

On the Folly of Exploring Whether CSR Pays

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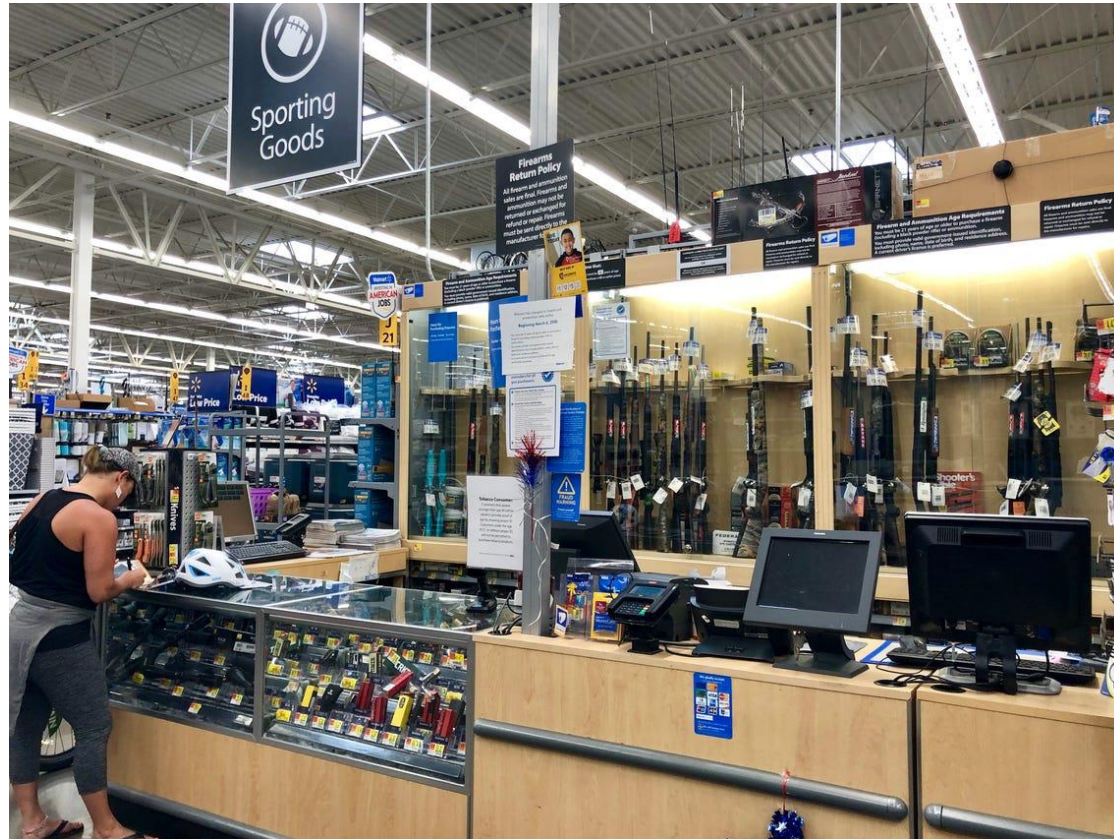
CHARLOTTESVILLE, VA | WASHINGTON, DC | SAN FRANCISCO, CA | SHANGHAI, CHINA

THE THESIS



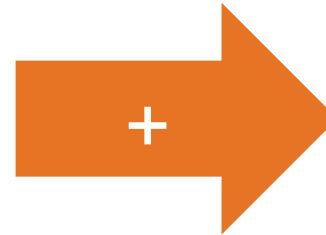
ON THE FOLLY OF EXPLORING WHETHER CSR PAYS

OBSERVATION 1: SOCIAL RESPONSIBILITY IS IN THE EYE OF THE BEHOLDER



THE THESIS

~~Social
Responsibility~~



Customer
Value

*Today's progressive
liberal values*

ON THE FOLLY OF EXPLORING WHETHER CSR PAYS

OBSERVATION 2: CUSTOMER VALUE CREATION IS A FIRM STRATEGIC CHOICE



ON THE FOLLY OF EXPLORING WHETHER CSR PAYS

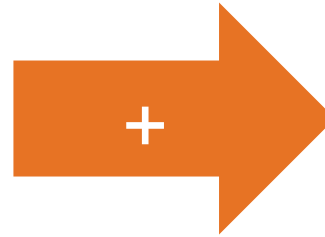
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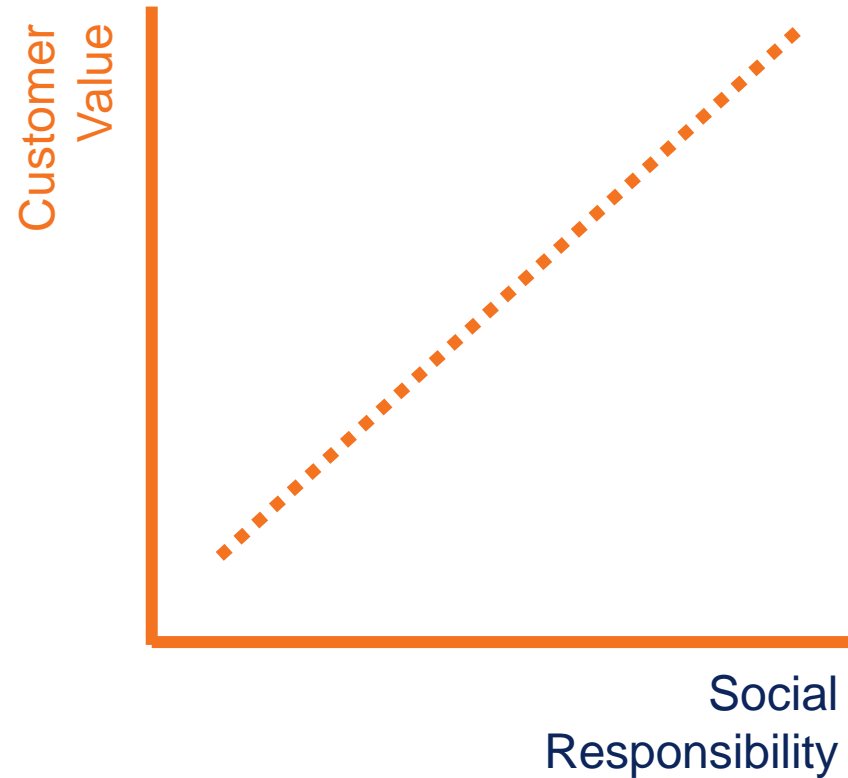
*Today's progressive
liberal values*



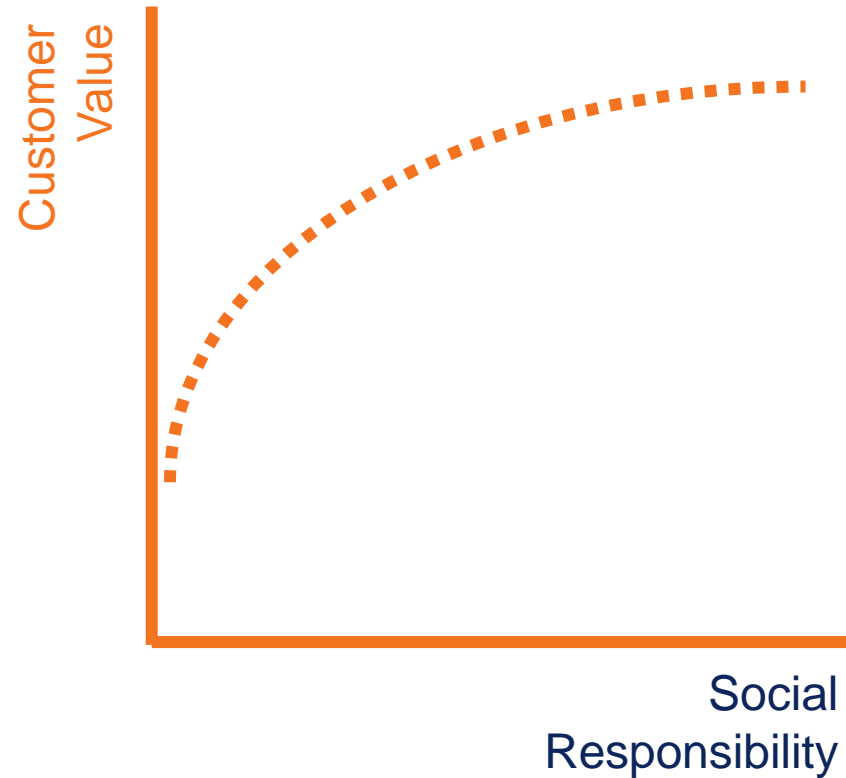
~~Customer
Value~~

*Spread between
willingness to pay and
price paid for *targeted*
customers*

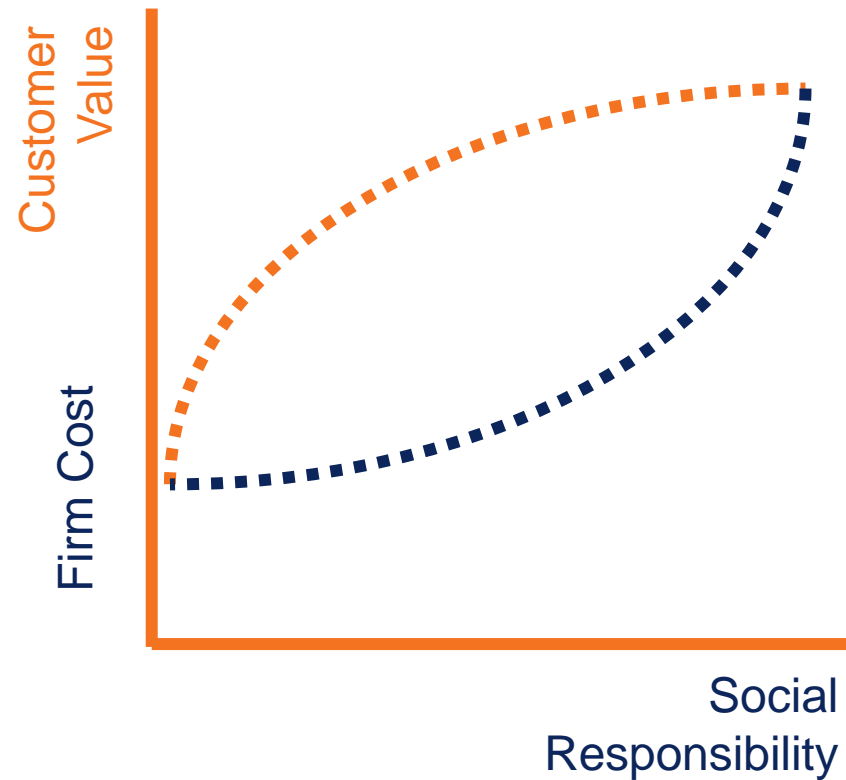
OBSERVATION 3: THERE ARE DECREASING RETURNS TO SOCIAL RESPONSIBILITY



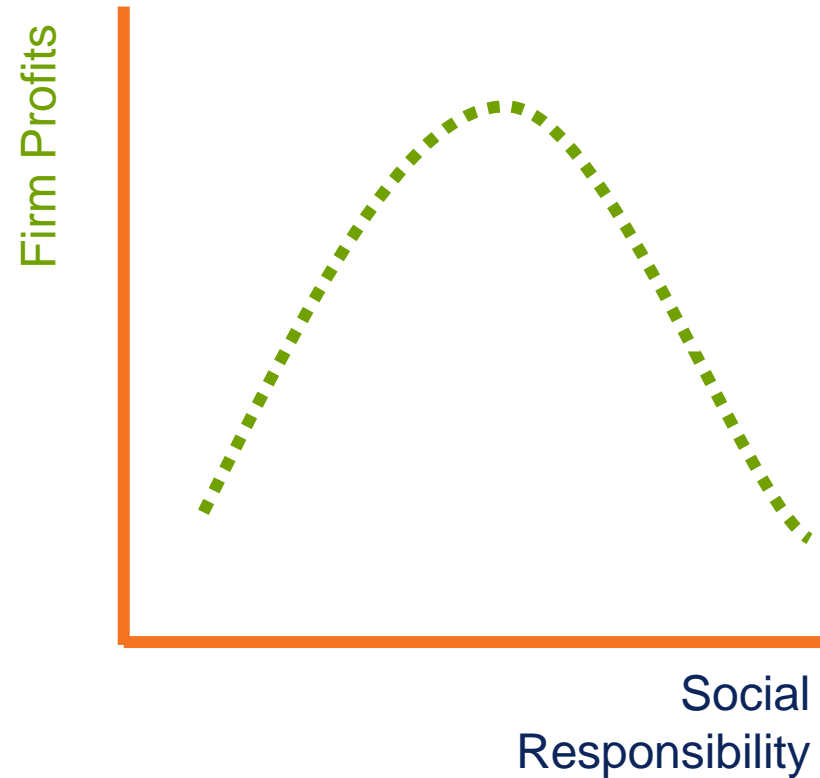
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THE THESIS

~~Social
Responsibility~~

*Today's progressive
liberal values*



*Concave
relationship*

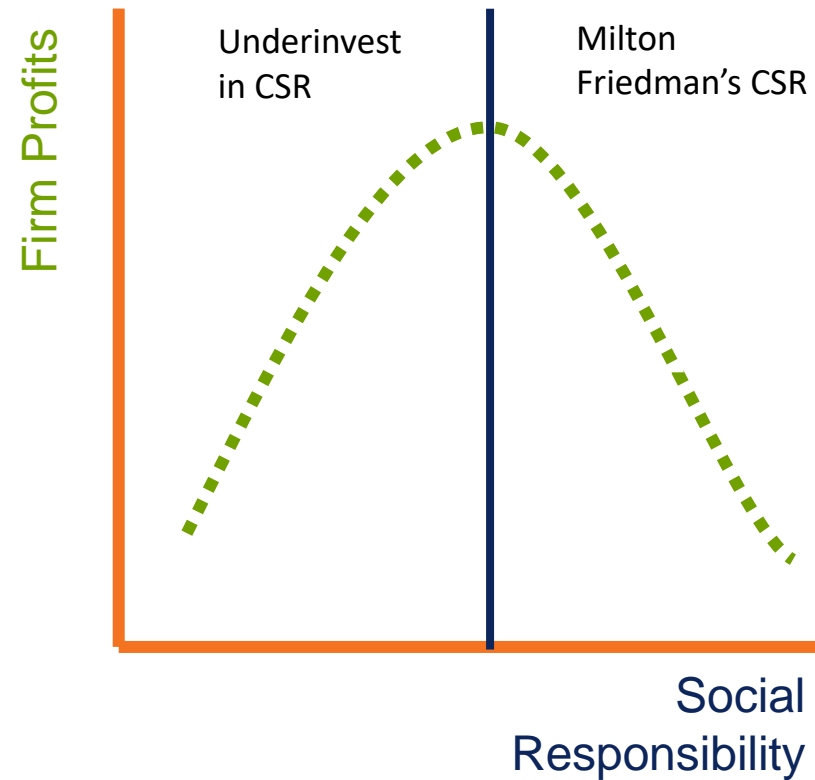
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customers**

OBSERVATION 4: MANAGERS HAVE (SOME) DISCRETION TO INVEST IN CSR



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THE THESIS

~~Social
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*Today's progressive
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*Endogenous
concave
relationship*

~~Customer
Value~~

*Spread between
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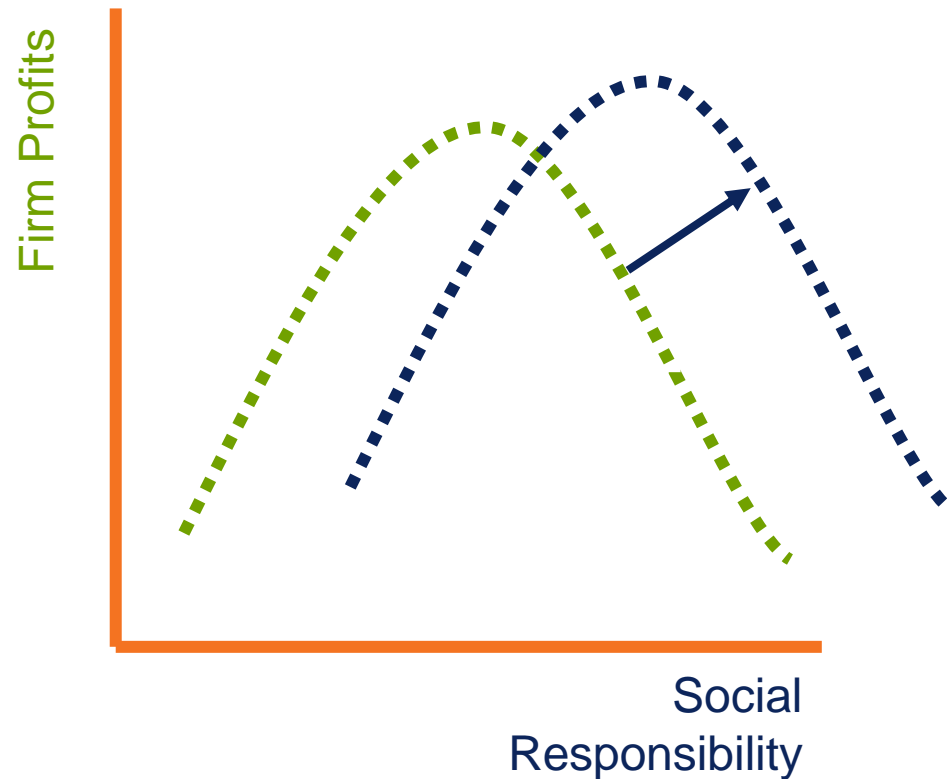
A BETTER QUESTION:

HOW DO WE DESIGN SYSTEMS TO DRIVE FIRM INNOVATION
TO CREATE POSITIVE PUBLIC EXTERNALITIES?



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Q.E.D.



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