*.

³⁵ For example, airbnb.com – a platform, where everybody, for a fee, may offer or book places of residence all over the world (houses, apartments and any places to spend the night), or couchsurfing.org – a platform where everybody may offer a place to stay for free in her/his house or apartment or find such a place somewhere else.

³⁶ For example, blablacar.pl – a platform linking drivers and passengers, enabling payable seat rent in the car on the driver’s route.

³⁷ For example, eatwith.com – a platform enabling offering payable meals at his/her home. It is not only about offering food, but also home atmosphere during meals.

³⁸ An example of such a firm which can conform to the collaborative economy system is Daimler AG mentioned before, offering Car2Go. Yet usually the representatives of the “old system” find the collaborative economy projects dangerous and try to eliminate them. See for example the conflict between Uber and taxi corporations or between Airbnb and hotel chains.

- a social dimension of a given type of consumption and production (i.e. meeting new people, companionship of others, the feeling of building community);
- added value – new experiences, feelings, “atmosphere” (i.e. atmosphere of the private home vs. anonymous hotel room).

Another interesting point is the fact that processes appearing in the collaborative economy are completely new phenomena on the one hand, yet absolutely quite natural for humans on the other, encouraging them to return to their origins, yet in a new way. Cooperation, sharing, hospitality, collaborative usage of owned goods and helping each other are natural behaviours which have existed as long human communities have existed. Yet in the modern world network technologies have expanded their coverage, even on a global scale, allowing direct cooperation and sharing with strangers.

The collaborative economy philosophy broadly reflects the philosophy of business projects based on the social/ecological mission and philosophy of people who are searching for socially and ecologically responsible solutions which create a new space for them.

3.4. Sustainable consumption

The phenomenon of sustainable consumption³⁹ is an intrinsic element of sustainable development and an ingredient in corporate social responsibility. It is based on a prudent consumer’s use of goods and an attempt to preserve a balance in the global ecosystem driven by a sense of responsibility for the protection of future generations and the destiny of our planet.⁴⁰ There is a movement of social responsible consumers which is becoming more and more active. They identify with the slogan “We can really change the world by responsible and ethical consumption.”⁴¹ The growth of awareness among consumers contributes to a more complex view of a product. Buyers pay attention not only to the value and/or price, but also the origin of products and their elements, the production process, treatment of employees and the influence a product may have on the environment on every stage of its life cycle. T. Friedman claims that the era of joyful consumption has fallen behind new patterns of moderate and economical usage of consumption goods which, in his opinion, can be described with four words: “reduce, recycle, reuse, and rethink.”⁴² According to Greenpeace, informed and responsible consumers regulate their consumption needs, taking higher values into consideration; they make informed shopping decisions, searching for

³⁹ “Sustainable consumption” is also called “responsible” or “ethic consumption.”

⁴⁰ B. Mróz, Chosen aspects of Polish consumers’ behaviours, in the light of the sustainable consumption concept, [in:] R. Bartkowiak, J. Ostaszewski (eds.), *Polish Economy – the System of Operating and Managing in Times of Globalisation and Internationalisation of the Economy Processes*, Szkoła Główna Handlowa w Warszawie, Warszawa 2009, p. 457.

⁴¹ B. Rok, *Responsible Business in the Irresponsible World*, Akademia Rozwoju Filantropii w Polsce, Forum Odpowiedzialnego Biznesu, Warszawa 2004, p. 9.

⁴² B. Mróz, *The Consumer in...*, *op. cit.*, p. 165.

information concerning where products come from and what will happen to them when they will be no longer useful. They can discipline their shopping. They can treat shopping not only as fulfilling their own needs, but also as a way to show their solidarity with producers. They can make decisions that will have a minimally negative impact on the environment. They are aware that their shopping decisions show their support for or protest against the companies' operations.⁴³ As the phenomenon of sustainable consumption grows the tendency to thoughtful reduction of consumption and the discontinuation of unnecessary shopping (deconsumption); in extreme cases an attempt to a total escape from consumption increases exponentially (anticonsumption).⁴⁴ A very famous example in Poland is the case of Marta Sapała, who as a reporter and Warsaw citizen, together with a group of a few families, was trying to live without shopping for a year. She was also describing her experiences in the blog "I am not buying it."⁴⁵

Consumption mitigation is sometimes strongly connected with the process of common consumption described above, based on joint usage of goods by the consumers' groups, or lending instead of buying.

4. Microtrends

The phenomena described above are completed by smaller microtrends,⁴⁶ trends or movements, which together create a conglomerate of determinants shaping the behaviours of consumers in the 21st century.⁴⁷ From this paper's perspective, the most important determinants are, *inter alia*: the desire for change, striving for a healthy life, "slow movement," "do it yourself" movement, upcycling and consumer's individualism.

According to Ph. Kotler, "the desire for change" is one of the life style change trends.⁴⁸ It is connected with the reflection on the previous lifestyle, the course and costs of a professional career. It is based on the desire for a total change of the previous lifestyle, values and habits relating to it.⁴⁹ The desire for change may be followed by new consumer behaviours (i.e. limiting consumption or striving for a healthy life), as well as decisions regarding a professional career, i.e. involvement in building an enterprise based on the idea of corporate social responsibility. A good example of such a desire for change was presented by creators of the charity crowdfunding Jillion. In

⁴³ E. Peborgh, *Odiseo Team, Sustainability 2.0*, 2008, p. 129.

⁴⁴ B. Mróz, *The Consumer in...*, *op. cit.*, p. 112.

⁴⁵ See: <http://nie-kupuje-tego.blogspot.com/> (date of access: 19.11.2014).

⁴⁶ Microtrends – small forces which can drive a very small part of population, i.e. 1%, yet which can really strongly shape society. Source: M. Penn, E.K. Zalesne, *Microtrends, The Small Forces Behind Tomorrow's Big Changes*, MT Biznes, Warszawa 2009, p. 13.

⁴⁷ B. Mróz, *The Consumer in...*, *op. cit.*, p. 167.

⁴⁸ *Ibidem*, p. 168.

⁴⁹ *Ibidem*.

order to undertake this challenge, they resigned from previous jobs in international marketing agencies.⁵⁰

“Striving for a healthy life” entails, according to Ph. Kotler, behaviours of consumers, who expect to get products, which foster lasting good health and physical condition⁵¹. This segment of consumers is sometimes called LOHAS (Lifestyles of Health and Sustainability). As its name shows, it is a group of people who pay close attention to health, both physical and psychological fitness, nutritious food, as well as protection of the environment and lifestyle according to the rules of sustainable development. They also focus on social justice.⁵² The members of Warsaw’s “Dobrze” Food Coop are a good example of LOHAS segment. In August 2014 they launched Poland’s first grassroots coop shop since 1989. The shop offers healthy, organic and affordable food. It is a non-profit organic food store and it belongs to and is managed by the Coop members. The profits are channelled to the shop and coop development, as well as to the organization of social and educational activities open to all.

The “slow” movement sprung from the need to promote a healthy lifestyle. It was established in Rome, in 1986, as a protest against opening McDonald’s restaurant.⁵³ At the beginning it was called “slow food”, and its goal was to promote cooking and eating meals made of high quality ingredients. Then it broadened to other aspects of life, like fashion (*slow fashion*), travelling (*slow travelling*), bringing up children (*slow parenting*), design (*slow design*), etc. In essence the various “slow movement” categories highlight the need to “slow down” which leads to a conscientious, creative and invaluable participation in these processes. A Polish example of “slow fashion” is the Wisłaki project, which was launched as an alternative to the mass production of clothing. The Wisłaki clothes collection is made of organic (GOTS) cotton. The clothes are adorned with the images of protected animal species (being supported by the Wisłaki brand) living in the Vistula river habitat. The images, which are custom designed and produced in Poland, are created with safe, water paints.⁵⁴ It is worthy to note that the Facebook community is being consulted regarding the final design in reference to the brand. It is also worthy to mention, from this paper’s perspective, that this brand was launched as a crowdfunding project.

The “Do-it-yourself” movement (DIY), which is closely connected to the “slow” movement, encourages making and modifying goods by oneself. Although the idea is not new, it is currently enjoying a renaissance on a huge scale with the development of network technologies, i.e. social media, that encourage people to share their ideas, their work’s results, as well as sell their products via private individuals (they can

⁵⁰ A. Turek, *They Worked for Corpo, Now They Help the Ones in Need. Internet Fund Rising Needs to Touch Emotions*, 29.06.2015, InnPoland, <http://innpoland.pl/118279,pracowali-w-korpo-teraz-pomaga-potrzebujacym-internetowe-zbiorki-nie-musza-grac-na-emocjach> (date of access: 06.07.2015).

⁵¹ B. Mróz, *The Consumer in...*, *op. cit.*, p. 170.

⁵² See: <http://www.lohas.com> (date of access: 20.11.2014).

⁵³ See: <http://www.slowfood.com/international/7/history> (date of access: 20.11.2014).

⁵⁴ See: <http://www.wislaki.com/polski.php> (date of access: 01.07.2015).

use, e.g., the Etsy platform – a virtual market, connecting creators of hand made products with consumers). The “Do-it-yourself” movement is very popular, since it is a representative of other microtrends, described in this paper, which overlap each other. These microtrends are: the desire to limit consumption, to differentiate, the desire for change and the desire to limit the amount of waste by fostering upcycling.

“Upcycling is taking an item that is no longer needed or wanted and giving it new life that is either useful or creative. This seemingly basic concept has sparked an exciting revolution with this generation.”⁵⁵ It is specifically about the creative process of reinventing such articles, or parts of them, which cannot be recycled, or it is simply not profitable. One of the tools promoting upcycling was a book “Cradle-to-Cradle,” written by W. McDough i M. Braungart,⁵⁶ which claims that limiting human impact on the environment should not only be based on resignation, but also on redesigning products and processes in such a way that industry will be a source of innovative building materials, and not waste.⁵⁷ Upcycling is now one of the trends in design (furniture, decorations, jewellery) and even in the clothing industry (i.e. the company Patagonia collects used flip-flops from which it produces new ones⁵⁸). The firm TerraCycle provides another noteworthy example of both a creative and simultaneous commercial usage of waste. The company has based its business model on upcycling. It produces binders, made from upcycled cake wrappers, note pads from chip bags, spiral notebooks from cereal boxes, clipboards made from circuit boards, laptop sleeves from drink pouches, clocks from vinyl records, flowerpots from yogurt boxes, pencils from newspapers and cell phone cases from reclaimed billboards as well as seatbelts.⁵⁹

Upcycling is now a very fashionable trend among consumers interested in ecology as well as among those engaged in the do-it-yourself movement or wanting to differentiate or highlight their individuality. It is very close to the next trend – consumer’s individualism, emanating from a desire to be different, showing presence as well as searching for uniqueness, one of a kind experiences, enriching “the prosaic consumption act” – which features an opportunity to modify the products according to one’s needs.⁶⁰ The Polish platform DeKoEko.com may be the answer to the consumer’s need to differentiate through upcycling, ecology and responsible consumption. It interacts in transactions between ecological and responsible producers and consumers

⁵⁵ See: <http://www.upcyclemagazine.com/what-is-upcycling> (date of access: 01.07.2015).

⁵⁶ W. McDough, M. Braungart, *Cradle to Cradle: Remaking the Way We Make Things*, North Point Press, New York 2002.

⁵⁷ Ch. Laszlo, *The Sustainable Company*, Studio Emka, Warszawa 2008, p. 46.

⁵⁸ M. Hower, Patagonia Launches New Program to Upcycle Flip-Flops, *Sustainable Brands*, August 2, 2013, http://www.sustainablebrands.com/news_and_views/brand_innovation/patagonia-launches-new-program-upcycle-flip-flops (date of access: 20.11.2014).

⁵⁹ *Upcycling, or the Second Life of Trash*, http://www.domoplus.pl/d_artykuly_152_upcykling-czyli-drugie-zycie-smieci.html (date of access: 22.11.2014).

⁶⁰ B. Mróz, *The Consumer in...*, *op. cit.*, p. 114, 169.

interested in such kinds of goods. The firm advertises that it is “a designer’s answer to the waste problem!”⁶¹ All the products offered on this platform have one or more of the features so-called “Dekoeko factors”: a product made of recycled materials, an upcycling product (made from another product seemingly worn out), a handmade product or ecologically made, a product made of recyclable or biodegradable materials, a slow fashion product (made of “green” materials, like organic cotton), product raising funds for charity.

5. Summary

The phenomena, changes and trends presented in this paper are, according to the author, the driving forces accounting for the increasingly common growth of firms and enterprises launched to solve the social and ecological problems of the modern world with business tools. The continuous development and diffusion of new communication technologies, unprecedented networking of people and institutions, as well as socio-cultural changes following them reshape relations between firms and stakeholders and create new opportunities of operations and collaboration. Increasing transparency and symmetry of information foster the growth of consumers’ awareness. New communication and sales channels simplify establishing relations between companies, who are striving to fulfil not only commercial goals, but also the sociological and ecological mission with consumers who are open to cooperation and are searching for valuable and ethical alternatives for widely available products and services. Usually it is not just about ordinary commercial relations, but also about the possibilities of active contribution in the creation and promotion of such a kind of initiatives. For example, the founders of The B Team, the group of prominent businessmen and social activists (i.e. R. Branson, M. Yunus, P. Polman, K. Calvin), pay close attention to such initiatives since they want to support the movement of business leaders wishing to contribute to implementing substantial social and environmental changes. “Traditionally, business leaders have operated behind closed doors but this is changing. We are beginning to see a new generation of committed leaders who believe in a different role for business based on a more open approach to achieve their goals. They are already developing new business models that will transform our economies in the long run – bringing benefits to people and the planet alongside profit.”⁶²

Increasingly such types of business initiatives based on a social and ecological mission are appearing in Poland; some of them were mentioned in this paper. Their future development is certainly a very engaging research subject inspiring further analysis. Suggested interesting research questions can be stated as follows:

- How frequently will new enterprises appear in this area?

⁶¹ See: <http://dekoeko.com/o-nas/> (date of access: 20.11.2015).

⁶² See: <http://bteam.org/about/> (date of access: 02.07.2015).

- What are the motives for undertaking such initiatives?
- Are they really innovative? In which areas?
- What are their business models? How do they operate?
- What is the consumers' and other stakeholders' response to them?
- What are the types of difficulties these kinds of enterprises face?
- Are these enterprises able to create a real market as well as social and/or ecological value? How can this value be measured?
- What is and will be the role of network technologies in this process?

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