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Can the marketing department benefit from socially responsible marketing activities? The role of legitimacy and customers' interest in social responsibility

Peren Özturan
Özyegin University, Istanbul, Turkey, and

Amir Grinstein
Northeastern University, Boston, Massachusetts, USA and Vrije Universiteit Amsterdam, Amsterdam, The Netherlands

Abstract

Purpose – In a world where corporate social responsibility (CSR) is a meaningful trend valued by firm stakeholders, it is still not clear how the marketing department integrates corporate-level social responsibility strategy into its departmental activities i.e. socially responsible marketing activities (SRMA) and whether such activities can benefit the department. Using legitimacy as the underlying theoretical explanation, this paper aims to study two instrumental returns from SRMA at the marketing department level, i.e. marketing department's performance – impact outside the firm on multiple marketing-related outcomes and influence within the firm – the power of the marketing department compared to other departments.

Design/methodology/approach – Three studies were performed. Study 1 is a survey that offers a validated measure of SRMA and examines its relationship with the focal outcome variables. Study 2 is also a survey that investigates the mediating role of the marketing department's legitimacy and the moderating role of customers' interest in social responsibility and uses actual sales data of firms. Study 3 is an experiment that examines the main findings in a controlled setting using participants other than marketing executives i.e. chief executive officers.

Findings – Study 1 shows that SRMA is different than the closely related variable socially responsible business strategy and is positively related to the marketing department's performance and influence within the firm. Study 2 complements these findings by demonstrating these impacts are mediated by the marketing department's legitimacy and strengthened with higher customers' interest in social responsibility. Study 3 sets the causality between the focal variables and the mediating role of legitimacy.

Research limitations/implications – This work extends the study of firm-level CSR to the department- and implementation-level, in the context of marketing departments. It reveals the underlying mechanism driving the positive impact of SRMA, i.e. legitimacy, and identifies a moderating condition, i.e.

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customers' interest in social responsibility. It further extends research on the role of the marketing department and its contribution to firm performance.

Practical implications – Marketers can benefit from the reported findings by understanding when and how CSR-related, domain-specific activities that feature the traditional responsibilities of marketing, including market research, customer relationship management and the product, promotions, price and place (4Ps) may be reshaped to include a broader set of stakeholders and a socially responsible angle and thereby generate more legitimacy and impact – inside and outside the firm.

Originality/value – This study provides a novel perspective on how marketing departments evaluate CSR in their daily activities where such engagement vests increasing returns to the marketing department and underpins the successful implementation of CSR.

Keywords Socially responsible marketing activities, CSR, Marketing department's influence, Legitimacy, Marketing performance, Socially responsible marketing, Marketing department

Paper type Research paper

Introduction

Consumers, employees, policymakers and other stakeholders (e.g. the media, non-for-profits) are pushing the business sector to become more socially responsible. Consumers, for example, believe business bears as much responsibility as the government for driving positive social change and they encourage firms to improve society and the environment while achieving firm goals (Benett and Welch, 2009; Porter and Kramer, 2011). Similarly, employees, especially the younger generation, value social responsibility and if their employer engages in socially irresponsible behavior, a majority of employees state that they would seriously consider leaving their jobs (Deloitte, 2015; Epstein-Reeves, 2010). In a study (the 2015 Cone Communications Millennial corporate social responsibility (CSR) Study [1]) it was found that "More than 9-in-10 Millennials would switch brands to one associated with a cause (91% vs 85% US average)" and that:

> Millennials say they are prepared to make personal sacrifices to make an impact on issues they care about, whether that's paying more for a product (70 % vs 66% percent U.S. average), sharing products rather than buying (66% vs 56%) or taking a pay cut to work for a responsible company (62 % vs 56%).

The above-mentioned trends offer an opportunity for the marketing field. Although the study of CSR and the relationship between CSR and marketing, has been under professionals' attention and researchers' investigation for decades (Sanclemente-Téllez, 2017), this work has mostly focused at the corporate level and there is a gap as far as the role of the marketing department in the socially responsible space. Indeed, anecdotal evidence indicates that influential marketing managers and popular marketing resources only begin to explore ways marketers may include social responsibility in their activities. For example, we found that the chief marketing officer (CMO) Survey (https://cmosurvey.org/), tracking trends among CMOs and the marketing domain to only irregularly include items related to socially responsible marketing actions. Similarly, Drew Neisser's book (2015), "The CMO's Periodic Table," which contains interviews with 66 CMOs of Fortune 100 firms, includes just 4 interviews (6%) related to responsible conduct from the perspective of marketing leaders. Finally, a review of the Twitter feeds of the 10 most influential CMOs according to Forbes' list show that 7% of their tweets were tied to social responsibility. Further, a study in progress conducted by the authors corroborates these findings. It reveals that for CMOs in the top 500 global brands during the 2015–2017 period that were active in Tweeter, just 5% of about 17k tweets related to social responsibility. Overall, this preliminary review suggests that discussion of social responsibility is gradually becoming more central for marketers although still far less significant compared to other trends such as digital marketing or social media Hoekstra and Leeflang (2020) and also not systematically engaged in the way marketers integrate social responsibility into their daily routine.

Although social responsibility engagement by firms and marketers is becoming more widespread, the limited understanding of the social responsibility activities at the department level – what type of CSR activities are led by and implemented in, the marketing department – and the way these shape the marketing department's performance, is critical due to multiple forces. First, consumer skepticism, the suspicion that this involvement reflects a hidden agenda by marketers rather than a genuine interest, is on the rise (Skarmeas and Leonidou, 2013). Second, in the context of extant research, there are some mixed views on CSR's contribution to firm performance Wang *et al.* (2016) and marketing's contribution to CSR (Sanclemente-Téllez, 2017). If marketing efforts are separate from CSR efforts and merely moderate the CSR-firm performance link (Yim *et al.*, 2019), this suggests a compartmentalized view of the firm. Additionally, even if CSR is viewed as a marketing variable (Vaaland *et al.*, 2008), CSR is again a distinct strategy that serves as a tool for building company image, reputation or some other marketing goal. This suggests a corporate strategy is used as a departmental-level tactic. In the current research, we are, thus making distinctions between business-corporate and functional-departmental strategies (following Banerjee *et al.*, 2003), arguing that CSR is a corporate level strategy that spills over to the marketing department's conduct, and therefore the definition of social responsibility at the marketing department should be modified from a corporate level strategy to a set of implementable activities.

This current reality and gaps offer an opportunity to investigate understudied, managerially relevant questions to the field of marketing and especially to the marketing department:

Q1. What are socially responsible marketing activities (SRMA) implemented by marketing departments?

Q2. What is the benefit for the marketing department from engaging in SRMA: outside and inside the firm?

In the current paper, we contribute to research and practice in marketing in the following ways. First, this is a novel attempt to study a corporate level trending strategy – CSR – at the departmental level – marketing – and by exploring the marketing activities that implement the strategy (labeled here socially responsible marketing activities – SRMA). We complement prior strategic work that has studied social responsibility at the macro i.e. firm level by studying it with an implementation perspective at the meso i.e. departmental level, similar to early work that incorporates CSR into marketing (Lindgreen *et al.*, 2012). We further show that SRMA is different than a closely related variable at the corporate level i.e. socially responsible business strategy (Banerjee *et al.*, 2003). Also, earlier work in marketing has relied on simplified indicators of CSR and considered only limited dimensions of this construct; our focus on SRMA at the department level fundamentally aims to link a conceptual clarification uniquely suited for the marketing discipline (Adegbola, 2014). Thereby, we like to answer the call to study the evolving role of the marketer as the servant of consumers and stakeholders (Balmer, 2017). Second, we develop a conceptual framework that links SRMA at the marketing department to potential outcomes for the marketing department:

- marketing performance – i.e. an assessment of external-to-the-firm outcomes generated from marketing activities (O'Sullivan and Abela, 2007) [2] and

- marketing department's influence within the firm – i.e. the degree to which the marketing department is likely to have influence over other departments and control key resources within the firm (Homburg *et al.*, 1999).

Third, we study a potential mediator that can explain the benefits the marketing department can yield from SRMA; specifically, we view social responsibility as a potential source of legitimacy for the marketing department (Suchman, 1995). Fourth, we study one key moderator that may shape marketers' likelihood of effectively pursuing social responsibility as a source of legitimacy and is central for marketers: Customers' interest in social responsibility. The more customers, as key external stakeholders, care about social responsibility issues, the more they are expected to enhance marketers' ability to generate legitimacy from using social responsibility, proving the benefits of preventing "corporate marketing myopia" and appreciating the value of a stakeholder orientation with a CSR ethos (Balmer, 2011, 2017). Finally, we aim to better understand the mixed findings in the literature with respect to the link between the role of marketing in the firm and firm performance. Indeed, this stream of work by Nath and Mahajan (2011), Verhoef and Leeflang (2009), Wiedeck and Engelen (2017) reveals contradictory findings. We aim to address this issue by studying how and when certain marketing activities can be beneficial for the marketing department and the firm. This is in line with conceptual expectations set by earlier work on the need to balance current stakeholder and societal wishes with those of the future Hildebrand *et al.* (2011) and address the related implementation issues (Maignan *et al.*, 2005).

We first review previous work on the role of the marketing department and present the SRMA concept. We then develop the first set of hypotheses about the impact of SRMA on the marketing department's performance and influence within the firm. We use legitimacy theory to explain and guide our hypotheses and test for the marketing department's legitimacy as a mediator. We then develop the hypothesis about the moderator: Customers' interest in social responsibility. We finally report three studies, based on surveys and an experiment, which help us conclude with implications for research and practice.

Research background

The role and impact of the marketing department

We currently do not know how social responsibility activities are integrated into specific departments, including marketing. To generate a competitive advantage, these activities must be specific enough for each department and known by its employees y*et al*so transcend departments to allow for learning and impact (Blanco-Gonzalez *et al.*, 2020, p. 2595). To address which specific activities SRMA would involve and whether the marketing department would benefit from them, we would first need to understand the activities of the marketing department in general and the contribution of these to the whole organization (Nath and Mahajan, 2011; Verhoef and Leeflang, 2009; Wiedeck and Engelen, 2017; a review of selected work is summarized in Appendix Table A1, Panel A). Here it is worthwhile to note some researchers, including us, prefer using the term "marketing department" as capturing the unit responsible for marketing activities within an organization Nath and Mahajan (2011), Verhoef and Leeflang (2009) while others prefer referring to it simply as "marketing" (Homburg *et al.*, 1999), the "marketing function" Moorman and Day (2016) or the "marketing organization" (Slater *et al.*, 2011). To our understanding, these can be used interchangeably and our focus here is on the "activities/roles/tasks" by the marketing department. In that regard, the reality portrayed by extant research is that the marketing department is focused on the traditional responsibilities of marketing, including market research, customer relationship management and, the 4Ps: product, promotions, price and place (Homburg *et al.*, 2015; Verhoef and Leeflang, 2009).

Research has also started to highlight multiple challenges marketing departments are facing. Within the firm, marketers are in need to become more accountable for their marketing actions (Verhoef and Leeflang, 2009), they now need to compete over several marketing-related responsibilities with other departments such as sales and research and development (R&D) (Homburg *et al.*, 2015; Verhoef and Leeflang, 2009), while they are not always included in the firm's leadership team, taking part in strategic decision-making or contributing to firm performance (Nath and Mahajan, 2008, 2011; Wiedeck and Engelen, 2017). Externally, marketers are often criticized for promoting harmful products, contributing to overconsumption and engaging in "greenwashing" or manipulative marketing (Forehand and Grier, 2003; Skarmeas and Leonidou, 2013).

The above reality suggests that marketers, more than before, may search for sources of legitimacy to be able to improve their impact – within the firm and externally. We argue that adopting a socially responsible approach by the marketing department may serve as a source of such legitimacy. Once marketing serves societal goals by engaging in SRMA, it can ultimately change the firm's products and services i.e. the core of any business according to societal wishes (Moorman, 2020). This would enable the marketing department to "mov*e* from a narrow customer orientation to managing relationships and benefits for all stakeholders" (Maignan *et al.*, 2005, p. 974), enhancing the views on how socially embedded marketing is and, in turn, help overcome its current internal and external legitimacy challenges. The role of a marketer has evolved into one who works with consumers and stakeholders as the servant of consumers and stakeholders Balmer (2017) and we next discuss its new role and why this is essential by elaborating on how social responsibility enhances legitimacy for marketing that enables the marketing department to create value and impact.

Socially responsible marketing activities

SRMA is related to but different from similar constructs such as CSR. CSR is viewed as corporate-level business strategies and practices that aim to enhance shareholders' well-being while taking other stakeholders' expectations and the triple bottom line of business' economic, social and environmental performance into account (El Akremi *et al.*, 2015). We define SRMA as a departmental-level construct involving the activities led by the marketing department and directed at company stakeholders to implement CSR. It underpins the successful implementation of CSR and serves "a fundamentally different way of thinking about marketing in its environment" (Hillebrand *et al.*, 2015, p. 420). Therefore, by studying SRMA, we broaden our understanding of marketing (Sanclemente-Téllez, 2017), show marketers how they can develop marketing objectives based on CSR to enhance stakeholder well-being (Sirgy and Lee, 1996) and thereby enable empirical research on how stakeholder marketing can be implemented in firms (Hillebrand *et al.*, 2015). This means filtering CSR into the marketing department activities across all the traditional marketing tasks of marketing (Jaworski, 2011).

A recent overview of the past 25 years of scholarship on the marketing organization Moorman and Day (2016) highlights four elements of marketing departments – capabilities, configuration (including structure, metrics and incentives), culture and the human capital (i.e. marketing leadership and talent). These elements are mobilized through 7 marketing activities (called action levers) that enable the firm to **a**nticipate market changes, **a**dapt the strategy to stay ahead of the competition, **a**lign the organization with the strategy and market, **a**ctivate effective implementation, ensure **a**ccountability for results, **a**ttract resources and manage marketing assets. Without these activities, according to the authors, marketing has no impact on performance, making them critical. By connecting our SRMA concept to these activities, our aim is to guide actual behavior and build on similar process-based approaches in previous literature e.g. market orientation Kohli and Jaworski (1990) and innovation (Rubera and Kirca, 2012).

In that regard, SRMA is at a different level of execution than business/corporate level activities captured by socially responsible business strategy or CSR (a review of selected work is summarized in Appendix Table A1, Panel B). Our perspective is in line with Banerjee *et al.* (2003)'s environmental corporate strategy and environmental marketing strategy distinction where corporate strategy pertains to the types of businesses a firm exists in, with enterprise-level strategic goals in mind and decided at higher levels of the firm. In contrast, modifying operating procedures within different functions, such as advertising or sales, is typical of strategies at the department level. Some forms of SMRA within the boundaries of marketing involve letting social responsibility guide marketing decisions and allowing marketing strategy to take into account social responsibility in areas such as targeting consumer segments that care about societal issues or positioning brands/products around social responsibility.

To illustrate the difference between CSR and SRMA, we like to use the Netflix case: Netflix supports diversity and inclusion at the corporate level and announces that they will:

> Invest USD $100 million dollars over the next five years in a combination of external organizations with a strong track record of setting underrepresented communities up for success in the TV and film industries, as well as bespoke Netflix programs that will help us to identify, train and provide job placement for up-and-coming talent globally (Sarandos, 2021).

This CSR strategy has different reflections on different functions: for some, it means increasing the number of women, Black and Latinx employees. For marketing, it is about caring about the topic on-screen and behind the camera (Myers, 2021). That is, the marketing team is doing a series of virtual inclusion institutes to unpack topics like colorism and the representation of transgender and non-binary people and people with disabilities and achieving outcomes such as increasing female-led projects (at Netflix 52% vs industry benchmark of 41%) and behind the camera, hiring women directors and producers (at Netflix 23% vs 8% industry norm) (Jackson, 2021). This is, to our depiction, SRMA.

Hypotheses development

Socially responsible marketing activities bring value to the marketing department

We argue that SRMA generates two main benefits: One is external, i.e. higher marketing performance and the other is internal, i.e. higher influence (i.e. power) within the firm. These instrumental benefits are important to examine, as marketing departments are still unconvinced with the growth and profit maximization potential of such a stakeholder orientation (Laczniak and Murphy, 2012).

Regarding external benefits first, marketing departments that integrate CSR practices into their daily activities can effectively leverage the stakeholder approach through psychological and knowledge-based pathways, which bring positive outcomes at the employee, team, organizational and societal levels (Doh and Quigley, 2014). Many stakeholders today support firms that they perceive as not only rewarding their shareholders but also caring about and collaborating with a large set of stakeholders (Laplume *et al.*, 2008). Accordingly, if firms engage in SRMA, their stakeholders will support them more intensely and for a longer period (e.g. become more loyal customers; Du *et al.*, 2007; Luo and Bhattacharya, 2006; Sen and Bhattacharya, 2001). To streamline with our focus on SRMA, a marketing level variable, we focus on marketing performance instead of firm performance as preferred by earlier work in marketing strategy (Vorhies, 1998; Vorhies and Morgan, 2005). That said, marketing's contribution to firm performance, once measured, is able to generate positive firm-level outcomes (O'Sullivan and Abela, 2007).

For such positive effects to take hold, internal organizational ethical alignment between the macro corporate identity and the meso e.g. departmental (and also micro–employee) activities and goals is crucial (Powell, 2011). Some positive marketing performance indicators are evident from anecdotal evidence provided by marketing managers in firms that adopted the social responsibility path, such as Omni Hotels and Resorts, Knoll and KIND (Neisser, 2015) and some academic research (Trudel and Cotte, 2009). As the marketing department is traditionally responsible for communicating with the marketplace and representing it in the organization, as well as identifying leading trends in the environment (Jaworski, 2011; Kohli and Jaworski, 1990), generating and disseminating intelligence regarding the social responsibility trend and responding to it can boost marketing's performance (Lindgreen *et al.*, 2012; Mishra and Modi, 2016).

By owning the voice of the market and by leading key marketing transformation efforts (Fisher, 2019; Kumar, 2018), marketers are in a unique position to welcome social responsibility and spearhead related changes in the organization (Balmer, 2017; Yim *et al.*, 2019). This, in turn, will enable the marketing department to overcome the new marketing myopia Smith *et al.* (2010) and the firm to adapt better to its environment, both of which help serve the customers better (Jaworski, 2011).

Using CSR as a marketing tool on its own has the potential to "cause important stakeholders of all stripes to form strong and long-lasting identification-based bonds with the company" (Hildebrand *et al.*, 2011, p. 1359), not to mention projects that can be co-created when CSR is integrated into SRMA. Identity-based view of the firm Balmer (2011) asserts that with the changing power relationships in the marketplace, marketing has a shifting persona. That is, marketing holds a higher share of voice across the firm's partners in its value chain with the action levers e.g. channel and promotion decisions over the retailors and media agencies or anticipation activities over the marketing research agencies, to name a few. Therefore, once marketing engages in SRMA and adopts this new persona, it is able to enhance its recognition in the external face of the firm and generate positive outcomes in the form of economic, relationship and social returns (Chahal and Sharma, 2006) [3].

By fitting the marketing's departmental activities into the corporate strategy, the projects could be better targeted according to the consumer wishes (Caruana and Chatzidakis, 2014), acknowledge tensions between different stakeholders more effectively and efficiently (Kumar, 2018), complement other internal social responsible activities e.g. socially responsible human resource management (SRHRM, Shen and Benson, 2016), improve CSR image and brand equity (Chahal and Sharma, 2006) and overall enhance the relationship between CSR and corporate financial performance (Vishwanathan *et al.*, 2020). Marketing-specific advantages of socially responsible behavior may include but are not limited to better brand reputation, higher awareness, more loyal customers, positive word of mouth, the ability to apply premium pricing, improved differentiation, increased innovation, customer satisfaction and an even higher likelihood of consumers' prosocial behavior (Romani and Grappi, 2014; Sun and Price, 2016). Rather than studying these in bits and pieces, we follow the call by Sirgy and Lee (1996) and posit in general that:

H1a. SRMA is positively associated with the marketing department's performance.

Internally, the power of an organizational department (e.g. marketing) is defined as its ability to influence other departments and people in the firm, as well as to influence resource allocation (Hickson *et al.*, 1971; Pfeffer, 1981). By welcoming the social responsibility trend, marketers are expected to get the respect and interest of other departments i.e. enhance social capital as well as gain political capital (Pfeffer and Salancik, 1978). As no department has greater expertise related to the demand side of markets than marketing (Homburg *et al.*, 1999; Mishra and Modi, 2016), this is a unique opportunity for marketing departments and their leadership to lead a strategic organizational change around an important shift in customers' needs and wants and generate benefits within the firm. While, for example, SRHRM is solely concerned with providing employees with superior task performance and extra-role helping behavior (Shen and Benson, 2016), marketing is now managing relationships and benefits for all stakeholders, not only external but also internal (Kumar, 2018). Hence, SRMA serves also the diverse needs of stakeholders inside a firm e.g. other departments, employees and interested internal parties (Maignan *et al.*, 2005), via its unique transformative position in a firm's value creation and destruction process (Kumar, 2018; Kumar and Rajan, 2017). By managing the interdependence between multiple relationships with a diverse set of stakeholders, marketers, via SRMA, can reclaim marketing's territory (Hillebrand *et al.*, 2015), showcase how minority voices can impact the firm Whitler *et al.* (2018) and again influence strategic decision-making (Webster and Lusch, 2013). Dedicating organizational resources to social responsibility and engaging in broad, strategic topics such as CSR are already known to make companies become a central source of power in their industries (Porter and Kramer, 2011; Luo and Bhattacharya, 2006). We, in a similar logic, claim that SRMA is expected to lead marketing departments specifically to become a source of power in the firm. We, therefore, propose:

> *H1b*. SRMA is positively associated with the marketing department's influence within the firm.

The mediating role of the marketing department's legitimacy

A highly relevant theoretical prism to study SRMA and organizational outcomes involve the concept of legitimacy (Basu and Palazzo, 2008). Legitimacy is viewed as "a generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions" (Suchman, 1995, p. 574). In a firm context, managers, organizational departments and the firm as a whole can pursue legitimacy and extract it from both their external environment (e.g. from customers) and internal one (e.g. from a sister department) (Rao *et al.*, 2008; Suchman, 1995). Setting an example for how others should conduct their CSR activities and is committed to meeting the standards expected of a socially responsible department are some forms of how legitimacy may come alive in the marketing department. Legitimacy enables the beholders to build credibility, which, in turn, generates resources (e.g. financial investments, talented employees and new capabilities) and overall outperforms competing entities (Nikolaeva and Bicho, 2011; Pfeffer, 1981; Rao *et al.*, 2008).

CSR has become a source of external legitimacy for firms and managers today. The popularity of firms' CSR practices, the pressure for corporate scrutiny and the expectation for socially responsible business by many stakeholders suggest that firms and their leaders' legitimacy may be strongly linked to social responsibility (Basu and Palazzo, 2008; Nikolaeva and Bicho, 2011). Strategic fit is a critical factor for a firm while adapting to its environment (Van de Ven *et al.*, 2013). In the context of CSR, organizational identity by defining "who we are" i.e. how a business can relate to stakeholders and legitimacy by defining "what is expected from us" i.e. how a business can gain acceptance are two mechanisms (Basu and Palazzo, 2008) that create this fit. The first is a cultural, the latter is a behavioral perspective, which aligns more with our activity-based approach of SRMA. Therefore, legitimacy could be a driver of fit in our case and bring related positive outcomes. Some marketers, for example, innovate for sustainability (Varadarajan, 2017), instrumentally influence their supplier's CSR engagement (Homburg *et al.*, 2013) and allocate resources to ethical products Martin *et al.* (2011) in an attempt to align with societal expectations and gain external legitimacy, which later enables positive performance benefits e.g. reputation and loyalty.

Establishing legitimacy internally is also important for organizational departments and managers. As marketing is at the center of attention when past company wrongdoings flare-up, a marketing department may engage in SRMA to address various questions in the minds of its internal stakeholders and thereby maintain the legitimacy of its existence via such practices (Phillips *et al.*, 2020). Besides, social responsibility is relatively new and far from a mainstream phenomenon in firms. While adopting it might involve the "liability of newness," it can also provide an internal "competitive edge" due to the importance and growth of the trend and the understanding that valued stakeholders expect more of it. The adoption of a socially responsible approach can create a bridge between organizational departments that usually follow an internal approach (e.g. the human resources department) and others. Yet if SRMA is adopted by a department that already is accustomed to having an outside-in focus and embarking on an inter-functional coordination role (Moorman and Day, 2016), it might serve as a more meaningful, fitting, and hence beneficial source of legitimacy. There is evidence that some marketing departments attempt to gain legitimacy of internal constituents such as employees and other departments in the context of social responsibility, for example, through organizational learning via stakeholders (Mena and Chabowski, 2015), voluntary adoption of CSR reporting (Nikolaeva and Bicho, 2011) and signaling higher quality and differentiation Bhattacharya *et al.* (2020) for employees to become active brand ambassadors (Carrington and Neville, 2016). Internal legitimacy gains to the marketing department by SRMA may, in turn, help manage the related boundaries (Ashforth *et al.*, 2000), decrease potential intra-organizational conflicts (Dumas and Sanchez-Burksm, 2015), and thus align managerial and organizational priorities toward CSR. Similar to Carrington and Neville (2016), who examined marketers integrating their consumer-self in value creation, we push the boundary theory Nippert-Eng (1996) into the marketing arena and posit that socially responsible behavior once spread into the daily activities of the marketing department via SRMA can be a driver of marketing's acceptance intra-organizationally. We, therefore, propose:

H2. The positive association between SRMA and the marketing department's (a) performance and (b) influence within the firm, is mediated by the marketing department's legitimacy.

The moderating role of customers' interest in social responsibility

Managers pay attention to the stakeholders who hold power to affect the firm and have an urgent claim (Mitchell *et al.*, 1997). The stakeholders assess an organization's reputation relative to their expectations and this determines their resource allocation to that firm (Neville *et al.*, 2005):

> A key focus in the marketing discipline is the boundary-spanning role between the firm and its ever-changing environments, or more precisely to foster the exchange of its outputs, i.e. products and services with the environment, where customers represent a key constituency (Vaaland *et al.*, 2008, p. 928).

Especially relevant is their view of socially responsible marketing efforts.

Prior work on CSR mentions stakeholder power Sen *et al.* (2001) and public concern Matten and Moon (2008) as environmental contingency factors that foster or prevent CSR. Literature on legitimacy further suggests that key stakeholders are central in providing legitimacy to the firm and to organizational departments, especially if they lead sustainability and social responsibility initiatives (Basu and Palazzo, 2008). Marketing's key constituent, consumers, evaluate CSR authentic once firms vest higher interest (Tarabashkina *et al.*, 2020). Thus, the more such marketing efforts would be perceived as meaningful and novel by customers, the more the marketing department will likely benefit from SRMA (Skarmeas and Leonidou, 2013) or the other way around. That is, customers that are not very interested in social responsibility will discourage SRMA due to lower legitimacy returns from the eyes of the internal and external stakeholders, in turn, leading to lower power and performance of the marketing department. The return on SRMA from external stakeholders such as customers is explained by the fit between customers' interests and SRMA. The return on SRMA from internal stakeholders relies on the notion that the marketing department represents the voice of the customers and given their interests in social responsibility, a marketing department that adopts SRMA becomes more powerful in the organization given its direct link to and they fit with, one of the most important external stakeholders. Thus, we formally posit that:

H3. Customers' interest in social responsibility strengthens the positive indirect effect of SRMA on the marketing department's (a) performance and (b) influence within the firm via the marketing department's legitimacy.

The conceptual framework that presents the key variables and the studied relationships appears in Figure 1.

Studies

The current research adopted multiple data collection approaches, reporting on multiple studies that complement each other.

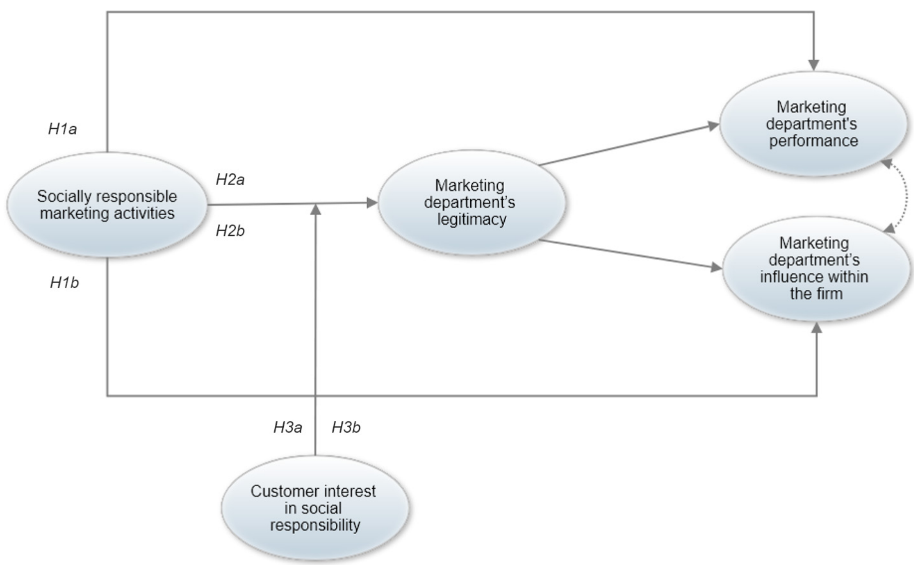

Figure 1.
Conceptual framework

Study 1 is a survey (n = 195) that demonstrates the two main effects (supporting *H1a* and *H1b*) while showing that the measure of SRMA at the marketing department level is different than related variables at the firm level (e.g. socially responsible business strategy). Study 2 is also a survey (n = 184) that replicates the main effects (supporting *H1a* and *H1b*) and complements Study 1 by demonstrating the mediating role of the marketing department's legitimacy (*H2*), the moderating role of customers' interest in social responsibility (*H3*) and by using actual sales data for a subset of firms.

Finally, as our studies, thus, far have studied marketing executives, Study 3 reports an experiment involving chief executive officers (CEOs) (n = 151) and their perspective on SRMA. The study also adds value by testing in a controlled setting the mediating role of the marketing department's legitimacy.

Study 1: survey – the effectiveness of socially responsible marketing

The aim of this study is twofold. First, it aims to provide discriminant and convergent validity to our SRMA measure. Second, we aim to test our first set of hypotheses (*H1a* and *H1b*) about the main effect of SRMA on the marketing department's performance and influence within the firm.

Sample. We conducted a survey over a panel of US-based firms with the help of a market research firm. Overall, we generated 195 responses from marketing managers (e.g. CMOs, marketing vice president (VPs) and brand managers) of a cross-industry sample of firms with 53% business-to-business (B2B) and 52% service. The sample covered a broad spectrum of industries, firm sizes and firm ages (Appendix Table A2). Data collection took approximately three weeks in late January–mid-February 2017. In return for their participation, respondents were reimbursed by the market research company. The sample included managers with an average of 7.59 years of tenure in the firm and 6 years in the role, with 21% at the chief executive level, 11% at the VP level, with the remaining respondents working in mid-level management (68%).

We developed a survey and asked two expert judges from the marketing and strategy domains and conducted 10 interviews with marketing experts, to review and provide feedback over our general framework as well over the specific questionnaire. The question items and answer scales were finalized based on this feedback and are outlined in Appendix Table A3. The survey included questions pertaining to SRMA, the marketing department's performance and influence within the firm and some control variables concerning the manager (e.g. marketing manager's experience in the firm), the firm (e.g. socially responsible strategy, size) and its environment (e.g. customers' interest in social responsibility, B2B vs business-to-consumer (B2C), manufacturing vs service industry).

Measures. Our measure of SRMA asked the respondents to evaluate the degree to which their department is engaged in SRMA with 12 items [critical ratio (CR) = 0.962, 1 = "Not at all" to 7 = "A great degree"], building upon Jaworski (2011)'s list of marketing tasks and Moorman and Day (2016)'s activity levers e.g. to **a**nticipate market changes: "what is the degree to which you are the one within your firm to gather intelligence on key stakeholders' interest in social responsibility topics?", **a**dapt the strategy to stay ahead of the competition: "what is the degree to which you respond to intelligence on key stakeholders' interest in social responsibility topics within your firm?", **a**lign the organization with the strategy and market: "what is the degree to which you disseminate intelligence on key stakeholders' interest in social responsibility topics within your firm?", activate effective implementation:

> What is the degree to which you oversee the overall marketing implementation taking into account social responsibility? (e.g. accounting for sustainability in product development, promoting and communicating about socially responsible marketing, accounting for social responsibility in pricing, and in channel decisions)?

ensure accountability for results:

> What is the degree to which you monitor, control, and report socially responsible marketing initiatives of the marketing department? (e.g. socially responsible marketing is considered when the marketing department is assessed on performance), etc.

We measured the marketing department's performance with the marketing excellence scale of the CMO survey (https://cmosurvey.org/), which asks the respondents to rate how well their marketing activities performed on six dimensions (CR = 0.894) e.g. customer acquisition/retention on a seven-point scale marked 7 = "Excellent-one of the best in the world," 6 = "A leader but not one of best," 5 = "Strong," 4 = "Good," 3 = "Fair," 2 = "Weak," 1 = "Very weak." The "creating positive word of mouth" item was added to the performance scale based on our interview findings [4].

We assessed the influence of the marketing department within the firm with a well-established perceived influence scale (Moorman and Rust, 1999), using a seven-point Likert agreement scale. The influence scale was comprising four items (CR = 0.910), e.g. "the functions performed by the marketing department are generally considered to be more critical than other department." We changed the reverse item on marketing's influence scale to "top management considers the marketing department to be *more* important than other department" so that we did not need to drop it due to poor statistical properties.

Per control variables, individual factors of managers can determine departmental performance (Boyd *et al.*, 2010). Thus, we measured the marketing manager's experience by asking: "How many years have you worked for this firm? Please enter a number." Socially responsible business strategy scale was adapted from the environmental corporate strategy scale of Banerjee *et al.* (2003) and has six items, e.g. "In our firm we make every effort to link socially responsible objectives with our other corporate goals" (1 = "Strongly disagree" to 7 = "Strongly agree," CR = 0.952). Per our moderating variable, customers' interest in social responsibility, here in this study acted as another covariate and we operationalized it by asking: "What is the degree to which customers in your industry emphasize social responsibility as a priority?" (1 = "Not at all" to 7 = "A great degree").

Measure validation. Our measurement model consisted of four multi-item measures and we examined their validity and reliability by means of two confirmatory factor analysis (CFA) models using MPlus. Following previous work (Rindfleisch and Moorman, 2001), the sets of measures were selected from theoretically similar subsets, which permitted joint examination of maximally similar latent constructs. The first set consisted of the focal independent variable (i.e. SRMA) and a related variable (i.e. socially responsible business strategy) and the second of the two dependent variables (i.e. marketing department's performance and influence). These CFA models have fit indices close to recommended levels (e.g. the first model: χ^2 (296) = 802.8 ($p < 0.01$), root mean square error of approximation (RMSEA) = 0.09 [90% confidence interval (CI): 0.09 - 0.10], comparative fit index (CFI) = 0.89, standardized root mean square residual (SRMR) = 0.08) and each observed variable had significant ($p < 0.001$) factor loadings associated with its theorized latent construct.

All indicators of the latent constructs showed convergent validity, i.e. average variance extracted (AVE) higher than 0.50 and CR larger than 0.70 and discriminant validity was established in two ways:

(1) the AVE of each construct was higher than its shared variance with any other construct and

(2) for all pairs of constructs, the original CFA was superior to a model with the correlation between the two constructs fixed to unity.

Specifically, the SRMA scale was distinct from the socially responsible business strategy (AVE = 0.869) construct, y*et al*so positively related (respectively: $r = 0.726$; $p < 0.001$), as expected. Appendix Table A4 provides descriptive statistics about the measures.

Analysis and results. One path analysis model with the below-mentioned system of equations was estimated to test *H1a* and *H1b* in MPlus 7.4 based on maximum likelihood estimation. As some unobserved variables may affect the two dependent variables, we simultaneously estimated their equations and freed their error terms to correlate, similar to seemingly unrelated regression:

$$\mathrm{MP} = \alpha_a + \beta_{1a}\mathrm{SRMA} + \beta_{2a}\mathrm{CISR} + \beta_{3a}\mathrm{MME} + \beta_{4a}\mathrm{B2C} + \beta_{5a}\mathrm{Service} + \beta_{6a}\mathrm{Size} + \beta_{7a}\mathrm{SRB} + e_a;$$

$$\mathrm{MI} = \alpha_b + \beta_{1b}\mathrm{SRMA} + \beta_{2b}\mathrm{CISR} + \beta_{3b}\mathrm{MME} + \beta_{4b}\mathrm{B2C} + \beta_{5b}\mathrm{Service} + \beta_{6b}\mathrm{Size} + \beta_{7b}\mathrm{SRB} + e_b.$$

where MP = marketing department's performance, MI = marketing department's influence within the firm, SRMA = socially responsible marketing activities, CISR = customers' interest in social responsibility, MME = marketing manager's experience, B2C= B2C versus B2B, Service = services versus goods, Size = firm size, SRB = socially responsible business strategy.

R^2 values were used as fit measures (Table 1). The R^2 of the marketing department's performance was 0.381 and that of the marketing department's influence within the firm

Variables	Unstandardized estimates	SE	*p*-value
Dependent variable: Marketing department's performance (MP)			
SRMA	0.212	0.109	0.026
CISR	0.076	0.102	0.460
MME	0.069	0.077	0.372
B2C versus B2B	0.014	0.122	0.910
Services versus goods	0.021	0.124	0.863
Firm size	−0.002	0.068	0.981
SRB	0.423	0.127	0.001
Dependent variable: Marketing department's influence within the firm (MI)			
SRMA	0.297	0.125	0.009
CISR	0.057	0.113	0.615
MME	0.062	0.095	0.517
B2C versus B2B	0.109	0.154	0.478
Services versus goods	−0.030	0.151	0.843
Firm size	−0.086	0.082	0.294
SRB	0.528	0.141	<0.001

Notes: *p*-values are two-tailed except for the hypothesized paths. MP = marketing department's performance, MI = marketing department's influence within the firm, SRMA = socially responsible marketing activities, CISR = customers' interest in social responsibility, MME = marketing manager's experience, B2C= B2C versus B2B, Service = services versus goods, Size = firm size, SRB = socially responsible business strategy

Table 1.
The effectiveness of the socially responsible marketing activities (Study 1)

was 0.395. The model results show that, in support of *H1a* and *H1b*, SRMA had a positive relationship (b = 0.212, p = 0.026) with the marketing department's performance and influence within the firm (b = 0.297, p = 0.009). These two dependent variables are positively correlated with each other (r = 0.236, p = 0.001) [5].

Study 2: survey – role of marketing department's legitimacy and customers' interest in social responsibility in the effectiveness of socially responsible marketing activities

With an aim to test the entire conceptual framework by establishing the mediating role of the marketing department's legitimacy, the moderating role of customers' interest in social responsibility and by triangulating our findings with actual firm performance data, we conducted a second survey with a different sample i.e. public firms.

Sample. This second survey was conducted with the help of another market research firm over a panel of US-based public firms. We generated 184 responses from marketing managers (e.g. CMOs, marketing VPs and brand managers) of a cross-industry sample of firms with 59% B2B and 35% service. The sample covered a broad spectrum of industries, firm sizes and firm ages (Appendix Table A5). Data collection took approximately three weeks in early August - late September 2018. In return for their participation, respondents were reimbursed by the market research company. The sample included managers with an average of 10.18 years of tenure in the firm and 6 years in the role, with 18% at the chief executive level, 27% at the VP level, with the remaining respondents working in mid-level management (55%).

Measures. We used the same survey that we developed in Study 1 to replicate the results of our main hypothesis and included some new items/measures to strengthen their validity e.g. diversity of social responsibility interest in firm. The newly added question items and answer scales are outlined in Appendix Table A3. As an additional outcome variable, we asked our respondents their firm's ticker information and then collected sales data of these publicly traded companies (70 participants provided responses) as of the previous year i.e. 2017, for a robustness check.

Per the marketing department's legitimacy, given our interest in external and internal sources of legitimacy, we developed two separate sets of scales based on prior legitimacy measures (Grewal *et al.*, 2001; Handelman and Arnold, 1999). Each carried 7 items with a focus on either internal or external legitimacy and used a seven-point Likert agreement scale. The internal legitimacy scale included items such as "Your marketing activities provide legitimacy to the marketing department within your firm" whereas the external legitimacy scale included items such as "Your products and services provide legitimacy to the marketing department outside your firm." Noteworthy, the empirical analysis suggests, that the two scales were indistinguishable i.e. had a high correlation (r = 0.91, p < 0.001), and hence converged in one legitimacy measure.

Per moderating variable, we operationalized customers' interest in social responsibility by asking: "What is the degree to which customers in your industry emphasize social responsibility as a priority?", "What is the degree to which the customers in your industry are interested in socially responsible products and services?" and "What is the degree to which the customers in your industry are positive about brands that are viewed as socially responsible?" (1 = "Not at all" to 7 = "A great degree," CR = 0.933).

Per control variables, we included perceived corporate responsibility (PCSR) of TMT scale, adapting the PCSR scale of Glavas and Kelley (2014) with the first four items for the social e.g. "Contributing to the well-being of employees is a high priority of our TMT" and the last four items for the environmental components e.g. "Environmental issues are integral to the strategy of our TMT" (1 = "Strongly disagree" to 7 = "Strongly agree," CR = 0.960).

To capture how interest in social responsibility is distributed across various organizational departments, we first asked the respondents to elicit diversity of interest in social responsibility, building on Homburg *et al.*'s (1999) decision influence scale; overall asking respondents to allocate 100 points across nine diverse departments/entities potentially responsible for a firm's social responsibility: Marketing, sales, manufacturing/operations, R&D, Finance/Accounting, HR, CSR Department, other department/entities within the company (e.g. top management, a different department) and external entities (consultants, agencies and partners). We calculated the diversity of interest in social responsibility by squaring the percentage of each entity's social responsibility, then taking the sum over all entities and then subtracting the sum from 1, which results in the index of the diversity of interest in social responsibility: The interest index equals zero when firm finds one department/entity responsible for social responsibility and it is close to one when a firm spreads its social responsibility activity over diverse departments/entities (following previous work Wuyts *et al.* (2004) and in a sense adopting a measure similar to Hirschman-Herfindahl index in the economics literature).

Overall statistics for the complete measurement model indicated sufficient fit: χ^2 (89) = 146.9 ($p < 0.01$), RMSEA = 0.06 [90% CI: 0.04 - 0.08], CFI = 0.96, SRMR = 0.02. Following the same procedures as in Study 1, all latent constructs showed convergent and discriminant validity. Factor intercorrelations, reliabilities and descriptive statistics are provided in Appendix Table A6. All analyses use average scores across the items of the constructs, standardized to reduce non-essential multicollinearity (Cohen *et al.*, 2003).

While we cannot completely rule out common method bias, we controlled for it using procedural (i.e. improving comprehension of our scales through pre-tests, protecting respondent anonymity) and statistical remedies (i.e. marker variable approach) as suggested by Podsakoff *et al.* (2003). Specifically, marker variable assessment technique Lindell and Whitney (2001) required that we identify a marker variable that is theoretically unrelated to at least one variable in the study, determine the lowest correlation coefficient of marker variable with the study's main predictors, use this correlation coefficient to adjust the bivariate correlations among the focal variables and compare the resulting coefficient matrix against the unadjusted. We used the 2nd smallest positive correlation in Appendix Table A6 among the manifest variables i.e. the correlation of customers' interest in social responsibility and managers' experience in the firm ($r = 0.033$, $p = 0.655$) as a conservative proxy for marker variable. Using this as the discount factor, we adopted the formula and corresponding t-statistic proposed by Malhotra *et al.* (2006, p. 1868) and compared adjusted correlations among our focal constructs with the uncorrected correlations and found no differences in the pattern of signs and significances, suggesting that the risk of common method bias is minimal. Besides, it is important to note that the contingency effects i.e. moderated mediation (*H3a* – *H3b*) alleviate common method bias concerns. Recent overview studies of common method bias in social science research Podsakoff *et al.* (2012) and recent applications in marketing Korschun *et al.* (2014) converge that common method bias is not a concern for the test of moderation hypotheses. Jointly, these results support the construct validity of the latent constructs in the model.

Analysis and results. To test our moderated mediation hypotheses, following earlier work (Harmancioglu *et al.*, 2021), we simultaneously estimated the two dependent variables' equations in one path analysis model in MPlus 7.4:

$$MP = \alpha_a + \beta_{1a}SRMA + \beta_{2a}CISR + \beta_{3a}MME + \beta_{4a}B2C + \beta_{5a}Service + \beta_{6a}Size + \beta_{7a}TMT + \beta_{8a}DIV + \beta_{9a}SRMA * CISR + \beta_{10a}LEG + e_a;$$

$$MI = \alpha_b + \beta_{1b}SRMA + \beta_{2b}CISR + \beta_{3b}MME + \beta_{4b}B2C + \beta_{5b}Service + \beta_{6b}Size + \beta_{7b}TMT + \beta_{8b}DIV + \beta_{9b}SRMA * CISR + \beta_{10b}LEG + e_{b;}$$

$$LEG = \alpha_c + \beta_{1c}SRMA + \beta_{2c}CISR + \beta_{3c}MME + \beta_{4c}B2C + \beta_{5c}Service + \beta_{6c}Size + \beta_{7c}TMT + \beta_{8c}DIV + \beta_{9c}SRMA * CISR + e_c.$$

Where LEG = marketing department's legitimacy, TMT = perceived corporate responsibility of top management team, DIV = diversity of interest in social responsibility. Please see Study 1 system of equations for an explanation of the other abbreviations. $\beta_{1\text{-}8}$ are the parameter estimates of the direct, main effects of SRMA and control variables; β_9 is the parameter of the interaction effect of SRMA and CISR; $\beta 10$ is the direct effect of legitimacy. Specifically, to understand the nature of moderated mediation (Muller *et al.*, 2005; Preacher *et al.*, 2007), we examined effects of SRMA on MP and MI (β_{1a}, β_{1b}), indirect effects of SRMA on MP and MI via legitimacy ($\beta_{10a} * \beta_{1c}$ and $\beta_{10b} * \beta_{1c}$) and interactions between SRMA and CISR in predicting conditional indirect effects of SRMA on MP and MI via legitimacy, depending on the CISR. We calculate the conditional indirect effects by multiplying the effects of LEG on MP and MI with the interaction effect between SRMA and CISR on LEG, enabling us to test whether the strength of mediation via legitimacy changes with higher customer's interest in social responsibility (Preacher *et al.*, 2007). The R-square of the marketing department's performance was 0.676, the marketing department's influence within the firm was 0.590 and that of the marketing department's legitimacy was 0.612.

Table 2 reports the results and includes the effects of SRMA, the marketing department's legitimacy and customer interest in social responsibility on the marketing department's performance and influence within the firm. We gauged indirect effects of SRMA on our two outcome variables through legitimacy using the products of the relevant unstandardized regression coefficients while controlling for all other effects (Preacher *et al.*, 2007). Indirect effects (with CIs based on 5,000 bootstrap samples) are reported. Customer interest in social responsibility interaction effects is estimated via simple slopes using standard regression procedures (±1 standard deviation of the mean of customer interest in social responsibility; Cohen *et al.*, 2003).

The model results show that, in support of *H2*, SRMA had a positive relationship (b = 0.438, $p < 0.001$) with the marketing department's legitimacy, which, in turn, had a positive relationship with the marketing department's performance and influence within the firm (b = 0.453, $p < 0.001$; b = 0.513, $p < 0.001$, respectively). The direct effect of SRMA was insignificant ($p > 0.10$) for marketing performance, suggesting full mediation and marginally significant (b = 0.255, $p = 0.070$) for marketing influence, suggesting partial mediation via legitimacy.

A formal test of moderated mediation shows that the total effect of SRMA was positive for both the marketing department's performance (b = 0.300, $p = 0.005$) and influence within the firm (b = 0.480, $p = 0.003$), indicating that respondents saw value in social responsibility, replicating Study 1. Importantly, there was a positive indirect effect of SRMA on the marketing department's performance (b = 0.199, $p = 0.001$) and on influence within the firm

Table 2. The role of marketing department's legitimacy in the effectiveness of socially responsible marketing activities: Results of moderated – mediation tests using bias-corrected bootstrapping (Study 2)

Effects	Unstandardized estimates	SE	Bootstrap bias-corrected method 95% CI Lower	Upper	*p*-value
Direct effects					
Dependent variable: Marketing department's performance (MP)					
SRMA	0.102	0.115	−0.130	0.321	0.376
LEG	0.453	0.100	0.265	0.659	<0.001
CISR	0.125	0.075	−0.017	0.281	0.095
SRMA x CISR	0.071	0.068	−0.048	0.218	0.302
MME	0.138	0.038	0.067	0.218	<0.001
B2C versus B2B	0.073	0.107	−0.143	0.277	0.495
Services versus goods	−0.199	0.109	−0.411	0.025	0.068
Firm size	0.096	0.048	0.004	0.191	0.046
TMT	0.228	0.089	0.042	0.390	0.011
DIV	−0.065	0.058	−0.184	0.043	0.263
Dependent variable: Marketing department's influence within the firm (MI)					
SRMA	0.255	0.173	−0.063	0.605	0.070
LEG	0.513	0.145	0.221	0.790	<0.001
CISR	0.242	0.146	−0.041	0.540	0.098
SRMA x CISR	0.238	0.094	0.076	0.435	0.012
MME	0.029	0.061	−0.097	0.141	0.638
B2C versus B2B	0.481	0.162	0.163	0.800	0.003
Services versus goods	−0.158	0.153	−0.466	0.138	0.304
Firm size	−0.054	0.079	−0.216	0.094	0.494
TMT	0.195	0.180	−0.161	0.550	0.280
DIV	−0.130	0.081	−0.286	0.027	0.109
Dependent variable: Marketing department's legitimacy (LEG)					
SRMA	0.438	0.103	0.229	0.634	<0.001
LEG	0.027	0.098	−0.161	0.226	0.782
CISR	0.083	0.089	−0.133	0.218	0.355
MME	0.036	0.036	−0.036	0.104	0.314
B2C versus B2B	0.127	0.113	−0.093	0.351	0.262
Services versus goods	−0.057	0.117	−0.290	0.168	0.627
Firm size	0.035	0.047	−0.056	0.131	0.456
TMT	0.402	0.108	0.198	0.619	<0.001
DIV	−0.028	0.060	−0.153	0.086	0.636
Indirect effects					
SRMA on MP via LEG	0.199	0.057	0.101	0.332	0.001
SRMA on MI via LEG	0.225	0.073	0.104	0.401	0.001
Total effects					
SRMA on MP	0.300	0.117	0.065	0.522	0.005
SRMA on MI	0.480	0.170	0.165	0.820	0.003
Simple slopes					
SRMA on LEG (low CISR)	0.356	0.140	0.106	0.656	0.011
SRMA on LEG (high CISR)	0.521	0.133	0.264	0.784	<0.001
SRMA on MP via LEG (low CISR)	0.161	0.071	0.053	0.334	0.012
SRMA on MP via LEG (high CISR)	0.236	0.069	0.128	0.414	0.001
SRMA on MI via LEG (low CISR)	0.183	0.088	0.058	0.415	0.019
SRMA on MI via LEG (high CISR)	0.267	0.085	0.131	0.478	0.001
Total effect of SRMA on MP (low CISR)	0.263	0.125	0.008	0.497	0.035
Total effect of SRMA on MP (high CISR)	0.338	0.122	0.093	0.573	0.006
Total effect of SRMA on MI (low CISR)	0.438	0.175	0.111	0.785	0.012
Total effect of SRMA on MI (high CISR)	0.523	0.178	0.179	0.867	0.003

Notes: *p*-values are two-tailed except for the hypothesized paths. LEG = marketing department's legitimacy, TMT = perceived corporate responsibility of top management team, DIV = diversity of interest in social responsibility. Please see Table 1 note for an explanation of other abbreviations (b = 0.225, p = 0.001), through higher marketing departments legitimacy. This confirms *H2*. In line with our theorizing, we found a positive and significant interaction effect with customers' interest in the social responsibility of these mediated paths. Specifically, the positive indirect impact of SRMA on the marketing department's performance via the marketing department's legitimacy was higher when customers demonstrate higher levels of social responsibility interest (b = 0.236, p = 0.001), compared to when customers have lower levels of social responsibility interest (b = 0.161, p = 0.012). Similarly, the positive indirect impact of SRMA on influence within the firm via the marketing department's legitimacy was higher when customers demonstrate higher levels of social responsibility interest (b = 0.267, p = 0.001), compared to when customers have lower levels of social responsibility interest (b = 0.183, p = 0.019). This confirms *H3*.

Robustness analyses. The results are not unduly affected by multicollinearity (all variance inflation factors < 5). Firms in our sample come from 10 broad industries, including retail-wholesale, consumer services, service consulting, communications media and manufacturing. Adding nine dummy variables to capture the heterogeneity across various specific industries (the "others" group is treated as the baseline industry) did not change any of the tests, and therefore their effects are not reported.

Another issue concerns the *potential endogeneity* of our main predictor, SRMA. It may be affected by an omitted variable such as other marketing managers' socially responsible conduct. Follow-up instrumental variable (IV) regression model on the sample (n = 184), following Wooldridge (2009), suggest that endogeneity was not a serious threat in our context. To obtain an instrument, we first regressed the potentially endogenous SRMA variable on the average SRMA of all firms after excluding the industry of the focal firm (Lamey *et al.*, 2012). The predicted values from this regression are an appropriate instrument, as it correlates significantly with the original regressors and insignificantly with the error term. The Hausman test indicates that endogeneity is not a major concern in either the marketing department's performance ($\chi^2(8) = 2.2$, p = 0.976) or influence ($\chi^2(8) = 2.4$, p = 0.965) equation.

Actual firm performance. To check the validity of our findings with secondary data, we tested the indirect effect of SRMA on the firm performance level, using sales and profitability (log-transformed to avoid skewness) over a sub-sample of responses with company ticker information (n = 70). Similar to our findings with survey data, there was a directional, yet marginally significant indirect effect of SRMA practices on firm sales (b = 0.297, p = 0.051) and profitability (b = 0.320, p = 0.051), via legitimacy of the marketing department. The moderated mediation paths results were also directionally consistent and marginally significant i.e. (for sales: $b_{LOW} = 0.241$, p = 0.076 and $b_{HIGH} = 0.353$, p = 0.059 and for profitability: $b_{LOW} = 0.260$, p = 0.079 and $b_{HIGH} = 0.380$, p = 0.058). The directional results offer some indication that SRMA may have a downstream effect on actual firm performance although its effect on marketing performance (at the marketing department level) is stronger.

Social desirability. We wanted to check whether our results changed due to socially desirable response style and, hence measured social desirability with eight items adopted from the 20-items scale by Bernardi (2006; α = 0.846). Including the social desirability main effects, two-way interaction effects with either SRMA or the customer's interest in social responsibility or the three-way interaction effects with SRMA and customer's interest in social responsibility in the model did not change the significance or direction of our results (albeit slight coefficient changes). Social desirability had a main effect on legitimacy (b = −0.269, p = 0.001) and the marketing department's influence (b = 0.178, p = 0.086) while all else were insignificant (p.s > 0.10).

Study 3: experiment – chief executive officer perspective on the outcomes of socially responsible marketing activities

Study 3 aims to achieve, via a controlled experiment, the perspective of non-marketing managers, specifically CEOs. This enables an external, more objective point of view on marketing actions and the marketing department. Studying the perspective of CEOs on marketers is a well-established and valuable approach (O'Sullivan and Abela, 2007). The study also aims to highlight the role of legitimacy as the underlying process by which SRMA generates better outcomes.

Sample, design and procedure. A sample of 151 CEOs of US-based firms was recruited through a market research agency. The sample included 64 women (87 men), the average age was about 45, CEOs' functional backgrounds included mostly marketing (32.5%), technology (31.1%) and finance (27.8%) and their companies operating across various industries (e.g. manufacturing, banking, pharmaceutical).

The research design involved a single factor between-subjects design with three conditions. In this study, we focus on the marketing department and its marketing manager leading it. The first, baseline-control condition, introduced a marketing manager in a fictitious company and described her/his as leading a marketing department that is engaged with a set of traditional marketing activities (we used a gender-neutral name for the marketing manager). The second and third conditions added to the baseline condition the concept of SRMA and depicted how the marketing manager leads a marketing department that either follows SRMA (high SRMA condition) or not (low SRMA condition) (see Appendix Table A7 for manipulations). The participants were randomly assigned to each of the three conditions.

Our key analysis will later compare the high vs low SRMA conditions but it was important to include the baseline-control condition in our design. The reason is that we want to demonstrate that the high SRMA condition is not different (if not doing better) than the baseline condition on key characteristics of the marketing department and the marketing manager – like the level of expertise (measured by marketing capabilities – see next) and participants' social desirability bias (measured by a social desirability scale – see next).

The dependent variables included CEOs' perception of how the marketing department depicted is likely to perform and have influence within the firm. We adopted the same measures as used in Study 1: Marketing department's performance (6 items based on the CMO survey; $\alpha = 0.932$) and influence within the firm (4 items; Moorman and Rust, 1999; $\alpha = 0.907$).

Marketing department's legitimacy was measured by seven items adapted from Handelman and Arnold (1999) and Grewal *et al.* (2001). The scale included the items such as "Alex's leadership provides legitimacy to the marketing department" and "This marketing department is committed to meeting the standards that people expect of marketing," for which participants used a seven-point Likert agreement scale.

We also included a manipulation check for SRMA using a seven-point Likert agreement scale:

> Alex, the manager described earlier in the study, is involved in SRMA [i.e. marketing that enhances customer well-being while taking into account other stakeholders' expectations and the triple bottom line of marketing's economic, social, and environmental performance].

In addition, we measured the perception of the marketing manager's capabilities using a four-item, seven-point Likert agreement scale ("Alex, the manager described earlier in the study, is a very effective manager; highly capable in what he/she does; an expert in marketing; has a lot of marketing knowledge and skills"; $\alpha = 0.922$) and checked for social desirability (as in Study 2 with 8 items that are more linked to professional activity were adopted from the 20-items scale by Bernardi (2006), "True" vs "Not True" anchors; α = 0.635). Finally, we controlled for a few covariates we accounted for in Studies 1 and 2 (CEO tenure in firm, size of the firm [number of employees] and industry characteristics – manufacturing vs services and B2B vs B2C) as well as two covariates meaningful for this study: The respondent CEO's emphasis on social responsibility in their firm and her/his marketing manager's engagement in SRMA (both on a single item, seven-point Likert agreement scale, anchoring "Not at All" and "To a Great Degree").

Analysis and results. First, noteworthy that social desirability was not different across the three conditions $F(2, 148) = 0.905, p > 0.10$. Further, the control condition showed similar results to the high SRMA condition across all variables of interest, including the marketing department's performance, influence within the firm and legitimacy, the marketing manager's capabilities and respondent's social desirability ($p > 0.10$). Also, the manipulation check worked well, revealing that the high SRMA condition was viewed to have higher SRMA (M = 6.22) compared to the control condition (M = 5.68) and the low condition (M = 5.39; $F(2, 148) = 4.286, p = 0.016$).

Our analysis compares the high vs low SRMA conditions on the marketing department's performance and influence within the firm and demonstrates the mediation role of the marketing department's legitimacy. An ANCOVA comparing the two conditions of interest while accounting for the various covariates discussed reveals a significant difference in favor of the high SRMA condition relative to the low SRMA condition for the marketing department's performance ($M_{HIGH} = 5.842, M_{LOW} = 5.335; F(1, 84) = 7.981, p = 0.006$) while a marginally significant difference for marketing department's influence within the firm ($M_{HIGH} = 5.363, M_{LOW} = 4.964; F(1,84) = 2.935, p = 0.090$).

Furthermore, when a bootstrapping mediation analysis that includes legitimacy of the marketing department as the mediator is performed (Preacher *et al.*, 2007), it reveals an indirect effect for the high SRMA condition on the marketing department's performance (b = 0.365, 95% CI [0.074, 0.656]) and influence within the firm (b = 0.458, 95% CI [0.089, 0.890]). Specifically, the condition has a positive impact on the marketing department's legitimacy (b = 0.533, $p = 0.013$) and legitimacy, in turn, positively impacts the marketing department's performance (b = 0.685, $p < 0.001$) and influence within the firm (b = 0.858, $p < 0.001$).

Discussion. The results of Study 3 suggest that CEOs tend to value marketing departments that adopt SRMA and perceive its actions as having a positive impact on the marketing department's performance and influence within the firm.

This study adds to the previous studies in multiple ways. It adopts the perspective of the CEO, to which marketing managers are often accountable. CEOs offer a more objective point of view on the actions of marketers. In addition, we demonstrate the important role of legitimacy that is achieved by SRMA and is highlighted as an underlying mechanism of the effect we uncover.

Noteworthy, the baseline condition and the high SRMA condition, provide similar legitimacy levels ($M_{HIGH} = 5.785, M_{CONTROL} = 5.888; F(1, 101) = 0.398, p > 0.10$), as well as similar performance and influence outcomes (all p.s > 0.10). This is expected as legitimacy can be generated based on traditional marketing activities. We, thus, do not argue that SRMA should replace traditional marketing but could be another approach to complement it [6].

General discussion

The current research addresses an understudied but important topic: The role of the marketing department in the social responsibility trend. Studying this is valuable because marketing is a central business function that is often key in shaping people's perceptions, attitudes and behaviors. Further, the role of marketing – as an organizational department and in terms of its daily operations – in the context of a transformational trend like social responsibility is critical for understanding how marketers can produce marketing excellence (Moorman and Day, 2016; Morgan, 2012).

The key purpose of this research was to investigate whether the adoption of SRMA can provide value to the marketing department and delineate the underlying process and boundary conditions of these benefits. Using multiple research methods this research builds the case for the value of SRMA. We next discuss the theoretical and managerial implications of our findings.

Theoretical implications

The current research first fills a gap in the marketing literature by jointly studying the social responsibility trend in the business with the role of the marketing department. It also studies SRMA and its value for the marketing department in terms of performance and influence. While many previous studies in marketing have examined social responsibility practices at the firm level Homburg *et al.* (2013), Sen and Bhattacharya (2001) and the role and tasks of the marketing department and leadership (Jaworski, 2011; Nath and Mahajan, 2011), the two topics have never been studied in tandem. By clarifying how a functional CSR focus may serve the CSR strategy of the business unit, we build on earlier work that follows a similar holistic approach e.g. for strategic CSR (Vishwanathan *et al.*, 2020, on the relationship between CSR and corporate financial performance) and differs from others that do this fragmentally. That is, Caruana and Chatzidakis (2014) study the role consumers play in activating CSR via their newly developed "Consumer Social Responsibility" concept or Shen and Benson (2016) focus on CSR policies and practices directed at employees – one dimension of CSR – and refer to it as SRHRM. That said, all these relatively new terminologies serve the criticism against the coarse-grained and over-inclusive approach pursued so far in the CSR domain Gond and Crane (2010). Although our findings suggest that SRMA is still not mainstream, they also reveal that marketing departments that take a leading role in social responsibility provide value to their department and firm.

Second, we identify the marketing department's legitimacy as a key mediator of the effects we find. That is, social responsibility is a source of gaining legitimacy. We thereby underline the principles of contingency theory (Van de Ven *et al.*, 2013) i.e. firm performance is enhanced by an external fit between an organization's environment and its internal structure (CSR trend outside and CSR strategy), as well as an internal fit among key components of strategy, structure, systems and culture (CSR strategy and SRMA). This is also in line with Walker and Ruekert's (1987) propositions in their seminal work on "Marketing's Role in the Implementation of Business Strategies." Marketing's role in past CSR Phillips *et al.* (2020) and inter-functional coordination Moorman and Day (2016) put it in a unique place within an organization to generate legitimacy i.e. some form of higher acceptance both internally and externally, which creates better, more promising fit between organization's CSR efforts and its departmental engagement in social responsibility. We show that SRMA, therefore, can drive positive outcomes for the marketing department. Specifically, SRMA is applauded both externally to achieve higher performance and internally to achieve higher influence within the firm. Our experiment with CEOs suggests that the traditional role of marketing departments (the baseline condition) provides similar legitimacy levels to marketing departments engaged in SRMA. We, thus, do not argue that SRMA should replace traditional marketing activities. Rather we contend that social responsibility does seem like a meaningful addition if marketing managers aim to have their departments outperform the less socially responsible counterparts in their industry. This way, they can set a new benchmark for marketing departments and generate three forms of value i.e. to the department, to the firm and to the firm's stakeholders.

Third, we explore a market-level moderator that sheds light on the degree to which SRMA can be more effective. Specifically, we find that when customers find social responsibility important, it enables SRMA to be more successful. For marketers the most powerful stakeholders are customers. Hence, this is a valuable finding for socially responsible marketing departments that want to champion such behavior in their firms. By showcasing this, we answer the call by Hillebrand *et al.* (2015), as we empirically find a way for stakeholder marketing to be implemented in firms, especially considering some key stakeholder tensions/pressures (Kumar, 2018).

Fourth, this research can shed light on the mixed findings in the literature with respect to the influence of marketing departments on the firm and its performance (Boyd *et al.*, 2010; Feng *et al.*, 2015; Germann *et al.*, 2015; Nath and Mahajan, 2008, 2011; Verhoef and Leeflang, 2009). Future research should consider the type of activities that marketing departments take on while studying their effectiveness as some could have more positive (or less negative) outcomes than others. In that respect, our research also contributes to the dearth of research on the way marketers can produce marketing excellence (Moorman and Day, 2016; Morgan, 2012). The need to create new organizational frameworks and processes, like the one suggested in this paper – around the meaning and consequences of SRMA – is especially relevant to handle changing environments, like the one organizations constantly face today.

Managerial implications

Our research suggests that engagement in social responsibility offers marketing departments added value, such as higher marketing performance and power within the firm. The social responsibility trend is going to last and firms will face more pressure on related topics from various stakeholders (Porter and Kramer, 2011; Varadarajan, 2017). This suggests that formulating and implementing appropriate SRMA practices are essential for the successful implementation of CSR programs and ignoring SRMA seems sub-optimal. More specifically, in the near future, marketing departments that lead socially responsible practices may not only have a differentiating edge, in their organization and the market but also increase in number given the growing momentum.

The top management team can further enhance the success of SRMA by operating in markets with high customer interest in social responsibility. Marketers can further improve the positive outcomes by targeting and listening closely to the specific customer segments that value social responsibility more. These findings highlight the role of coalition building for SRMA and their managers with powerful internal and external stakeholders.

Limitations and future research directions

While our paper advances the marketing strategy and CSR literature, it is not without limitations, which serve as opportunities for future research. First, we focus on benefits from SRMA and suggest a moderator and a mediator for its impact, yet it is of significant value to study antecedents for SRMA. Key potential antecedents can be identified at the individual, firm and environmental levels. Per individual factors, besides having a real, credible attitude toward CSR, being a sympathetic member of the leadership team and encouraging employees to spread the word of the firm's culture and values to the public, marketing managers also take on an inspirational leadership role to keep all stakeholders on board (Benett and Welch, 2009). Per firm factors, pro-social, environmental values already embedded in a firm's structure/culture may enable marketing departments to apply social responsibility in their marketing efforts (Dahlstrom *et al.*, 2014). Finally, per environmental factors, the marketing department's CSR-related efforts may be encouraged by the society and competitive environment the firm is operating in (Morse, 2014).

Second, the preliminary interviews we held with marketing managers were conducted in multiple countries (including the USA and Europe). They highlighted the potential cultural, governmental and norm differences in diverse markets e.g. the USA is a free market economy while in Europe regulations favor firms' involvement in societal welfare. Still, our main empirical effort was conducted in the USA and provided positive and significant results for a potentially conservative test of our model. Future work can develop a theory around geographical differences as well as empirically test for those differences across countries and cultures, which was not possible to examine in this study.

Third, multi-informant studies could strengthen the validity of our insights related to the value of SRMA. Efforts were aimed at ruling out alternative explanations, common method bias and endogeneity – all concerns associated with survey research. We did conduct one survey with public firms to be able to access sales data. In addition, we ran an experiment to extend the marketing manager's perspective to that of the more objective CEO. That said, because the studied phenomenon is new and evolving, studying social responsibility practices at the marketing department should also be done at various points in time, to understand the longitudinal effects.

Fourth, it is worthwhile to study additional moderators. For instance, a marketing manager's experience in the firm may limit the effectiveness of a new source of legitimacy such as SRMA as more experienced marketing managers may have already established legitimacy for their marketing department. Types of CSR activities i.e. promotional, philanthropic and value-creating CSR have been shown to have a differential impact on consumer responses (Chen *et al.*, 2018). Similarly, SRMA could be categorized to examine whether they have differential mechanisms and/or effectiveness on power and performance outcomes. Other relevant moderators may be firm-related, such as TMT interest in social responsibility or environment-related, such as a CSR-based competitive environment.

Fifth, a potentially interesting avenue for future research might be the study of social responsibility at the marketing manager, individual level. Studying, for example, the characteristics of marketing managers who lead SRMA, their drivers and the potential personal benefits from adopting SRMA. One specific question is how such managers are compensated compared to marketing managers that do not adopt SRMA.

Finally, a study on a broader array of organizational departments would enable scholars to incorporate differences across all social responsibility leadership tendencies as explanatory variables in a model that seeks to explain heterogeneity at the level of social responsibility engagement and performance across firms. Hence, following work in broader management domain (Shen and Benson, 2016), how different departments adopt CSR practices (e.g. human resources) and how this interplays with their focal stakeholders (e.g. employees) to impact their departmental performance, potentially in coordination with other departments Oh *et al.* (2016) are other avenues of study. We hope that this research stimulates further inquiries that would enhance our understanding of socially responsible marketing conduct.

Notes

1. www.conecomm.com/research-blog/2015-cone-communications-millennial-csr-study

2. We use the term marketing performance interchangeably with marketing excellence, defined as "a superior ability to perform essential customer-facing activities that improve customer, financial, stock market, and societal outcomes" (Moorman and Day, 2016, p. 6). This construct definition with a complex, multi-dimensional approach differentiates from earlier work in CSR that prefers a more focused one (Rahman *et al.*, 2017) use market share) while defining marketing effectiveness. We thank a reviewer for guiding us with this clarification.
3. Chahal and Sharma (2006) provide a comprehensive perspective and thereby a detailed conceptualization of the intricate mechanisms at place between the social and sustainability activities and various marketing performance measures.
4. We wanted to streamline our construct choice at the level of the marketing department and a same unit of analysis in its operationalization, following the guidelines for assessment of marketing performance by Katsikeas *et al.* (2016). We, therefore, excluded the two firm-level items – "Increasing sales" and "Delivering profits" – from the marketing excellence scale in our empirical analyses. Earlier work in the marketing strategy domain have in general made use of performance variables similar in breath e.g. organizational effectiveness (Vorhies, 1998) or overall firm performance with its three facets i.e. customer satisfaction, market effectiveness and profitability (Vorhies and Morgan, 2005).
5. When we include the two-way interaction between SRMA and customers' interest in social responsibility, the results show that the interaction effect was positive for both marketing department's performance (b = 0.126, p = 0.014) and influence within the firm (b = 0.169, p = 0.009).
6. It is noteworthy that while Study 3 seems to establish causality, we cannot rule out reverse-causality. We conducted an additional experiment and an additional analysis to test that. Specifically, the experiment manipulated marketing department's performance and asked respondents to evaluate its SRMA; in addition, we analyzed existing data from Study 2 - running a model with secondary sales data as the focal independent variable and SRMA as the dependent variable. Both the additional experiment and the additional analysis consistently indicate presence of reverse-causality i.e. better performing marketing departments are likely to be engaged more with SRMA (details are available upon request). There seems to be a dual relationship going on between SRMA and the marketing department's performance (cf. similar result between marketing department's influence and market orientation in Verhoef and Leeflang [2009]).

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Appendix

Article	Key aspects	Methodology	Main findings/recommendations
The current research	Bridges the work on marketing organization (Panel A) and CSR (Panel B) by studying socially responsible marketing activities as a source of legitimacy to bring departmental impact	2 surveys among marketing managers (n = 195 and n = 184) and an experiment on CEOs (n = 151) of a cross-industry sample of US firms	While socially responsible marketing activities are far from mainstream, such practices enhance marketing departments' performance and influence within the firm. Additionally, this impact is strengthened when customers are more interested in social responsibility
Panel A. Marketing organization			
Boyd *et al.* (2010)	Provides conceptual arguments and empirical evidence on the controversial issue of CMO's impact on firm performance	Secondary data over 88 CMO announcements between 1996 and 2005 made by publicly traded firms and associated abnormal stock returns	The impact of CMOs on financial performance is highly contingent on customer power that determines the managerial discretion available to them
Jaworski (2011)	Is a conceptual piece that aims to create managerial relevance in marketing research by studying the role of marketing within the firm	–	Recommends studying marketing roles/activities within the firm and specifically, identifies and reviews the role of CMO to show that out of CMO's seven core tasks, three have been lightly investigated
Moorman and Day (2016)	Is a conceptual piece that reviews the research on the marketing organization	Review of the literature from 1990 to 2015 in marketing and other relevant work in management journals	Develops a framework around the marketing organization, by identifying its four elements (capabilities, configuration, culture, human capital) that are mobilized through seven activities, the focal determinant of the performance payoffs from marketing organization
Nath and Mahajan (2008)	Examines the drivers of CMO presence in TMTs and whether CMO presence in the face of these factors affects firm performance	Secondary data on a multi-industry sample of 167 US firms for the 2000 to 2004 period	Innovation, differentiation, branding and TMT's marketing experience are positive, while diversification in relatively small firms and TMT's management experience are negatively related to the CMO presence, which has no effect on the firm's Tobin's q or sales growth

(*continued*)

Table A1.
A review of selected marketing literature

Article	Key aspects	Methodology	Main findings/recommendations
Nath and Mahajan (2011)	Investigates how CMO-related constructs explain CMO's power and firm outcomes	Secondary data over 77 US firms for the 2001 to 2005 period	CMO power increases when CMOs have the additional responsibility of sales, as TMT marketing experience decreases and as firms with low levels of TMT marketing experience pursue innovation. CMO power effects on sales growth and profitability are contingent on several factors
Verhoef and Leeflang (2009)	Addresses the concerns over the decreasing influence of the marketing department within firms	Interviews with 25 executives and a survey with 213 top marketing and financial executives of Dutch firms	Accountability and innovativeness drive the influence of the marketing department, which is positively related to market orientation, which, in turn, is related positively to firm performance
Wiedeck and Engelen (2017)	Provides an overview of earlier work on CMO research and associates a firm's decision to have a CMO to social factors	Secondary data from 505 large US firms for the 2000 to 2012 period	CMOs' prevalence within an industry and thereby firms' imitative behavior is a significant driver of CMO presence, especially when firm uncertainty is high and inference uncertainty is low
Panel B. CSR of the firm			
Chen and Huang (2016)	Argues CSR is not "a one size fits all" strategy in that different CSR and consumer types bring different outcomes	Four experiments on students and a non-student sample, coupled with a survey on 213 adult participants	Consumers react to brands engaging in corporate philanthropy more positively than those engaging in Cause-Related Marketing. Yet, this effect is less among consumers with interdependence than those with independent self-construal, due to the reciprocity norm
Du *et al.* (2007)	Examines the moderating role of how a brand's social initiatives are integrated into its competitive CSR positioning in the context of consumer reactions to CSR	Survey of 3,465 panelists evaluating consumers' reactions to three competitors in the yogurt category	Consumers' CSR beliefs are associated with purchase likelihood, loyalty and advocacy behaviors. A brand that positions itself on CSR, integrating CSR with its core business strategy, is to achieve these then the brands that merely engage in CSR to reap consumer-specific benefits
Luo and Bhattacharya (2006)	Shows CSR has an impact beyond perceived customer responses i.e. on the actual market value of the firm	Secondary data of FAMA poll ratings, customer satisfaction indices, Tobin's q and stock returns, over 113 firms in 2001–2004	In firms with low innovativeness capability, CSR actually reduces customer satisfaction levels and, in turn, harms the market value

(continued)

Table A1.

Article	Key aspects	Methodology	Main findings/recommendations
Maignan and Ferrell (2004)	Is a conceptual piece, asserting that marketing can contribute to socially responsible practices throughout the organization	–	A framework that is not limited to some dimensions of CSR but rather one that depicts CSR initiatives as managerial processes monitoring and conforming with stakeholder norms to generate stakeholder support is proposed
Mishra and Modi, 2016	Shows marketing capability plays a complementary role in the CSR–shareholder outcomes	Secondary data over 1,725 firms during 2000–2009	Overall impact of CSR on stock returns and idiosyncratic risk is significant only in the presence of marketing capability and the influence of marketing capability is higher for CSR types with verifiable benefits to firm stakeholders (e.g. consumers, employees and channel partners)
Peloza and Shang (2011)	A systematic review over the fragmented research in marketing on how CSR activities impact attitudes/ behaviors of a stakeholder	Literature review of 163 articles published with keywords e.g. sustainability, (corporate) social responsibility/ performance and green marketing	Marketers should assess the differential impact of CSR activities e.g. product-related, philanthropy and business practices on consumer value perceptions and focus on CSR activities as a source of self-oriented value for consumers rather than the other-oriented value
Sen and Bhattacharya (2001)	Examines when, how and for whom CSR initiatives work	Two experimental studies over students	CSR initiatives can decrease consumers' intentions to buy a company's products, under certain conditions i.e. company-specific, individual-specific factors and congruence in-between should be taken into regard
Torres *et al.* (2012)	Bridges global branding literature with CSR literature	Panel data of 57 brands from10 countries for the 2002–2008 period	CSR toward each stakeholder group (e.g. customer, employees and suppliers) has a positive impact on global brand equity and brands that follow local social responsibility policies obtain stronger benefits

Table A1.

Characteristics	(%) (n = 195)
Industry groups	
Banking Finance Insurance	6
Communications Media	10
Consumer Packaged Goods	3
Consumer Services	11
Education	5
Energy	2
Health-care Pharmaceutical	3
Manufacturing	10
Mining Construction	2
Retail Wholesale	14
Service Consulting	11
Tech Software Biotech	6
Transportation	3
Other	14
Sales	
<\$25m	51
\$26m–\$99m	18
\$100m–\$499m	11
\$500m–\$999m	10
\$1bn–\$9.9bn	6
\$10+bn	4
Number of employees	
<49	39
50–99	18
100–249	14
250–499	7
500–999	6
>1,000	16
Firm age	
<10	3
>=10 < 20	22
>=20 < 30	14
>=30 < 40	13
>=40 < 50	7
>=50 < 100	24
>=100	17

Table A2. Profile of companies (Study 1)

Socially responsible marketing activities, building on Jaworski (2011) and Moorman and Day (2016) [1 = Not at all to 7 = A great degree, each item has a Not applicable option]	We define "socially responsible marketing activities" as the marketing practices that aim to enhance customer wellbeing while taking into account other stakeholders' expectations and the triple bottom line of marketing's economic, social and environmental performance. Broadly speaking, this means integrating social responsibility into the marketing function, its strategy and day-to-day activities. Please evaluate the way you manage socially responsible marketing activities 1. What is the degree to which you integrate social responsibility within the boundaries of marketing? 2. What is the degree to which social responsibility guides marketing decisions? 3. What is the degree to which you represent the voice of key stakeholders' interest in social responsibility topics within your firm? 4. What is the degree to which you are the one within your firm to gather intelligence on key stakeholders' interest in social responsibility topics? 5. What is the degree to which you disseminate intelligence on key stakeholders' interest in social responsibility topics within your firm? 6. What is the degree to which you respond to intelligence on key stakeholders' interest in social responsibility topics within your firm? 7. What is the degree to which you oversee the overall marketing strategy taking into account social responsibility? (e.g. targeting consumer segments that care about societal issues; positioning your brands/products around social responsibility) 8. What is the degree to which you oversee the overall marketing implementation taking into account social responsibility? (e.g. accounting for sustainability in product development, promoting and communicating about socially responsible marketing, accounting for social responsibility in pricing and in channel decisions) 9. What is the degree to which you coordinate socially responsible marketing with senior positions or other units in the firm? 1. What is the degree to which you run socially responsible initiatives in the marketing function? (e.g. volunteering activity, waste management, recycling, recognizing socially responsible employees or initiatives) 11. What is the degree to which you identify and prioritize responses to the social responsibility trend as a marketing transformation effort? 12. What is the degree to which you monitor, control and report socially responsible marketing initiatives of the marketing function? (e.g. socially responsible marketing is considered when the marketing function is assessed on performance)
Marketing department's performance, from the CMO survey [7 = Excellent, one of the best in the world, 6 = A leader but not one of best, 5 = Strong, 4 = Good, 3 = Fair, 2 = Weak, 1 = Very weak]	Please answer the following questions about marketing activities in your firm. Rate how well marketing activities have performed in: • Customer acquisition • Customer engagement • Customer retention • Delivering your brand message • Creating positive word of mouth • Overall, how would you rate your firm's marketing excellence?

(*continued*)

Table A3.
List of measures
(Studies 1 and 2)

Marketing department's influence in the firm, from Moorman and Rust (1999) [1 = Strongly disagree to 7 = Strongly agree]	Please answer the following questions about your marketing function's influence • The functions performed by the marketing function are generally considered to be more critical than other functions • Top management considers the marketing function to be more important than other functions • Marketing tends to dominate other functions in decision-making • The marketing function is considered to be more influential than other functions
Marketing manager's experience, new item	How many years have you worked for this firm? Please enter a number
Customers' interest in social responsibility, new item [1 = Not at all to 7 = A great degree]	• What is the degree to which customers in your industry emphasize social responsibility as a priority? • What is the degree to which the customers in your industry are interested in socially responsible products and services?* • What is the degree to which the customers in your industry are positive about brands that are viewed as socially responsible?*
Socially responsible business strategy, adapted from Banerjee *et al.* (2003) [1 = Strongly disagree to 7 = Strongly agree]	Please answer the following questions about your business unit strategies • Our firm has integrated social responsibility issues into our strategic planning process • In our firm we make every effort to link socially responsible objectives with our other corporate goals • Our firm is engaged in developing products and processes that minimize environmental impact • Social responsibility is the driving force behind our firm's strategies • A wide range of stakeholders are always considered when we develop new products • Our firm develops products and processes that maximize societal impact
Marketing department's legitimacy, adapted from Handelman and Arnold (1999) and Grewal *et al.* (2001) [1 = Strongly disagree to 7 = Strongly agree]*	Please indicate the degree to which you agree with the following statements regarding your marketing function's legitimacy within your firm: • Your marketing activities provide legitimacy to the marketing function within your firm • Your marketing activities portray the marketing function as a successful unit • Your marketing activities portray the marketing function as one that adopts best practices in the industry • Your marketing function sets an example for how other functions in your firm should conduct their activities • Your marketing function is committed to meeting the standards that your firm expects of marketing • Your marketing function sets an example for how all functions in your firm should behave Please indicate the degree to which you agree with the following statements regarding your marketing function's legitimacy outside your firm: • Your products and services provide legitimacy to the marketing function outside your firm • Your marketing communications portray the marketing function as a successful unit • Your product-market decisions portray the marketing function as one that adopts best practices in the industry

(*continued*)

Table A3.

	• Your marketing function sets an example for how other firms' marketing functions should conduct their activities • Your marketing function is committed to meeting the standards that the marketplace expects of marketing • Your marketing function sets an example for how all marketing functions should behave
Perceived corporate responsibility of TMT, adapted from Glavas and Kelley (2014) [1 = Strongly disagree to 7 = Strongly agree]*	Please answer the following questions about your top management team (TMT) by checking the response that indicates the extent to which you agree with the statement. • Contributing to the well-being of employees is a high priority of our TMT • Contributing to the well-being of customers is a high priority of our TMT • Contributing to the well-being of suppliers is a high priority of our TMT • Contributing to the well-being of the community is a high priority of our TMT • Environmental issues are integral to the strategy of our TMT • Addressing environmental issues is integral to the daily operations of our TMT • Our TMT takes great care that our work does not hurt the environment • Our TMT achieves its short-term goals while staying focused on its impact on the environment
Diversity of interest in social responsibility adapted from Homburg et al.'s (1999)*	Please allocate 100 points among the functional departments and other entities that are responsible for social responsibility strategy and activities in your firm. Higher allocation of points means that the department/entity is more responsible for social responsibility. Marketing, sales, manufacturing/operations, R&D, Finance/Accounting, HR, CSR Department, other entities/functions within the company (e.g. top management, a different department) and external entities (consultants, agencies, partners), Total = 100

Note: (*) indicates an item/measure added in Study 2

Table A3.

Table A4. Descriptive information about the measures (Study 1)

Variables	Scale	M	SD	1	2	3	4	5	6	7	8	9
1. MP	Seven-point	5.209	1.076	0.766								
2. MI	Seven-point	4.809	1.338	0.549	0.849							
3. SRMA	Seven-point	5.236	1.304	0.533	0.553	0.825						
4. CISR	Seven-point	5.390	1.529	0.448	0.440	0.570	1.000					
5. MME	N of years	7.590	6.862	0.121	0.100	0.013	0.025	1.000				
6. B2C	Dummy	0.470	0.500	0.020	0.049	0.027	−0.009	0.088	1.000			
7. Service	Dummy	0.520	0.501	0.050	0.035	0.078	0.043	0.020	−0.044	1.000		
8. Size	Log N of employees	4.491	2.628	−0.070	−0.132	−0.189	−0.076	0.084	0.088	−0.127	1.000	
9. SRB	Seven-point	4.725	1.564	0.596	0.599	0.726	0.644	0.127	0.016	0.043	−0.078	0.932
CR				0.894	0.910	0.962						0.952
AVE				0.586	0.721	0.680						0.869

Notes: Correlations larger than 0.141 and smaller than −0.141 are significant at $p < 0.05$ (n = 195). Diagonal elements are the square roots of average variance extracted (AVE). MP = marketing department's performance, MI = marketing department's influence within the firm, SRMA = socially responsible marketing activities, CISR = customers' interest in social responsibility, MME = marketing manager's experience, B2C = B2C versus B2B, Service = services versus goods, Size = firm size, SRB = socially responsible business strategy

Table A5.
Profile of companies (Study 2)

Characteristics	(%) (n = 184)
Industry groups	
Banking Finance Insurance	16
Communications Media	5
Consumer Packaged Goods	11
Consumer Services	5
Education	10
Energy	3
Health-care Pharmaceutical	3
Manufacturing	12
Mining Construction	3
Retail Wholesale	11
Service Consulting	1
Tech Software Biotech	10
Transportation	4
Other	6
Sales	
<= $25m	0
$26m–$99m	2
$100m–$249m	6
$250m–$499m	8
$500m–$999m	25
>= $1bn	59
Number of employees	
<49	1
50–99	0
100–249	2
250–499	5
500–999	7
>1,000	86
Firm age	
<10	17
>=10 < 20	13
>=20 < 30	11
>=30 < 40	12
>=40 < 50	8
>=50 < 100	23
>=100	16

Table A6. Descriptive information about the measures (Study 2)

Variables	Scale	M	SD	1	2	3	4	5	6	7	8	9	10	11
1. MP	Seven-point	5.882	1.029	0.873										
2. MI	Seven-point	5.443	1.402	0.664	0.939									
3. SRMA	Seven-point	5.415	1.365	0.665	0.634	0.965								
4. LEG	Seven-point	5.928	1.004	0.760	0.690	0.725	0.939							
5. CISR	Seven-point	5.549	1.470	0.581	0.543	0.684	0.574	0.935						
6. MME	N of years	10.180	7.476	0.254	0.130	0.144	0.147	0.033	1.000					
7. B2C	Dummy	0.410	0.493	−0.151	−0.037	−0.209	−0.143	−0.097	−0.137	1.000				
8. Service	Dummy	0.350	0.478	−0.209	−0.140	−0.162	−0.115	−0.087	−0.181	0.137	1.000			
9. Size	Log N of employees	9.050	2.356	−0.112	−0.238	−0.312	−0.180	−0.134	−0.091	0.197	0.005	1.000		
10. TMT	Seven-point	5.631	1.279	0.694	0.617	0.741	0.719	0.710	0.115	−0.218	−0.033	−0.183	0.943	
11. DIV	Index 0–1	0.566	0.316	−0.297	−0.350	−0.304	−0.267	−0.235	−0.024	0.267	0.224	0.335	−0.236	1.000
CR				0.906	0.937	0.976	0.957	0.933					0.960	
AVE				0.762	0.881	0.931	0.881	0.875					0.890	

Notes: Correlations larger than 0.145 and smaller than −0.145 are significant at $p < 0.05$ ($n = 184$). Diagonal elements are the square roots of average variance extracted (AVE). LEG = marketing department's legitimacy, TMT = perceived corporate responsibility of top management team, DIV = diversity of interest in social responsibility. Please see Appendix Table A4 note for an explanation of other abbreviations

Baseline condition	Alex is the marketing manager of Xypher, a public company based in the US Alex is a competent manager that inspires to link marketing activities to financial outcomes. Alex always promotes customer needs in Xypher and has sufficient knowledge and skills to translate these needs into technical specifications. He, thus, often leads initiatives around the development of new products. The marketing programs Alex has initiated are creative and well-recognized in the industry The marketing department that Alex leads is engaged in all the traditional marketing activities including market research, channel development and advertisement
Low versus high socially responsible marketing activities condition [adds to the baseline condition]	Recently, Alex has been reading about the social responsibility trend that some companies follow. In a marketing context, this means that marketers aim to enhance customer wellbeing while taking into account other stakeholders' expectations and the triple bottom line of marketing's economic, social and environmental performance Alex identifies the social responsibility trend as a marginal [key] marketing transformation effort. Alex, therefore, integrates social responsibility within the boundaries of the marketing department and its activities to a little [great] extent. That is, social responsibility is likely to guide only some [all] of Alex's marketing decisions and the marketing department's activities. Alex believes the marketing department should [not] rely only on traditional marketing efforts like market research, channel development or advertisement More specifically, in the context of marketing strategy and implementation, Alex oversees these activities while rarely [always] taking into account social responsibility. For example, to target consumer segments that care about societal issues or position Xypher's products around social responsibility takes 20% [80%] of Alex's efforts. In the context of designing the marketing program (i.e. the 4Ps), Alex often guides the marketing department to partly [fully] account for sustainability in product development, fair prices with customers and shared value in channel decisions. In addition, Alex promotes communication about socially responsible marketing relatively infrequently [frequently]. Furthermore, Alex runs a few [a lot of] socially responsible initiatives in the marketing department (e.g. volunteering activity, waste management, recycling and recognizing socially responsible champions). Finally, for Alex, considering socially responsible marketing as one of the performance criteria for the marketing department is of low [high] importance

Note: Instructions to participants: Please read carefully the description below of a specific marketing manager and department in a fictitious company and answer the following questions referring to this description

Table A7.
Manipulations – socially responsible marketing activities (Study 3)

About the authors

Peren Özturan is Assistant Professor of Marketing, Faculty of Business, Ozyegin University, Turkey (peren.ozturan@ozyegin.edu.tr). Her research interests include marketing strategy, innovation and brand management.

Amir Grinstein is an Associate Professor of Marketing, D'Amore-McKim School of Business, Northeastern University (a.grinstein@neu.edu) and Faculty of Business and Economics, Vrije Universiteit, Amsterdam, The Netherlands (a.grinstein@vu.nl). His research interests include pro-social marketing, responsible consumption, brand activism and international marketing. Amir Grinstein is the corresponding author and can be contacted at: a.grinstein@neu.edu