

People, planet and profit

A case study of how the crowdfunding platform Trine creates shared value



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Abstract

Previous economic theories have for long seen the relationship between economic and societal value creation as contradictory. With the rise of Creating Shared Value (CSV), this outdated perception of how value is created is contested. The purpose of this thesis is to examine how the crowdfunding platform Trine can be regarded as a company that creates shared value. We find that they create shared value by fighting energy poverty by providing access to finance for solar entrepreneurs in Sub-Saharan Africa. Thus, they also contribute to decreasing CO₂ emissions. This is in line with the theory of CSV as they create value for society as well as their firm. We also contribute to contemporary literature and theory in this field by extending the number of stakeholders involved in the shared value creation process. By analyzing the crowdfunding platform Trine, we find that shared value is created also for the investors on the platform.

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1. Introduction

In this chapter, our aim is to present the background of shared value, leading us into the identified problem and a presentation of our research object, Trine. Following, the purpose of this thesis is presented, ending in a presentation of our research questions.

1.1 Problem background

Are the terms economic growth and societal value creation mutually exclusive, can they co-exist or do they reinforce each other? These are questions that permeate contemporary societal discussions. Businesses have in recent years been regarded as the primary factor to contemporary social, economic and environmental issues (Porter & Kramer, 2011). This has led to a decrease in the legitimacy of business, holding it responsible for many societal problems. A large part of the problem lies within the notion of how such businesses create value. Short-term profits on financial markets and vague definitions of what value constitutes has led to a narrow perception about businesses' role in society, missing the most fundamental part of customer needs (Porter & Kramer, 2011; Deloitte, 2016).

The urge for companies to address societal needs and issues at the core of their business has increased rapidly in recent years, giving rise to numerous new companies within the field (European Commission, 2014). The proliferation of such businesses is greatly facilitated by the accessibility to Internet and digitalization in general. Digitalization has made it easier for entrepreneurs to innovate and seize new possibilities, turning them into business opportunities. Digitalization is also a stepping stone for the platform economy, a phenomenon where business models are built on platforms that create value within and across new eco-systems, redefining the future of business (Accenture, 2016).

One of the new business models that has emerged within the platform economy is crowdfunding, which can be seen as the practice of funding projects or companies by collecting funds from a large number of people, referred to as the crowd. Such contemporary businesses are usually operated through online platforms, where the platform enables the crowd to fund projects and business ideas. In return, the investors are given yield, partial ownership or other non-monetary benefits (European Commission, 2018). Thus, crowdfunding could work as a way for entrepreneurs to raise funds without the need of collaterals in order to make the investment safer. Funds can also be raised for projects involving societal good. Such entrepreneurial efforts would create value not only for the entrepreneurs themselves, but also for the investor along with the end-user of the provided product or service.

With the rise of Creating Shared Value (CSV), an opportunity to invent new ways of doing business in a truly sustainable and long-lasting way has emerged and emphasizes the importance of creating economic value alongside societal value. The concept of shared value has since the publication of the article *Creating Shared Value, How to reinvent capitalism - and unleash a wave of innovation and growth* by Porter & Kramer in 2011 gained much attention. Headlines such as "Creating Shared Value: Make Money And Do Good is the New Corporate Buzz" implies how popular the concept grew in a short period of time (Huffington Post, 2017). In academia, at the time of writing, the article has been cited more than 7000 times (Google Scholar, 2018). In media, the concept has been renowned through various sources such as The Economist and Forbes and was awarded the McKinsey 2011 prize for best article in Harvard Business Review (The Economist, 2011; Epstein-Reeves, 2012). It even gained enough attention for the European Commission to incorporate it in their strategy for Corporate Social Responsibility in 2011 (European Commission, 2011).

However, there is a lack of contemporary academic literature and empirical evidence regarding the concept of CSV. In a case study of the Brazilian company BASF it is found how the company succeeds to create value in their collaboration with other companies by redefining productivity in the value chain (Chapman & Spitzeck, 2012). However, their research is not sufficient to confirm an emerging theory and they encourage future research to be conducted within the topic to “confirm and potentially refine the approach”. Consequently, Dembek et al. (2015) argue in their literature review that the concept has spread into the language, but that its current conceptualization is vague. They question the way it is defined in literature and the discrepancy of how it is operationalized, emphasizing the lack of empirical evidence. Thus, our thesis contributes to filling the gap between theory and practice by providing an empirical case study of how the crowdfunding platform Trine can be regarded as a company that creates shared value.

1.2 Background of the research object

*“We aim to create a world free of energy poverty by enabling people to make money whilst doing good.”
(Trine, 2018)*

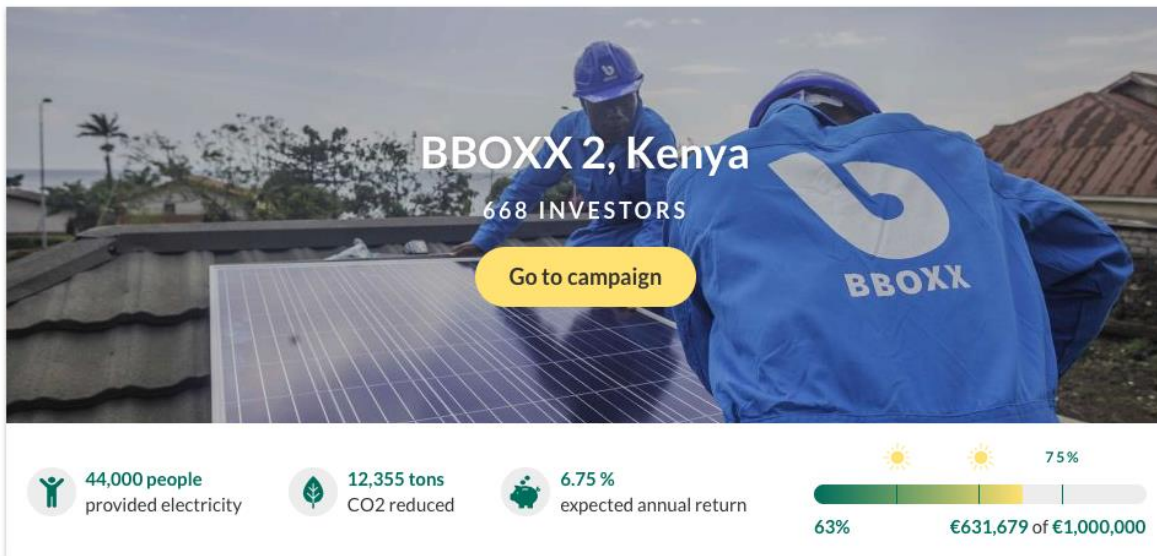


(Trine, 2018)

A study of the company and crowdfunding platform Trine will be used in order to explore our research topic. Trine was founded 2015 in Gothenburg. Trine has through business model innovation provided a service for the market that enables them to create profit at the same time as allowing investors to gain yield and do good for society at the same time. The company focuses on enabling investments into off-grid solar panel projects in rural areas in developing countries (Eriksson & Hederstedt, 2018). Enabling in this sense means that they are not the investors themselves, but rather they enable investments in solar projects for investors such as private individuals and, to some extent, companies. The investments are mostly made online, using the company’s website jointrine.com which also works as the crowdfunding platform. The platform was first introduced and available online in the beginning of 2016 (Morlin-Yron, 2016). The investors invest their money through the crowdfunding platform and when the project becomes fully funded, the money collected is provided to a local company, referred to as the solar entrepreneur, as a loan. The solar entrepreneur is responsible for selling and delivering solar home systems to households in rural areas, giving them access to clean energy. After some time, usually a couple of months after the initial investment, the repayments of the loan including interest on the outstanding loan is paid back from the solar entrepreneur to Trine. These repayments are recurrent on a regular basis, usually for one to three years, until the total amount initially lent out is paid back to the investors.

At the time of writing, Trine has raised funds equivalent to €6.8 million (Trine, 2018). Based on their own calculations they have set up a target of reaching €66 million funded before the

end of the year 2022 (Mynewsdesk, 2018). Investing activities are always associated with risks, including the investments made via Trine's platform. However, no investors have yet experienced any financial losses when investing in solar projects through the platform.



This is an example of how a project is presented on Trine's website. Through this specific project, 44,000 people were provided with electricity, 12,355 tons of CO₂ emissions were reduced with an expected annual return of 6.75% for the investor. (Trine, 2018)

The households that get access to these solar home systems pay for them on a regular basis. The solar home systems usually replace kerosene lamps and diesel generated electricity. By replacing these fossil fuels, Trine reduces CO₂ emissions simultaneously as the solution improves the living standard for the people it impacts by eliminating fumes from kerosene and diesel. At the same time, Trine's business model allows them to create revenue for themselves simultaneously as they give investors the opportunity to gain a return on their investments through the crowdfunding platform. One of the key things that characterize Trine as a company is what they call people, planet and profit. In this sense, people represents the aspect of improving people's lives by giving them access to the solar home systems, planet represents the reduction in CO₂ emissions and profit represents the aspect of generating profit for the investors.

1.3 Purpose

Our aim with this thesis is to perform a case study of the crowdfunding platform Trine and assess how it can be regarded as a company that creates shared value. Within this context, we also aim to investigate what values that are created and for whom. By doing this, our intention is to provide a practical example of how a company can create both societal and economic value and contribute to existing literature, giving the concept of creating shared value further legitimization within business academia.

1.4 Research question

With the background of a lack in academic literature concerning the topic and the purpose of this thesis, our ambition is to contribute to contemporary research and literature by providing an empirical case study of the topic. We believe that by investigating the following research questions we will provide holistic insights that enable us to fulfill our purpose of the study:

How can the crowdfunding platform Trine be regarded as a company that creates shared value?

What values are created, and for whom?

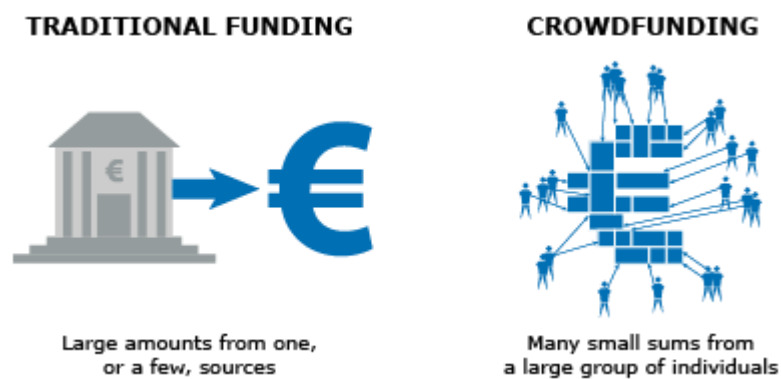
The main question is of crucial importance in order to assess how Trine can be regarded as a company that creates shared value and fulfills the purpose of this thesis. Through conceptualization of the theoretical framework and a thorough analysis of our collected data, an answer corresponding to the research question will be provided. Further, the sub-question enables us to investigate what values that are created by Trine and for whom.

2. Theoretical Framework

In this chapter previous research along with our theoretical framework are presented. As our research objects is a crowdfunding platform, we will start the section by presenting theory regarding the subject. This theory will be used to assess whether Trine can be regarded as a crowdfunding platform in conjunction to academic literature. Thereafter, theory regarding creating shared value is presented in order to make sense of our research questions.

2.1 Crowdfunding

Crowdfunding is a phenomenon that has gained enormous attention during the last decade. The concept enables several individuals, companies, institutions or a combination of these to raise funds for specific projects or companies. These are often enabled by a crowdfunding platform. Such platforms are typically online websites which simplify the process of getting funds for fund seeking companies or projects and makes it easier for investors to take part of such projects. Examples of such crowdfunding platforms are Kickstarter and IndieGoGo (Gerber et al., 2012). Furthermore, the European Commission states that crowdfunding “cultivates a community around the offering” - in other words around the project or company being funded.



European Commission, 2018

In the picture above a comparison between traditional funding and crowdfunding is illustrated. Traditional funding is characterized by large amounts of capital, often from one or a few sources, e.g banks, companies or other types of lending institutions. In contrast, crowdfunding is characterized by many small amounts of capital from a large group of individuals (European Banking Authority, 2015).

Crowdfunding has emerged as a valuable alternative source of funding for entrepreneurs seeking external financing (Belleflamme et al., 2014). Entrepreneurs often face difficulties securing financing via traditional financial channels such as venture capitalists and banks. This is mainly due to the fact that entrepreneurs often lack guaranteed cash flows, possess little or no collateral in order to secure their business and obtain capital, and information asymmetry between the parties (Berger & Udell, 1995; Cassar, 2004). In its purest essence, crowdfunding can be described as an entrepreneurial individual or group’s attempt to finance a new project or venture by reaching out to a large audience of people, i.e the crowd, for monetary contributions without financial intermediaries.

The concept of crowdfunding has its origin in crowdsourcing, a process where duties are outsourced to a larger mass, i.e the crowd, in order to obtain feedback, ideas and solutions to develop corporate activities. In the case of crowdfunding, the aim is to collect funding for the purpose of investing, often via social networks or related online platforms (Belleflamme et al.,

2014). This perception of the concept is further strengthened by a common definition used in literature on crowdfunding, stated below.

“an open call, mostly through the Internet, for the provision of financial resources either in form of donation or in exchange for the future product or some form of reward to support initiatives for specific purposes” (Belleflamme et al., 2014, p. 588; Schwienbacher & Larralde, 2010, p. 371)

The definition implies that crowdfunding can be regarded as a practice where initiatives with specific purposes are financially supported, mostly through the Internet. The supports can take the form of a donation, an investment or a payment, where the lender expects some kind of compensation. The compensation can either be a future product or some other form of reward.

Crowdfunding comes in various forms such as equity-based, profit-sharing and crowdlending (Belleflamme et al., 2014; Cichy & Gradon, 2016). Among these various forms of crowdfunding, the latter reminds the most of traditional bank loans. The fund-seeker raises capital through a loan agreement, which in the future is to be repaid either interest free or with an additional interest rate. Thus, crowdlending becomes a direct replacement of the traditional bank loans (European Banking Authority, 2015). When raising capital through crowdlending, it is common that the platform enabling the transaction between lenders and borrowers perform a due diligence of the borrower, protecting the investors' interests (Cichy & Gradon, 2016).

The concept of crowdfunding fills the gap between entrepreneurs and capital in a reality where lack of collaterals, unpredictable future cash flows and information asymmetries lie at the heart of the problem. This gap opens up a possibility for the crowd, i.e many individuals or institutions, to contribute with relatively small amounts of capital in order to generate funding for certain projects or companies. The funding is often mediated through online platforms, making it accessible to the crowd. Crowdlending is a certain branch within crowdfunding, implying that the borrower of the capital repays the loan, with or without an interest. Hence, crowdlending is a way for borrowers to obtain funding simultaneously with the opportunity for investors to gain interest, making it an alternative to other types of investments.

2.2 Creating Shared Value

2.2.1 Previous Research within CSV

The concept of shared value has its origin in earlier articles published by Porter & Kramer. In the article published in 1999, a first attempt was made to explore how foundations can use their assets more effectively in order to leverage the impact that they can create for society. Porter & Kramer (1999) emphasize a lack of strategy within foundations and recognize that they are not often devoted to the task. Despite the fact that more money than ever flows into charitable foundations, their resources are more scarce than ever before. Foundations have the scale, time horizon and are free from political pressures, implying that they have the opportunity to maximize the social benefits. Improving efficiency and the practices of philanthropy would enable such foundations to have a much greater impact on society.

In their article released in 2002, Porter & Kramer extend the notion of philanthropy to the corporate world. In order to escape the contradictory relationship between society and business, companies often seek to be more strategic in their philanthropy, thus giving birth to “strategic philanthropy”. Furthermore, it is argued that there is no contradiction between contributing to a company's competitive advantage and doing good for society.

The concept of shared value is an emerging field from research and business practice within CSR (Porter & Kramer, 2006). In the article, current CSR practices are criticized for pitting value creation in business models against societal and environmental value creation. The relationship between society and business is redefined, emphasizing that integration of the two contributes to successful companies in a healthy society. Further, the importance of uniting business and society rhymes well with earlier research which emphasizes value creation as a mutual process that makes each stakeholder better off (Freeman et al., 2010). The emerging focus on a mutual dependence of corporations and society bred the principles of shared value, where corporate success and social welfare are not treated as a zero-sum game (Porter & Kramer, 2006). Instead, shared value is about discovering opportunities to leverage the linkages between economic and social progress to create more value, not redistribute existing value, and share this among stakeholders. Thus, while dated approaches focus on minimizing the harm business has on society, shared value focuses on maximizing the competitive value of solving social problems (Porter & Kramer, 2011).

2.2.2 Definition and conceptualization of CSV

As previously mentioned, the concept of shared value has its origin in the nonprofit sector and how foundations can create value (Porter & Kramer, 1999). However, it was not until the publishing of the article “*The Competitive Advantage of Corporate Philanthropy*” by Porter & Kramer (2002) that the concept was established as a corporate concept on how for-profit companies can create societal value simultaneously with economic value. Porter & Kramer (2011) developed the theory Creating Shared Value as a response to the emergence of the importance of shared value, defining it as:

Creating shared value - “The concept of shared value can be defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the social and economic conditions in the communities in which it operates.”

(Porter & Kramer, 2011, p.66)

The definition refers to rules and activities within a company that increase the competitiveness of the firm while simultaneously advancing the economic and social conditions in the communities in which the company operates. This implies that the concept of Creating Shared Value tries to unite the, by some seen as contradictory relationship, between societal and economic value, unleashing the next generation of value creation and growth in society (Porter & Kramer, 2011). Hence, CSV is a strategy in which business opportunities are found in social problems and value is created when assets and expertise to solve these problems are available. Value creation has since long been a concept within business and should be seen as revenues earned relative to costs incurred. Businesses rarely approach societal issues when referring to value, they are rather treated as external and peripheral matters. In a sustainable business environment, such issues have to be at the core of the business while simultaneously allowing companies to maximize their profits (Porter & Kramer, 2011). In order to achieve this, societal issues and challenges should be regarded as business opportunities opening up a new world of possibilities for companies to capture value.

In order to create shared value in practice, Porter & Kramer (2011) outline three distinct ways that each is part of a reinforcing circle where improving value in one area nurtures opportunities in the others. Hence, the three mutually work against minimizing trade-offs between business opportunities and social needs. These are reconceiving products and markets, redefining productivity in the value chain and enabling local cluster development.

2.2.3 Reconceiving products and markets

Reconceiving products and markets focuses on satisfying societal needs in underserved markets by providing innovative products or distribution methods. Demand for products and services addressing societal needs is growing in both advanced and emerging economies. Companies therefore increasingly focus on socially oriented products that improve living standards since these are demanded by consumers (Porter & Kramer 2011). For example, contemporary food companies focus on providing more nutritious food as compared to previously focusing exclusively on taste (Alexander et al., 2011). This can also explain the rise of companies reaching for social impact, uniting the two concepts of entrepreneurship and social outreach, which is an uprising field within business (Rey-Martí et al., 2016).

Consequently, externalities that earlier generated costs for both the environment, society and businesses can be reduced. For example, innovations that address issues in society such as water purifiers providing clean water to those who earlier didn't have access to it reduces the cost and improves the quality of life for those in need. Simultaneously, new avenues for innovation and value creation opportunities develop for companies who can increase productivity and expand markets. This cycle can enhance long-term success of a company through the minimization of trade-offs between economic and social values (Porter & Kramer 2011; Spitzeck & Chapman 2012). Porter & Kramer (2011) further argue that the opportunities to meet unmet social needs are far from static since they change along with transformations in technology, economies and societal priorities. Hence, further exploration of social needs contributes to discovering new business opportunities and differentiation strategies along with potential new markets.

Firms can meet the demand of shared value creation by reconceiving products and markets through business model innovation and by introducing new products and services to the market (Lee et al., 2012). The greatest possibilities to create shared value in an organization are those within areas which lie at the core of the business (Porter & Kramer, 2011). This is due to the fact that these areas connect to the most profitable opportunities and therefore also possibilities to maintain long-term commitment. Consequently, these areas are more resource-rich and encompassed by opportunities to scale, thus allowing them to impact societal issues.

2.2.4 Redefining productivity in the value chain

Redefining productivity in the value chain focuses on transforming the value chain to increase efficiency through more sustainable practices. Such opportunities occur as a consequence of societal challenges that can create economic costs in the firm's value chain. Efforts to increase sustainability in different areas of the value chain are mutually reinforcing and offer new innovation opportunities and create economic value in a long-term perspective. Some of the most important ways in which the value chain can be transformed are; improvements in energy use and logistics through better technology and recycling, efficient resource use through advances in technology and improved distribution models that reduce resource usage (Porter & Kramer 2011; Spitzeck & Chapman 2012). A holistic evaluation of the value chain productivity thus hinders externalities to incur internal costs.

Firms can create shared value through value chain innovation (Lee et al., 2012). By making the value chain architecture more efficient, benefits such as lowered costs, improved quality and increased speed of processes can be achieved. Consequently, innovations throughout the whole value chain that improve interorganizational processes and practices will create value. Hence, this new way of thinking connects a firm's competitive advantage with social issues. The

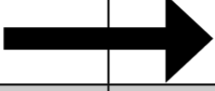
synergy between these two concepts increases as firms approach such issues from a shared value perspective and new ways of operating to address them (Porter & Kramer, 2011).

2.2.5 Enabling local cluster development

Productivity and innovation are strongly interlinked with the creation of “clusters”, geographical areas where firms, related businesses, suppliers and infrastructure are highly concentrated (Porter & Kramer, 2011). An example of a well-established cluster is Silicon Valley, where many of the world’s leading tech-companies are located. Even surrounding public assets such as schools, quality standards and market transparency play a large role in local cluster development. While a well-functioning cluster can boost growth and innovation, a deficient cluster can lead to decreased productivity and even create internal costs for the firm. When firms build clusters, it also establishes a connection between company success with the local community’s success. By close collaboration, the firm creates a thorough understanding of the local community’s social needs. Additionally, such a collaboration can create multiplier and spillover effects, enabling improved knowledge trade between the firm and other participants in the local community (Porter & Kramer, 2011). In practice, firms need to identify deficiencies in areas within clusters such as distribution channels, educational institutions and market organization and focus on those that represent the greatest opportunities for growth. The most successful developments of clusters “involve collaboration within the private sector, as well as trade associations, government agencies, and NGOs” (Porter & Kramer, 2011, p. 75). In CSV, this implies that the boundary between NPOs and for-profit organizations becomes blurred, introducing a new way to do business that includes integration of different stakeholders.

2.2.6 Creating Shared Value VS Corporate Social Responsibility

The difference between CSV and CSR is that the latter has been a reactive concept regarding sustainability and derives from external pressure on the company. On the contrary, CSV is about incorporating the ideas of sustainable development and solving societal needs in a proactive way - at the same time as making profit for the company. According to the CSV theory, CSV will be far more sustainable and far more effective than the majority of companies’ efforts in the social arena today. Moreover, they indicate that CSR initiatives in businesses focus to a large extent on reputation and have limited relation to the core of the company's business. CSV, on the other hand, should overrule CSR efforts by guiding the companies’ investments in their communities (Porter & Kramer, 2011). A comparison between the concepts is illustrated in the table below.

CSR		CSV
Value: Doing good		Value: Economic and societal benefits relative to costs
Citizenship, philanthropy, sustainability		Join company and community value creation
Discretionary or in response to external pressure		Integral to competing
Separate from profit maximization		Integral to profit maximization
Agenda is determined by external reporting and personal references		Agenda is company specific and internally generated
Impact limited by corporate footprint and CSR budget		Realigns the entire company budget
Example: Fair trade purchasing		Example: Transforming procurement to increase quality and yield

In both cases, compliance with laws and ethical standards and reducing harm from corporate activities are assumed (Porter & Kramer, 2011).

Regarding value, CSR tends to focus on showing that the company is doing good for society in different ways. On the other hand, CSV focuses on economic and societal benefits relative to costs. This implies that the concept of CSV focuses on joint company and societal value creation, whereas CSR practices, mostly focus on e.g philanthropy in this matter. As mentioned above, CSR derives from external pressure and companies respond to the pressure by “doing good”. Thus, such traditional strategies have been separated from profit maximization as the goal is to do good via philanthropy. Meanwhile, companies should use CSV as an integral part of competition which then also becomes integral to profit maximization. Moving on, a CSR agenda is often determined by external reporting and personal references of the company or the person in charge, whereas the CSV agenda is company specific and internally generated. Therefore, the impact that CSR efforts can achieve is limited by corporate footprint and CSR budget, whereas CSV has the ability to realign the entire company budget (Porter & Kramer, 2011).

2.2.7 Criticism towards Creating Shared Value

Despite the popularity of Porter & Kramer’s article, the concept of shared value has not remained uncontested. In a response to the article, Crane et al. (2014) argue that at the same time as shared value does add some value to the debate on business and society they also critique the article from several points of view. The similarity to concepts such as CSR, blended value and mutual benefit implies that the concept in fact is not new, but rather that only the name has been changed.

Further, it is argued that Porter & Kramer try to solve a system-level problem with a firm-specific solution. They argue that CSV is a firm-specific concept and business model which cannot be used to redefine capitalism. In an interview with Porter (World Economic Forum, 2012), it is stated that companies that do not have the possibility to adapt to the CSV business model should not do so. This means that all companies cannot and will not adapt the concept

of CSV. This contradicts Porter & Kramer's (2011) desire that it should redefine capitalism, as it cannot include all companies. They also emphasize the difficulty for companies to adapt all of their business to the concept, arguing that it is easier applied on certain projects and departments. Therefore, CSV is not able to address their aim; to redefine capitalism.

Furthermore, it is argued that Porter & Kramer's theory on CSV does not differ from standard management thinking (Beschoner, 2013). He also argues that the authors rejection and criticism of CSR build upon "a straw man conception" of CSR, meaning that the authors have a very limited view of what CSR is and does neither reflect how businesses work with it in practice nor how the academic debates have developed regarding the subject during the last decades. Lastly, Beschoner (2013) states that reinventing capitalism, as Porter & Kramer argue would be possible with CSV, would require several more steps than just applying the CSV concept.

Orr & Sarni (2015), along with other scholars, criticize the measurement and metrics of improvements by businesses regarding social conditions in communities presented in the CSV theory. They argue that it is problematic since trade-offs and value judgements are built into the evaluation of benefits and costs of different business activities that create shared value. At the same time, Porter & Kramer (2011) argue that CSV is about moving beyond trade-offs and personal values. Thus, this represents one of the shortcomings of the CSV concept and an area that needs to be further defined and developed in the future.

2.2.8 Empirical evidence and summary

There are already several examples of corporations that are creating shared value (Porter & Kramer, 2011). The examples include companies such as Johnson & Johnson, Unilever, Google, Intel, Wal-Mart, IBM and Nestlé. The latter, which is one of the largest food and beverage companies in the world, are according to themselves "committed to enhancing quality of life and contributing to a healthier future" (Nestle, 2018a). Besides this, Porter & Kramer (2011) identify that Nestlé create shared value by redefining productivity in the value chain and more specifically by redesigning their procurement within one of their fastest growing divisions. Small farmers, which are suppliers to Nestlé, operate in impoverished areas. The farmers' productivity is often low, quality of their crops are varied and their environmental impact can be reduced. Nestlé addresses these issues by setting up local facilities near the farmers and providing them with advice regarding farming practices, helping them secure inventory such as fertilizers, plant stock and pesticides. Besides this, they also guaranteed bank loans for them. These activities improved the quality of the crops as well as generating a greater yield per hectare, which resulted in a higher income for the farmers. Nestlé benefited from this by securing a higher and more consistent quality from their suppliers, along with the farmers that got a higher income and reduced environmental impact. On Nestlé's global website, evidence occurs that the company actively focuses on creating shared value (Nestle, 2018b).

The empirical evidence is further confirmed by Spitzeck & Chapman (2012), that according to themselves were the first two researchers after Porter & Kramers article was published in 2011, to write an academic paper that verifies the shared value concept through empirical evidence. They provide an analysis which shows that CSV is not just a theory or concept in academia, but rather that there are empirical examples in the world of business that incorporate the ideas of shared value, as presented in Porter & Kramer's paper from 2011. This further legitimizes the concept of creating shared value, as it confirms the existence of it by providing a practical example.

To summarize, CSV is about incorporating societal challenges in the core of the companies' business model, transforming them into business opportunities. It refers to businesses and organizations and how they can apply the concept into their operating practices and corporate policies (Porter & Kramer, 2011). The concept is expected to reinforce the competitiveness of the firm while also improving social conditions, which eventually will lead to growth and innovation for the company, alongside positive gains for society (Spitzeck & Chapman, 2012).

2.3 Application of theoretical framework

Our intention is to use the two theories presented above to analyze our empirical data. We aim to use theories regarding crowdfunding to identify whether Trine can be regarded as a crowdfunding platform. The reason for this is to broaden the readers' understanding of what crowdfunding is, how it is defined and see how this correlates with Trine. This is important to understand since it is such a central part of the research object's business model. Thereafter we arrive at the heart of our thesis, namely analyzing our research object and assess how the crowdfunding platform Trine can be regarded as a company that creates shared value. Besides this, we intend to examine whether our research object creates values that are not included in the CSV theory. If other values are present, they will be discussed in the discussion part of this paper.

3. Methodology

In this chapter, we present our choices regarding methodology and argue for the choices made. We also reflect upon our data collection process and discuss the limitation and benefits of it.

3.1 Qualitative case study research

As the purpose of this thesis is explorational in conjunction with the lack of earlier academic research, we found a qualitative method suitable for the thesis. As stated by Creswell (2012), a case study is an exploration of a bounded system defined in terms of time and place through detailed, in-depth data collection involving several sources of information that are rich in context. Eriksson & Kovalainen (2016) further argue that such studies are excellent when using multiple sources of data in order to generate holistic and contextual in-depth knowledge.

Due to lack of accessibility regarding information about the research object, Trine, we had to use several sources of data. As argued by Eriksson & Kovalainen (2016), a wide set of data collection methods are available when conducting case study research. Furthermore, even the methods used when analyzing the data can vary considerably within case study research.

Case studies present complex business problems in a practical, accessible and vivid format, making it more appealing to business students and researchers than traditional survey research and statistical tools (Eriksson & Kovalainen, 2016). However, it is also argued that due to its nature, a case study can also be perceived as not being profound and vague scientific rigour. As the aim of the thesis is to explore how the crowdfunding platform Trine can be regarded as a company that creates shared value, without further generalizations, we perceived such a case study to be proficient and suitable.

3.1.1 Intensive case study research

According to Eriksson & Kovalainen (2016), intensive case studies draw on ethnographic and qualitative research traditions. The study emphasizes interpretation and understanding of the particular case, while it elaborates upon cultural meanings and the sense-making in specific contexts. Consequently, the main aim with our intensive case study was to understand the case from the inside. Due to this, an intensive approach to the case study was used, providing a contextualized description and interpretation. This thesis focuses solely on one case, Trine, which furthermore strengthens the incentives to use such an approach (Eriksson & Kovalainen, 2016). However, such studies are also capable of being used in order to generate new theoretical concepts developing theory (Dyer & Wilkins, 1991).

3.2 Data collection

3.2.1 Pilot study

For us to get a deeper understanding of the chosen theories and possibly find new insights on the topic, a pilot study was conducted. An unstructured interview was held with a prominent senior lecturer within the field of corporate sustainability prior to the actual data collection process. By doing this, we as researchers could gain a better understanding of how to conduct our data collection, thus making it more efficient and reliable. The lecturer teaches in several courses on both graduate and undergraduate level focusing on corporate sustainability.

By contributing with insight and knowledge within the energy sector and sustainable development, the lecturer supported us in gaining an understanding of the complexity of the subject. The lecturer was familiar with our research object, Trine, implying that he was able to address certain difficulties as well as possibilities regarding the conjunction between Trine and the concept of CSV. The criticism towards the concept of shared value was discussed, as well

as the value chain of Trine. In this way, we could gain an independent and impartial point of view when conducting our research.

3.2.2 Digital data

Data was collected primarily using existing empirical material online such as podcasts, social media accounts, reports, blogs and Trine's website. Some of these sources were publicly accessible, whilst others were accessed through the company's press material, which is a by invitation-only folder online. Blogs were used in order to gain an understanding of how other people perceive the work that Trine does. However, these blogs were confirmed as credible sources of data by Trine's communication manager. Non-public data such as reports were accessed through our contact person at Trine. The podcasts referred to consist of interviews with the founder and CEO of Trine.

The largest challenge when using existing digital data is not to find enough information, but rather to make sure that the data is reliable and has a relevance for the study (Eriksson & Kovalainen, 2016). In order to meet this criterion, we have approached the materials with a critical and selective attitude, evaluating the sources' credibility and relevance. We also paid attention to the amount of information having the ambition of gaining a holistic understanding covering the whole picture. By using different forms of data we wanted to gain such a broad scope of information as possible. Textual data was supplemented with recorded interviews and videos concerning Trine and their business. All our digital data was later cross-checked by conducting semi-structured interviews with Trine's communication manager as well as one of their solar partners. Thus, a high relevance of the data and reliability to the study was achieved.

3.2.3 Semi-structured interviews

Supplementary data was collected through two semi-structured interviews. As according to Eriksson & Kovalainen (2016), interviews are commonly used as a source of data when conducting qualitative case study research. In order to gather our supplementary data, semi-structured interviews were conducted with persons in close connection to the research object. The two interviews were held in two different languages, English and Swedish, and we were both present during the interviews. Since the aim of the study is to explore how the crowdfunding platform Trine can be regarded as a company that creates shared value, along with what values that are created, and for whom, semi-structured interviews suit the purpose well. Such a method, and consequently the data collected through it, will serve the purpose of validating the primary data collected.

Two different interview guides were constructed, consisting of relevant topics and questions that may be asked during the interviews (see appendix 1 & 2). However, the informants were given the opportunity to organize and elaborate upon their answers in their own way. Moreover, the questions in the interview guide were not seen as exhaustive, thus giving us the opportunity to ask supplementary questions during the interview session, which the interviewees were informed about. The flexible nature of such an interview format was favorable for the study, facilitating it for us to follow up on relevant topics and providing a depth to our study. All the interviews were recorded after gaining permission from the informants. The average interview length was 46 minutes per interview.

3.2.4 Qualitative content analysis

A Qualitative content analysis is typically used when the aim is to produce a holistic and factual description of a case through various sources of data and refers to the way of analyzing different types of qualitative data (Eriksson & Kovalainen, 2016).

Qualitative data used in qualitative content analysis can be textual such as transcribed interviews and documents, but also audio-visual data such as podcasts, videos and pictures (Eriksson & Kovalainen, 2016). The table seen below represents the different sources of data used when conducting the research in this report. The material helped us gain a deeper insight in what values that are created by Trine together with a mapping of the implications it has on different stakeholders. The company has gained much attention in news and media because of its disruptive and innovative business model. This simplified it for us to gain access to blogs, podcasts and reports, thus giving us a greater amount of information.

In order to make sense of the data, systematic coding was used, as advocated by Eriksson & Kovalainen (2016). Parts of the data were labelled and divided into different categories in order to get a holistic picture of the data. As a qualitative content analysis method was used, the coding process was different from traditional content analysis. The coding scheme was derived from the data, emphasizing the contextual nature of the data. This type of coding process provides the possibility to generate new concepts and theoretical ideas, thus taking a more inductive approach to the analysis (Eriksson & Kovalainen, 2016).

<i>Source (nr)</i>	<i>Label</i>	<i>Type of data</i>	<i>Accessed through</i>
1	Hanna (Communication Manager, Trine)	Semi-structured interview	Skype
2	Margaret (PR & Marketing Manager, Azuri)	Semi-structured interview	Skype
3	Trine's website	Webpage	https://www.jointrine.com
4	SIDA	PDF-document	Trine's press folder
5	UNDP	PDF-document	Trine's press folder
6	Trine	Youtube channel	goo.gl/QSQ4DB
7	Trine	Instagram	https://www.instagram.com/join_trine/
8	Trine	Medium	https://medium.com/@joinTRINE
9	Trine	Facebook	https://www.facebook.com/jointrine/
10	Solcellspodden #24	Podcast	goo.gl/KniNp9
11	Klimatpodden #32	Podcast	goo.gl/fdPqhZ
12	Q-podden #14	Podcast	goo.gl/YPYN9p
13	Förhandlingspodden	Podcast	goo.gl/87tZ3Q
14	RikaTillsammans	Webpage	https://rikatillsammans.se/trine/
15	RikaTillsammans	Youtube channel	goo.gl/qqZHee

In the analysis of this paper different codes are used to indicate which source the data derives from, e.g the label (1) implies that the data derives from the semi-structured interview with Hanna at Trine, (6) meaning that the quote derives from a video on Trine's Youtube channel, and so forth.

3.3 Reflection

When gathering our data for this research study, we have tried to be as critical and unbiased as possible as promoted by Eriksson & Kovalainen (2016). We have paid attention to where the data comes from, by whom it is posted and tried to assess their intentions. All sources used to collect data are directly, or indirectly, connected to Trine as a company. Data directly connected to Trine derives from channels governed by Trine themselves, implying that the company has

communicated the data either through their website or other channels, e.g blogs, podcasts and social medias. When referring to data indirectly connected to Trine, we emphasize that the data derives from an external source, e.g suppliers, partners and collaborators. However, these sources of information have high validity and relevance to the study. By using alternative sources of information our aim is to triangulate the data to cross-check information and clarify the findings in our research (Eriksson & Kovalainen, 2016). Further, triangulation will provide an unbiased analysis of the case, thus bringing validity to the study. However, our interpretation of the data could be biased, as we focus solely on the data through the concept of CSV.

In order to maintain relevance for the interviewees, different interview guides were constructed. On one hand, this provides relevance to the interviewees, giving them incentives to respond as exhaustive as possible. On the other hand, one can discuss if this also could be seen as limiting to the generalizability and reliability of the study. Furthermore, the interviews were held in different languages, one in English and one in Swedish, depending on the interviewees' native languages. This gave the interviewees the ability to speak as freely as possible. At the same time, it might have affected the interviewers' use of a rich and nuanced language. Consequently, the interviews were also transcribed in two different languages, thus minimizing the risk of data getting lost in translation. Consequently, some of the empirical data and citations found in the result and analysis section has been translated by us in order to fit the language of this thesis. Problems that can occur during this process can be of linguistic, sociocultural and methodological nature, as referred to by Bryman & Bell (2011). As the translation was handled by the two of us, the risk of data getting lost during the translation process was minimized. Both researchers were present during the interviews which may have affected the interviews in several ways. Firstly, it may have confused the interviewees as they received questions from both of us. Secondly, it may have broadened the scope of follow-up questions during the interviews. Lastly, one could also argue that it enhanced our ability to think critically as we to some extent could rely on each other, paying attention to different subjects during the interviews. As it was our first time interviewing in an academic context, we paid attention to the advices given by Bryman & Bell (2011) to maintain focus in asking questions, trying to stay unbiased and environmental distortions such as noise and technological difficulties.

4. Results & Analysis

In this chapter, empirical data will be presented and analyzed using our theoretical framework. In order to be able to answer our research questions we begin with assessing the relationship between our research object and crowdfunding theory. Thereafter our analysis will continue with theory concerning creating shared value in order to answer our research questions. All the citations in the following section derive from empirical data gathered in regard to our research object.

4.1 Trine as a crowdfunding platform

“As a crowdfunding company we seek to democratize finance allowing anyone to have an impact and invest”

(3)

Entrepreneurs often face difficulties when seeking capital to scale up their business, especially when looking for capital through traditional financing alternatives such as commercial banks and venture capital (Cassar, 2004). This is even more difficult in areas with little financial capital such as in some developing countries. Trine contributes to solving this problem for entrepreneurs within off-grid solar by enabling investments in loans to the solar entrepreneurs' companies, through Trine's crowdfunding platform.

“Together, we bring finance to local solar entrepreneurs to electrify the developing world.”

(1)

At the time of writing, Trine operate merely in developing countries in Sub-Saharan Africa. As stated by Cichy & Gradon (2016), an important task for a crowdlending company is to perform a due diligence of the fund-seekers in order to assess their ability to repay the loans and protect the investors' interests. In the case of Trine, a thorough analysis of the solar companies is performed in order to estimate the companies' ability to repay debt. This is of crucial importance for the risk level of the projects, keeping the investors' risk for losing their money as low as possible. The risks are specific and individual for each project and entrepreneur, thus making a thorough and rigorous due diligence important for the specific risk evaluation.

“We perform a really tough, careful and rigorous due diligence on the solar energy entrepreneur”

(8)

As stated by the aforementioned definition of a crowdfunding platform (Belleflamme et al., 2014), such a platform aims to collect financial resources from a broader crowd in order to finance a certain project or other specific purposes. In exchange, potential investors may be given some form of reward for their initiative. As cited above, Trine serves the purpose of democratizing finance by allowing anyone to invest in solar energy. Without the platform such investments would not be as easy accessible, implying that it aims at making investments in solar energy more accessible to a broader mass, i.e the crowd. Firstly, the service is provided online, meaning that it is accessible to anyone who has access to the Internet, making it more accessible to the broader crowd. Secondly, investments in solar energy has previously not been regarded as an object for investment activities. With their platform, Trine make such investments easy accessible by lowering the requirements regarding the initial investment amount. By offering a possibility for the crowd to invest from €25 and upwards, most people have the opportunity to make such an investment. Thirdly, the service is user-friendly, meaning

that it is easy for the investors to make the actual investment since the process is greatly simplified by Trine. As the service that the platform provides makes it easier for the the crowd to invest in solar energy, Trine should be regarded as a crowdfunding platform.

“Crowd-investors can invest as little as €25 making it possible for anyone to bring clean energy where it’s needed the most.”

(3)

Crowdfunding comes in various forms. Amongst other forms of crowdfunding is reward-based crowdfunding, implying that the investor in exchange for the investment made will be offered some kind of reward for the risk he or she takes. The reward could be based on a product, repayment of the investment along with an interest rate or other related benefits. In the case of Trine, the investor is offered a repayment of the initial amount invested together with corresponding interest. As capital is raised from the crowd using a loan agreement between the investor and the companies providing the solar energy solutions, we argue that the platform should be perceived as a crowdlending platform.

“If the Solar Partner manages to repay the loan you will receive your investment and interest in return, corresponding to how much you invested. You are repaid on an ongoing basis during the duration of the campaign.”

(3)

With this analysis as a background, it is clear to us that Trine is an example of a crowdfunding platform in correspondence with the definition seen below. Thus, it fills the gap between investors and solar entrepreneurs in Sub-Saharan Africa who possess no collateral or for other reasons do not have the possibility to obtain bank loans or raise capital in any other way. Trine’s crowdfunding platform makes it possible for European investors to contribute with relatively small amounts, making it accessible to the crowd. At the same time, the investors gain interest on the loan they have contributed to. This implies that Trine should be regarded as a crowdfunding platform, and more specifically a crowdlending platform, where investors get repaid by the borrowers with an additional interest.

“an open call, mostly through the Internet, for the provision of financial resources either in form of donation or in exchange for the future product or some form of reward to support initiatives for specific purposes” (Belleflamme et al., 2014, p. 588; Schwienbacher & Larralde., 2010, p. 371).

4.2 Does Trine create Shared Value?

“The social, environmental and economic aspects need to be connected and cannot be regarded as having different importance in the decision-making process, because they are intertwined.”

(1)

Porter & Kramer (2011) state that the purpose of a corporation must be to create shared value, not just profit per se. Consequently, they mean that not all profit is equal, but that profit involving some sort of social purpose represent a higher form of capitalism. At Trine, the social, environmental and economic aspects are intertwined and does not have different importance within their decision-making process. The three aspects are seen as mutually reinforcing,

implying that they strengthen each other. In this way, focusing on profitability and the economic aspect will naturally lead to an extended focus on the environmental and social aspect. Vice versa, a focus on the latter aspects will lead to greater profitability as they are at the core of the business, allowing Trine to scale up their business. Consequently, an investment through Trine's crowdfunding platform has a triple impact. More specifically this implies that if Trine focuses on lowering CO₂ emissions this will impact the number of people that can escape energy poverty as well as Trine's revenue and profit.

“Distributed solar systems are expected to contribute to emission reductions of 1.8 MtCO₂eq country-wide per annum”
(5)

“Overall, 88% of consumers were reported as experiencing health issues from kerosene use ...”
(5)

Energy poverty has been a problem in developing countries in Sub-Saharan Africa for a long time. The service that Trine provide innovates a new way of addressing societal and environmental needs. Previously, the population in these areas used kerosene and other fossil fuels in order to access light and electricity. This has not only caused environmental issues, but also concerns connected to health. As mentioned in the citations above, the use of such energy solutions has caused vast problems concerning pollution and health issues. The use of solar energy is expected to contribute to a reduction of 1.8 million tonnes of CO₂ emissions only in Kenya. Further, 88% of the users of kerosene in order to obtain lightening in their homes experienced health issues. This implies that there is a huge market potential for companies like Trine that address social and environmental problems as business opportunities. By doing this, Trine succeeds in uniting the contradictory relationship between social, environmental and economic profit - enabling them to make profit with purpose.

“For TRINE, profit with purpose is everything, it allows us to scale our business and make the greatest impact possible.”
(3)

“The paradigm is broken. All business models should be entirely sustainable. If they are, they will make more money, succeed and attract talent”
(8)

With society's issue at the core, Trine is part of the transformation to a more sustainable society. They advocate that all business models should focus on sustainability and thus have a greater growth and eventually succeed as a company. Through their platform, they contribute to moving capital from traditional investments that do not have any actual contribution or impact for society to green and sustainable finance. By putting sustainability in society at the core of the business, as advocated by for example Chapman & Spitzeck (2012), Trine will be able to be more profitable and make more money, thus creating shared value. Within the context of Trine, such shared value is referred to as profit with purpose, which allows them to scale their business and make the greatest impact possible.

4.2.1 The three ways of Creating Shared Value

Porter & Kramer (2011) present three different ways that companies can create shared value in practice. These are reconceiving products and markets, redefining productivity in the value

chain and enabling local cluster development. Each of these are part of a reinforcing circle, where improving the activities and values in one area gives rise to opportunities in the others. Reconceiving products and markets focuses on satisfying social needs and demands in underserved markets by providing innovative products or distribution methods. As mentioned above in the first part of the analysis, Trine contributes to an increase in accessibility to finance in several underserved markets in Sub-Saharan Africa, by providing finance to these markets. This is one way of satisfying needs and demands in underserved markets, even if the financing itself cannot directly be perceived as a social demand. However, the impact this financing creates is that the solar entrepreneurs that Trine provide loans for, get the possibility to scale up their business and distribute more solar panels which eventually increases the number of people and households that escape energy poverty. This clearly implies that Trine contributes to achieving the SDG 7 goal of ensuring access to affordable, reliable, sustainable and modern energy for all - which is a form of societal value creation from a CSV perspective.

“Today energy poverty impacts over 1 billion people and hinders development in many emerging countries. At Trine, we have developed an innovative solution to this problem. We use crowdinvesting to help small investors finance solar energy projects that have beneficial impact on people’s lives and the environment. Your money enables local solar entrepreneurs to scale their business, giving people a better alternative to costly dirty fuels.”

(6)

With this, Trine demonstrates a clear example of reconceiving products as markets, as they provide an innovative solution to a social need in underserved markets. They do this by providing crowdinvesting for small investors which eventually have a positive impact for the environment and people’s lives. The solution they offer for the end users, i.e the households and families gaining access to the solar systems, improve the living standards for them, which is in line with literature regarding the CSV theory (Porter & Kramer, 2011).

Business model innovation is a central part of this way of creating shared value. Firms can meet the demand of shared value creation by reconceiving products and markets through business model innovation and by introducing new products and services to the market (Lee et al., 2012). As mentioned in the introduction of this paper, this is what Trine has achieved with their innovative way of taking on the task of fighting energy poverty at the same time as making a profit, both for their investors on the crowdfunding platform as well as for their shareholders of the firm. Trine has introduced a new innovative product on the market with a focus on an innovative business model which is a clear example of how to reconceive products and markets.

Moving over to the second way that companies can create shared value, namely by redefining productivity in the value chain. As earlier mentioned, it focuses on transforming the value chain to increase efficiency through more sustainable practices (Porter & Kramer, 2011). Firms can also create shared value through value chain innovation (Lee et al., 2012). Such innovation is identified within Trine’s value chain, in terms of how value is created for the different stakeholders involved.

“ ... When you are a company you always have your own interests, what Trine earns on it. But it is a bit incorporated in our model to think, what does the partner company earn on it? In that case, we probably earn on it as well. [...] So we try to find things that can maximize their efficiency.”

(1)

This demonstrates that Trine try to maximize their partner companies' efficiency, since it is incorporated in Trine's model to earn on their partners' efficiency as well. Consequently, it increases their partners' efficiency and leverages their impact on society, thus implying that more people can escape energy poverty.

"I would say that it is the speed and flexibility in our organisation, that we in four weeks can go from signing an agreement to an actual transfer of the money"

(1)

The speed and flexibility in Trine's organization foster an efficient collaboration between the stakeholders in their value chain. According to Lee et al. (2012) innovation in interorganizational practices and processes will create value. Thus, this contributes to Trine's competitive advantage by being a valuable and innovative part of the value chain. Connected to social issues, this will consequently leverage the value created and enhance the possibility to address these issues.

The third way of creating shared value is by enabling local cluster development (Porter & Kramer, 2011). As mentioned in the theoretical framework it focuses on building highly concentrated clusters of several companies and other important actors in a geographical area.

"... Azuri design and manufacture the system and Raj, as the main distributor in Kenya, is responsible for sales, customer service and installations. They work extremely closely to make sure they have the biggest possible impact. So closely that they even share office space in Nairobi."

(8)

Trine, together with their partners Azuri and Raj, have developed the local clusters in Nairobi. They work closely together to be able to achieve the biggest possible impact. A majority of the historical projects that have been funded through Trine's crowdfunding platform have been geographically located in Kenya and at the time of writing €4.5 million of the loans outstanding (currently €6.8 million) are to solar entrepreneurs in Kenya (Trine, 2018). In this sense, Trine has contributed to enabling local cluster development in different parts of Kenya. This development contributes to more people being able to join this specific industry in Kenya, off-grid solar, which further expands the cluster development. Together with a well-functioning and innovative technological infrastructure system, Kenya has become a hub in the solar industry.

"... I would say just as much, we are providing employment opportunity to the sales agents. In RUH's case, we have trained over thousand agents."

(15)

Here, one of Trine's solar partners comments on how they have positively impacted the community and the people in these communities by providing employment and training to the local population via one of the solar entrepreneurs, which is in line with the literature on how social entrepreneurship positively affects job creation (see Rey-Martí et al., 2016). This is beneficial for the local cluster development as when firms build clusters, it also establishes a connection between company success with the local community's success. Even if Trine is not a part of the actual practical training and improvements in the local community, they enable all of it through access to the financing, thus scaling up the solar entrepreneurs' business. However, Trine having a local presence and office in Nairobi contributes to the impact on local

cluster development. Porter & Kramer (2011) state that by close collaboration, the firm creates a thorough understanding of the local community's social needs. This was confirmed by Trine, as they have a local office in Nairobi, which enables a deeper understanding for how their business can solve the social issues present and further develop their collaborative work with their partners locally.

As implied by Porter & Kramer (2011), the three ways to create shared value are part of a reinforcing circle where improvement in one area reinforces the others. The way that Trine has reconceived products and markets by innovating a new model for investments in off-grid solar in Sub-Saharan Africa has reinforced the enabling of local business clusters in this area. By allocating capital to a specific geographical area, Trine has enabled a highly concentrated business cluster in the off-grid solar industry. Further, productivity in the value chain is impacted by the way that Trine works with their solar entrepreneurs and other stakeholders in their value chain. By enabling large amounts of capital to be allocated to solar entrepreneurs, Trine enables these entrepreneurs to scale their business and thus fostering a higher efficiency in their value chain. Consequently, the business model innovation that Trine has achieved, which is a form of reconceiving products and markets, they have also reinforced and redefined the productivity in the value chain. This shows that improving value in one area nurtures opportunities in the others.

As our research question is to assess how the crowdfunding platform Trine can be regarded as a company that creates shared value, we want to remind the readers of this thesis of the definition, stated below.

“The concept of shared value can be defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the social and economic conditions in the communities in which it operates.” (Porter & Kramer, 2011, p.66)

Keeping the definition of shared value in mind, we conclude that Trine can be regarded as a company that creates shared value in several ways. Their innovative model is an example of reconceiving products and markets as they provide an innovative solution to a social need in underserved markets. By redefining productivity in their value chain, Trine has achieved shared value by improving the efficiency of their partners which also enables Trine to be more profitable. Lastly, by enabling local cluster development in terms of growth within the off-grid solar industry on the markets where Trine operates, shared value is created. By making profit with purpose, it is implied that Trine create shared value for themselves while simultaneously advancing social and economic conditions in Sub-Saharan Africa.

4.3 For whom does Trine create Shared Value?

As implied by Porter & Kramer's (2011) definition of shared value, the concept first and foremost focuses on how for-profit companies can create societal values along with economic values within the firm. However, when applying the concept on Trine and their business model, it is clear to us that they create value for several stakeholders beyond what is implied by CSV. As stated by the CSV concept introduced by Porter & Kramer, Trine enables the creation of societal value in various forms along with firm-specific value. Moreover, it is also clear that Trine enable value for their customers, i.e the crowd investors.

“The for-profit nature of TRINE as a business and our campaigns as investments means that our campaigns are economically viable and thereby ensures that we can have a social and environmental impact in the long run.”

(3)

Trine is a for-profit company with focus on social and environmental impact. A vital part of CSV consists of a company's ability to increase the competitiveness of the firm (Porter & Kramer, 2011). Trine's innovative business model and unique position on the market contributes to their competitiveness. As for any profit-driven company, the aim is to be profitable and create shareholder value. It is usual that companies in their early years have to depend on capital provided by venture capitalists and other investors. Since the company was founded in 2015, Trine has not yet managed to reach the break-even point. However, as cited above, the for-profit nature of Trine as a business implies that Trine aims at being profitable and create economic value for their shareholders in the future. Allowing companies to be profitable and make profit for themselves is a vital part in the CSV context as this is a strategy that is likely to increase the competitiveness of the firm. This implies that Trine creates shared value for themselves and more specifically for their stakeholders.

“Here at TRINE we appreciate that aid is important in some settings, however we realize that it is often not a sustainable long-term solution.”

(3)

Further, allowing companies with a socially addressing agenda to be economically viable enhance their abilities to make a sustainable and long-lasting impact. In a sustainable business environment, such environmental and social issues must be at the core of the business, thus making it easier to enable profit maximization along with the extended notion of value creation (Porter & Kramer, 2011). The best possibilities to create a large impact lie within the core of the business, as these areas tend to be more profitable and viable in the long run. When applied on Trine, it becomes evident to us that the possibility to make a difference in society is huge as their business revolves around providing solar energy solutions. Hence, environmental and social issues lie at the core of the business, enabling them to create a large impact.

“[...] We see that we, on a global level, are moving capital from non-sustainable to sustainable sectors”

(1)

By contributing to society at a in terms of social and environmental impact, Trine plays a part in transforming to a sustainable society. The problems caused by earlier solutions for light and electricity in rural areas in Africa are widely spread. The use of such solutions causes health issues as well as environmental issues for the vast majority of the population in these areas, as mentioned earlier during this analysis. By providing innovative solutions within their business and value chain, Trine can transform these issues into business opportunities. Consequently, Trine creates shared value for society, from a social and environmental perspective.

“We see that yield can also be about the social and environmental aspects ..”

(1)

“Of course there is also a financial benefit from investing. I would say that it is the triple impact that represents the value for the investor and is a way to make sure that your money really is beneficial”

(1)

Crowdfunding platforms create value for not only the company itself and society, but also for the investors. When using Trine's platform to invest in solar projects, investors receive yield in return for the risk they take. Yield is often perceived to only be measured in monetary terms. Thus, investments are typically classified and rated after their ability to generate return in pure money to investors. As mentioned in the citations above, although the economic aspect of an investment is of great importance for the investor, there are other values connected to investments. When investing in socially and environmentally responsible projects such as solar energy projects in rural villages in Africa, we conclude that not only the economic aspect is of importance for the investors. The fact that investors know that their money contributes to a sustainable society and makes somebody else's life better off seems to contribute to an extended perception of how return should be measured. Thus, yield should not only be measured in monetary terms but also include social and environmental viability. Therefore, we conclude that shared value is created also for the investors on Trine's platform, in terms of yield, that not only includes monetary benefits. To conclude shared value is created for Trine, their investors on the platform and society.

5. Discussion & Conclusion

In this chapter we discuss the findings from the analysis. Thereafter we summarize the result of this thesis connected to the research questions and purpose.

The data we have analyzed consists of marketing material, interviews and other information about Trine or their partners. We believe that a vast majority of the data is true and in line with reality, i.e how Trine and their partners operate as companies in real life. The reason we have used marketing material and interviews is due to the nature and time constraint of this thesis. However, we acknowledge that in order to do a thorough and fully objective analysis of a company and their operating practices and policies, one needs to assess their business from the inside gaining access to their processes, internal and external financial information as well as other insights that show how the company is run.

We acknowledge that CSR has changed a lot since the publication of the Creating Shared Value article by Porter & Kramer in 2011. With this in mind, the thoughts that Porter & Kramer present regarding CSR and the way that they criticize it, may not be as valid today as it may have been at the time of the publication of their article. We have also throughout the writing of this thesis understood that the measurement of CSV is not sufficiently defined and needs to be further developed in the future.

It is very interesting to see how well the core of Trine's business model correlates with the CSV theory. What they accomplish by lending out money to solar entrepreneurs is that more people get access to renewable energy, thus escaping energy poverty. This is a societal benefit that Trine as a company enables alongside with the reduced CO₂ emissions that it creates. As mentioned in the analysis, it is also interesting to see how Trine's decision-making process does not focus on one of the factors, but rather see the social focus that they have (people), the environmental focus (planet) and the focus on running a profitable business (profit) as intertwined. On the one hand it is not clear to us if this is marketing nonsense or not. On the other hand, it does not matter since it is Trine's reality. If more people get out of energy poverty, they profit from it. If more CO₂ emissions are reduced, they profit from it. If more profit is made for Trine as a company - more people get out of energy poverty and CO₂ emissions are reduced. This implies that CSV is at the core of their business.

Who is actually creating shared value? Is it the investors? Is it Trine who enables the investors to make the investment and thus the impact? Or is it the solar entrepreneurs who actually procure, sell and distribute the solar home systems? We see this as an intertwined system of several actors, who all contribute to the societal impact that is achieved. Hence, it is hard to determine who the actual creator of shared value is. In the context of Trine, as a crowdfunding platform, we see all of these actors as important cornerstones of the bigger picture. None of these actors would be able to create shared value as efficiently on their own, thus making the intertwined system the most effective system to create shared value.

It is very clear to us that Trine creates value socially and environmentally for society by reducing CO₂ emissions in the atmosphere and helping people escape from energy poverty. However, the impact this has is far more complex than that. The reduction of emissions may make an impact in several other ways as well, e.g by improving health conditions in households as the indoor climate becomes much better. Hence, this could impact the mortality in the countries and many other factors. Also in terms of social impact, the effects are way more complex than expected. When provided with solar home systems, children get the ability to do their homework in the evening, which will have a great and long-lasting impact. In the long

run, this could affect gender equality in these countries as all children get the possibility to attend school. As a matter of fact, an impact study made by UNDP on the collaboration between Trine and one of their partners states that together they manage to have an effect on ten of the SDGs, including gender equality (United Nations Development Programme, 2018). These widely spread multiplier effects are not analyzed in our study due to time-constraints and the nature of this thesis' research method. Further, these effects are hard to quantify as they may be occurring far into the future.

The concept of shared value tries to unite the relationship between social and economic value. Hence, previous literature concerning CSV emphasizes the value creation for companies and society. However, we can draw the conclusion that when applying the theory of CSV on a crowdfunding platform, specifically one that addresses social issues, even more values are created. Apart from creating value for both society, in terms of social and environmental values, and economic value for the firm, we can conclude that values are also created for the investors themselves. As the investor gain interest on their initial investment, he or she will make an economic profit from the investment on the crowdfunding platform. Thus, such investments will create an economic value for the investor. Interestingly, these are not the only values created for the investors. By knowing that your money contributes to something good and makes somebody else's life better off, we see that other values are created for the investors. This is an aspect that is unique for crowdfunding platforms that focus on allocating capital in order to solve social issues. Porter & Kramer (2011) do not emphasize this in their article as it is of a more general nature. Hence, our thesis should be regarded as explorational and complementary within the research on the concept of CSV. It broadens the notion of CSV, the way it should be perceived and for whom it can create shared value.

The purpose of this thesis has been to perform a case study of the crowdfunding platform Trine and asses how it can be regarded as company that creates shared value. Our intention has also been to analyze what values that are created and for whom. In our analysis, we can conclude that Trine creates shared value by helping people escape energy poverty while also contributing to reduced CO₂ emissions. This lies at the core of their business model and enables them to create profit for their business. Besides, we have found that Trine creates value for their investors in terms of interest on their money invested, along with other non-monetary values. Hence, our thesis contributes to existing literature on the concept of CSV, both by providing empirical evidence of how such values can be created but also by extending the concept established by Porter & Kramer.

6. Future research

In this chapter we present our suggestions for future research within the topic.

We find the conjunction between crowdfunding and the theory of CSV interesting as it is a new approach to the theory. However, our thesis should not be regarded as exhaustive and we encourage future studies to be conducted within the topic. Such research is needed in order to further legitimize the findings in this thesis and assess whether similar patterns can be seen in other socially oriented crowdfunding platforms.

Another area that is interesting for further research is the spillover effects of companies' CSV efforts. When looking at the impact Trine has in society without analyzing the spillover effects, one can recognize that they enable to address two of the SDGs set by UN, namely number 7 and 13. However, the impact goes far beyond this due to the spillover effects that are created, which is investigated and confirmed by United Nations Development Programme. We therefore encourage future research to analyze the spillover effects that are created by companies' CSV efforts.

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Appendix

Interview guide (Hanna, Communication Manager, Trine)

Värdeskapande

1. Kan du förklara hur er affärsmodell ser ut?
2. Hur skapar den värde?
3. För vem / vilka skapar den värde?
4. Har affärsmodellen förändrats över tid?
5. Är det någon grupp som prioriteras när ni utvecklar eller förändrar er affärsmodell? (T.ex. Investerarare, ägare, slutanvändare, personal, samarbetspartners).
6. Vilken grupp betraktar ni som era kunder?

Samhälleligt värde

7. Hur har ni påverkat lokalsamhället och utvecklingen där?
8. Bidrar ert arbete till tillväxt och innovation i de regioner där ni verkar?
(Ev. följdfråga om local business clusters)
9. Vilka samhällsliga aspekter fokuserar ni på?
10. Värdesätter ni dem olika?
11. Hur mäter ni er positiva påverkan ni åstadkommer, ur ett samhällsligt perspektiv?
12. Har er etablering påverkat det lokala samhället ur en negativt aspekt?
13. Har er produkt, ur slutkonsumentens perspektiv, ersatt någon annan produkt?
14. Om ja på ovan; vad har det fått för konsekvenser?

Ekonomiskt värde (Trine & Investerarare)

15. Hur skapar ni värde för Trine som bolag?
16. Hur skapar ni värde för investerararna?
(Ev. följdfråga: Skapar det andra värden än ekonomiska?)

Partnerskap

17. Hur arbetar ni med era partners, sol- och lokala partners?
18. Hur skiljer sig era samarbeten från ett klassiskt leverantörssamarbete?
19. Hur påverkar ert sätt att arbeta med er värdekedja samhället och miljön?
20. Regeringar, NGO, NPO - Har ni haft några samarbeten på den fronten?

Runda av

- Har du några frågor till oss?
- Vill du ta del av resultatet när vi är klara med vår uppsats?

Interview guide (Margaret, Marketing & PR Manager, Azuri Technologies)

Collaboration

1. Is your partnership with Trine different from other partnerships you have?
2. If so, what are the differences?
3. Has Trine impacted Azuri's productivity in any way?
4. How important is Trine's role of financing the projects?
5. Do you collaborate with NGOs, NPOs or governments?

Local Business Clusters

6. Does Azuri's work contribute to innovation and growth in local communities?
7. If so, in what ways?
8. How has this impacted the local communities?

Societal impact/values

9. What kind of positive impact do the local communities experience from your work?
10. How do you measure the societal impact you contribute to?

End

Do you have any questions for us?