

CIMaR

Consortium for International Marketing Research

May 19-22 | 2025 | University of Pavia
Italy

**Transformative Marketing:
Driving Business and Societal Change**
Conference Proceedings



Consortium for International Marketing Research (CIMA^R) Conference Proceedings
Transformative Marketing: Driving Business and Societal Change
19-22 May 2025
University of Pavia - Italy

ISBN: 978-88-907861-1-2

The conference proceedings are published online on [CIMA^R website](#)



UNIVERSITÀ
DI PAVIA



UNIVERSITÀ DI PAVIA
Dipartimento di
Scienze Economiche
e Aziendali

Dipartimento
di Eccellenza
MUR 2023-2027

CIMaR

Consortium for International Marketing Research

May 19-22 | 2025 | University of Pavia
Italy

Edited by:

*Antonella Zucchella, Birgit Hagen,
Stefano Denicolai, Diala Kabbara &
Valerio Veglio*



INSTITUTE FOR
TRANSFORMATIVE
INNOVATION
RESEARCH



CIBER
CENTER FOR
INTERNATIONAL BUSINESS
EDUCATION & RESEARCH



Conference Chairs

ANTONELLA ZUCHELLA

University of Pavia

BIRGIT HAGEN

University of Pavia

Scientific Committee

STEFANO DENICOLAI

University of Pavia

GIOVANNA MAGNANI

University of Pavia

VALERIO VEGLIO

University of Pavia

DIALA KABBARA

University of Pavia

TAMER CAVUSGIL

Georgia State University

VASILIKI BAMIAZZI

University of Sussex Business School

FRANCESCA CABIDDU

University of Cagliari

EHSANUL HUDA CHOWDHURY

University of Gävle

ANGELA DA ROCHA

Instituto Coppead de Administração
Universidade Federal do Rio de Janeiro

DANIELE DALLI

University of Pisa

NOÉMIE DOMINGUEZ

Iaelyon School of Management

CUNEYT EVIRGEN

Georgia State University

DANIELLA FJELLSTROM

University of Gävle

DINORA FLORIANI

UniVali

BARBARA FRANCONI

University of Urbino

PERVEZ N. GHAURI

University of Birmingham

SIMONE GUERCINI

University of Firenze

KATHARINA MARIA HOFER

Johannes Kepler University

ULRIKE MAYRHIFER

IAE Nice Université Côte d'Azur

LUDOVICA MOI

University of Cagliari

FABIO MUSSO

University of Urbino

AYŞEGÜL ÖZSOMER

Koç University

PIET PAUWELS

Hasselt University

HUSSAIN RAMMAL

The University of Adelaide

ROGER STRANGE

University of Sussex

MITHAT UNER

Atılım Üniversitesi İşletme Fakültesi

YING ZHU

University of South Australia

Organizing Committee

ANTONELLA ZUCHELLA

University of Pavia

BIRGIT HAGEN

University of Pavia

DIALA KABBARA	University of Pavia
VALERIO VEGLIO	University of Pavia
STEFANO DENICOLAI	University of Pavia
FEDERICA SACCO	University of Pavia
MARGHERITA MILOTTA	University of Pavia
FRANCESCO MUTIGNANI	University of Pavia
GIUSEPPE PIRRONE	University of Pavia
ANAHITA HEDAYAT ZADEH	University of Pavia
NUO WANG	University of Pavia

Editorial Staff

MARGHERITA MILOTTA	University of Pavia
GIUSEPPE PIRRONE	University of Pavia

Registration and invoicing

ROBERTA SAIONI	Fuori Rotta Eventi e Congressi s.r.l
ANTONELLA SAVARESE	Fuori Rotta Eventi e Congressi s.r.l

**The Conference Chairs and the Scientific Committee
are grateful to the following reviewers who have actively
contributed to the peer review process**

AIUDI ALICE	University of Urbino "Carlo Bo"
AHMED IMTIAZ	University of Vaasa
ANDERSSON SVANTE	Halmstad University
ARGOUSLIDIS PARASKEVAS	Athens University of Economics & Business
ASSERAF YOEL	Ruppin Academic Center
BABER HASNAN	American University of Sharjah
BARTOSIAK MARCIN	University of Pavia
BASTIAN BOB	University of trento
BEHLING GUSTAVO	University of Vale do Itajaí
BERETTA VALENTINA	Università degli Studi di Pavia
BIANCHI CONSTANZA	Universidad Adolfo Ibañez
BUEHLER FLORIAN	Vorarlberg University of Applied Sciences
CABIDDU FRANCESCA	University of Cagliari
CAPESTRO MAURO	University of Pavia
CHIARVESIO MARIA	University of Udine
CHOWDHURY EHSANUL HUDA	University of Gävle
DANYAL AYSE	Koç University
DEMARTINI CHIARA	Univesity of Pavia
DENICOLAI STEFANO	University of Pavia
FERNANDEZ ANDRES	University of Pavia
FJELLSTROM DANIELLA	University of Gävle
FLORIANI DINORA ELIETE	UNIVALI
FRANCIONI BARBARA	University of Urbino
GREGO MARICA	University of Pavia
GUERCINI SIMONE	University of Firenze
HAGEN BIRGIT	Università Pavia
HEDAYAT ZADEH ANAHITA	University of Pavia
HOFER KATHARINA MARIA	Johannes Kepler University Linz
HU LALA	Università Cattolica del Sacro Cuore
HUSE HÅVARD	BI Norwegian Business School
KABBARA DIALA	Università Pavia
KHAN TRACY AMANDA	University of Wisconsin-Whitewater

LIU LEIGH ANNE	Georgia State University
MAGNANI GIOVANNA	University of Pavia
MATARAZZO MICHELA	Guglielmo Marconi University
MAYER MICHAEL H	Vorarlberg University of Applied Sciences
MAYRHOFER ULRIKE	IAE Nice, Université Côte d'Azur
MESSNER WOLFGANG	University of South Carolina
MILANESI MATILDE	University of Florence
MILOTTA MARGHERITA	University of Pavia
MOI LUDOVICA	University of Cagliari
MONTEVERDE GIULIA	University of Florence
MUNJAL SURENDER	Aston University
MUTIGNANI FRANCESCO	University of Pavia
NES ERIK BERTIN	BI Norwegian Business School
NILSSEN FRODE	Nord University Business School
NOEMIE DOMINGUEZ	Iaelyon School of Management
OZKAN KUBILAY SABRI LEVENT	ESCE International Business School Paris
PAPADAS KAROLOS	University of York
PAUWELS PIET	Hasselt University
PIRRONE GIUSEPPE	University of Pavia
POLIAKOVA ELENA	IÉSEG School of Management
RAMMAL HUSSAIN G	The University of Adelaide
ROGOVA NATALIA	University of Hagen
ROMANELLO RUBINA	University of Trieste
RUNFOLA ANDREA	University of Perugia
RYPESTØL MASSIEL	University of Agder
SACCO FEDERICA	University of Pavia
SANTOS CAVALCANTE PEDRO PAULO	ESPM
SCRIMIERI CHIARA	Sapienza University of Rome
SIVOLAPOVA ELENA	University of Turku
SOUZA LUCAS LOPES FERREIRA	University of Fortaleza
STRANGE ROGER	University of Sussex
TARNOVSKAYA VERONIKA	Lund University
TORRES MIGUEL	University of Kent
TOWNSEND JANELL D	Oakland University
TRAVASI ALESSIO	Università degli Studi di Urbino Carlo Bo

VEGLIO VALERIO

Università Pavia

VEILLEUX SOPHIE

Laval University

WANG NUO

University of Pavia

WANG ZI

IESEG School of Management

WANG EDWARD YIHUAI

Georgia State University

YADAV VAISHALI

Indian Institute of Technology Roorkee

YOUNIS HEBA

SP Jain London School of Management

ZHU YING

University of South Australia

ZUCHELLA ANTONELLA

University of Pavia

SUMMARY

Full papers

Thought leadership in B2B markets: influence on Customer Relationship, Brand Advocacy Behavior and Positive eWOM Generation

Caio Ferreira, Luiza Berti Viezzer, Carlos Marcelo Ardigó, Paulo Sérgio Reinert, Gustavo Behling

Corporate art assets as strategic marketing driver for sustainability: a scientific literature review

Luca Cavone, Stefano Denicolai

Globalisation and Industry structure: conceptualization and measurements

Håvard Huse, Carl Arthur Solberg

Extended Abstracts

The Strategic Role of Professional Social Media in Franchisee Recruitment and Network Expansion: Insight from Italian Franchisors

Ilaria Curina, Barbara Francioni, Alice Aiudi, Matilde Milanese

The effects of metaphorical advertising on the consumption of healthy food: a cross-cultural study

Mauro Capestro

Transformative Marketing in the Digital Age: Addressing B2B Challenges through Convergent Strategies

Andres Fernandez, Manuel Mendoza, Fernando Enrique Garcia

The role of ambivalence in international marketing decisions: the case of small and medium-size British exporters

Marica Grego

Exploring the interplay between inward and outward internationalization

Simona Amerio, Birgit Hagen

The importance of materiality analysis and stakeholder engagement in determining corporate purpose: a case study from the aviation industry

Michela Iesu, Antonio Usai, Daniele Porcheddu, Masud Rana

The evolving literature on R&D internationalization: state of the art and new challenges

Simone Guercini, Gerta Luga, Matilde Milanese

Interrelations and Synergies Between Sustainable Supply Chain Management and Transformative Marketing

Michael H. Mayer

Brand Crisis Response Strategies: Managing Ambassador-Driven Reputation Challenges in the Digital Age

Isabella Kühne, Margherita Milotta

International Customer Relationships, Sustainability and Global Value Chain Dynamics: Evidence from the Plastic Industry

Francesco Mutignani, Nuo Wang, Antonella Zucchella

Develop employees' sustainable commitment in SMEs: an organizational context

Svitlana Plotnytska, Frédérique Chédotel, Anne Feblet, Daniella Fjellström, Aldona Glinska-Newes, Sihem Mammam el Hadj, Aihie Osarenkhoe

Does Message Framing Influence Corporate Sustainability Reputation?

Rubina Romanello, Marco Balzano, Donata Vianelli, James Reardon

Formal institutional variables in relation to the determinants of entrepreneurial orientation of SMEs: contextualization of factors in the spotlight of a country and organizational characteristics in international entry performance

Shorena Kurdadze, Kakhaber Kordzaia

Sustainable international business and transparency: Transformative international Marketing and the fight against corruption

Sergio Ernesto Valentini, Antonella Zucchella

Transformative Marketing for Sustainable Value: Geothermal Energy Collaboration Between Indonesia, China, and Italy in Global Value Chains

Nuo Wang, Mohammad Ichsan, Gregorian Jerahmeel

Market Perceptions and Innovation Trends in the Coffee Machines and Grinders Industry: A Cross-Market Analysis

Alessio Travasi, Fabio Musso

Abstracts

Does Beer Consumption Culture differ between countries? A comparative study of Why, When, Where, and How much Beer is consumed in England, Poland, Germany, and China.

Adnane Alaoui

Humane Entrepreneurship and International Competitiveness: A Multiple Case Study Analysis

Maria Rosita Cagnina, Maria Chiarvesio, Fatima Dhabi, Andrea Moretti, Raffaella Tabacco, Martina Tomasetig

Driving Sustainable Value Creation in International SMEs: the impact of transformative Marketing

Miguel Torres, Diala Kabbara, Bruno Barreto de Goés

Social and technological drivers in transformative advertising: Exploring individual and collective impacts of femvertising campaigns

Michela Matarazzo, Charles Hofacker, Simone Guercini, Silvia Ranfagni, Surat Teerakapibal

Quantification of Cultural Practices: An Empirical Experiment with Generative Artificial Intelligence

Wolfgang Messner

Purpose in internationalization: Towards a broader perspective

Susan Freeman, Simone Guercini, Mikael Hilmersson, Matilde Milanese, Andrea Runfola

Scaling Process of Digital Firm: An International Marketing Perspective.

Margherita Milotta, Giuseppe Pirrone, Birgit Hagen

The Influence of Country-of-Origin and Sustainability Cues on Willingness-to-Pay: Conceptual Model and Empirical Test

Chiara Scrimieri, Adamantios Diamantopoulos, Michela Matarazzo, Alberto Pastore

A co-creational perspective of corporate heritage branding in international markets: the case of Amaro Montenegro

Federica Sacco, Giovanna Magnani, Antonella Zucchella

From Scandals to Sustainability: Redefining International Marketing in the Fight Against Corruption

Sergio Ernesto Valentini, Antonella Zucchella

Improving the Support Continuum for Firms Going Global

Sophie Veilleux



UNIVERSITÀ
DI PAVIA



UNIVERSITÀ DI PAVIA
Dipartimento di
Scienze Economiche
e Aziendali

Dipartimento
di Eccellenza
MUR 2023-2027

CIMaR

Consortium for International Marketing Research

May 19-22 | 2025 | University of Pavia
Italy

Full Papers



INSTITUTE FOR
TRANSFORMATIVE
INNOVATION
RESEARCH



CIBER
CENTER FOR
INTERNATIONAL BUSINESS
EDUCATION & RESEARCH



THOUGHT LEADERSHIP IN B2B MARKETS: Influence on Customer Relationship, Brand Advocacy Behavior, and Positive eWOM Generation

*Caio Ferreira¹, Luiza Berti Viezzer¹, Carlos Marcelo Ardigó¹, Paulo Sérgio Reinert¹, Gustavo
Behling¹
University of Vale do Itajaí (UNIVALI), Brazil¹*

Abstract

The advancement of digital and content marketing has transformed the B2B market, enabling companies to build deeper and more personalized relationships with their customers. This phenomenon, driven by the growth of digital platforms, has been reshaping interaction and purchasing strategies. Given this scenario, the present study aims to analyze the effect of thought leadership on customer relationship performance in B2B markets, as well as on positive eWOM and brand advocacy behaviors. The methodology adopted was a descriptive quantitative study, using structural equation modeling (SEM) to test the proposed relationships. The sample consisted of 82 Brazilian companies operating in the B2B market with a digital presence. The results confirm that thought leadership has a significant positive impact on customer relationship performance and brand advocacy behavior but does not exert a direct influence on positive eWOM generation. Additionally, it was observed that customer relationship performance positively affects both eWOM and brand advocacy.

Keywords: Thought Leadership; Customer Relationship; B2B Market; e-WOM; Brand Advocacy.

1. Introduction

Marketing, whether in traditional or digital media, remains centered on understanding and meeting customer needs. What changes is the environment in which these strategies are applied. While traditional marketing still plays an important role, digital marketing has become essential in many sectors, complementing and, in some cases, surpassing traditional approaches (Kotler & Keller, 2018). In certain contexts, such as Business-to-Business (B2B), it can be even more relevant due to its ability to establish direct and personalized connections with consumers (Ferreira, 2021). Thus, marketing through digital channels, or more directly digital marketing, encompasses efforts made through electronic devices, such as websites, social media, and emails, allowing direct interaction with consumers (American Marketing Association [AMA], 2024). As digital transformation reshapes how companies operate, the impact of digital marketing expands across all sectors, including Business-to-

Business (B2B). It is estimated that by 2025, 80% of B2B sales interactions will take place through digital channels (Forbes, 2023), reflecting a significant transformation in sales processes, making them faster, more personalized, and efficient—essential for organizational success in a competitive and complex environment (Itani, Agnihotri, & Dingus, 2017).

In this digital context, content has become a key factor in marketing strategies, especially in B2B environments. This growth has led to increased research interest over the past decade on digital marketing in B2B settings (Pandey, Nayal, & Rathore, 2020), including assessments of how digital content created by marketing professionals impacts online communities and influences purchasing decisions (Harvey et al., 2021). Content encompasses a variety of formats, such as blog posts, white papers, live videos, webinars, podcasts, and slide presentations, often available on websites or social media platforms (Barry & Gironda, 2019).

Within content marketing in B2B markets, Thought Leadership has emerged as a crucial strategy for companies seeking to stand out and gain a relevant position in their respective markets. This leader—whether an individual or a company—engages in a content strategy aimed at generating and disseminating innovative ideas that benefit businesses (Young, 2013).

It represents an organization's or individual's ability to become a recognized authority in its field, influencing not only purchasing decisions but also stakeholder perceptions and behaviors (Forbes, 2023). Thought leadership helps address the issue of lack of trust in suppliers by offering content that demonstrates the company's expertise, based on credible sources and data, avoiding self-promotion (Content Marketing Institute [CMI], 2022).

As a result, thought leadership can not only influence purchasing decisions but also promote desirable behaviors, such as brand advocacy and positive eWOM. Based on this, the objective of this study is to analyze the effect of thought leadership on customer relationship performance in B2B markets, as well as on positive eWOM and brand advocacy behaviors.

Despite its growing importance, the effects of B2B marketing strategies focused on thought leadership in customer relationships are not widely studied (Magno & Cássia, 2019). Furthermore, existing

research predominantly examines these relationships in European and North American markets, leaving a significant gap in understanding how thought leadership is perceived by companies outside this axis. The originality of this research lies in its specific focus on the Brazilian market, an environment characterized by cultural, economic, and social particularities that significantly influence B2B relationship dynamics. As the largest country in Latin America, Brazil presents economic factors such as regional income disparities and various cultural differences that, together, shape the behavior of local consumers and businesses (Torres & Dessen, 2008).

To develop this study, a descriptive and quantitative methodology was applied, employing a survey with managers from Brazilian B2B companies. The analysis utilized structural equation modeling (SEM). The article is structured into five main sections. Following this introduction, the theoretical foundation discusses key concepts such as digital and content marketing, as well as thought leadership, and proposes research hypotheses. The methodology section describes the data collection and analysis procedures. Next, the results are discussed, testing the proposed hypotheses. Finally, the study presents the theoretical and managerial implications of the findings, along with limitations and suggestions for future research.

2. Theoretical Foundation and Research Hypotheses

This section presents the theoretical arguments that underpin this study, as well as the research hypotheses.

2.1 Digital Marketing and the B2B Market

The internet has opened a vast field of possibilities for businesses and consumers, offering a platform for deeper interaction and unprecedented personalization (Kotler & Keller, 2018). Additionally, the development of the smartphone market has led a large portion of people to use the internet intensively, spending more time on these devices than on others (Faustino, 2019). With mobile accessibility, increased connectivity, and higher internet speed, marketing has evolved to a new level—digital

marketing, which consists of applying communication and marketing strategies to promote products and services through digital channels such as websites, blogs, social media, and mobile applications (Lashgari et al., 2018; Faustino, 2019).

In organizational or Business-to-Business (B2B) markets, which refer to companies that produce goods and services used by other businesses in the production of additional goods or services (Kotler & Keller, 2018), digital marketing also plays a fundamental role. It is primarily used to attract new customers, maintain long-term relationships, and increase brand recognition (Pandey, Nayal, & Rathore, 2020), including efforts in social media (Pandey & Gudipudi, 2019).

In the context of direct communication and sales, digital channels stand out as the most dynamic and fastest-growing, allowing companies to provide personalized information and strengthen relationships with consumers, thereby increasing the effectiveness of digital marketing strategies (Kotler & Keller, 2018). However, to capitalize on this opportunity, companies must establish clear goals for their digital channels, including social media. This involves defining relevant content, selecting appropriate platforms, structuring channels, determining the role of moderators, and adopting approaches to information accessibility (Lashgari et al., 2018). Additionally, it is essential to monitor performance using key performance indicators (KPIs) aligned with marketing and sales strategies (Pandey, Nayal, & Rathore, 2020).

Content development, related to content marketing and inbound marketing, aims to attract consumers by providing relevant information and personalized experiences, avoiding intrusive methods. It focuses on creating value for consumers, thereby facilitating the development of long-term relationships (Faustino, 2019; Kotler, Kartajaya, & Setiawan, 2017; Halligan & Shah, 2010). Furthermore, it involves creating and disseminating valuable content that enhances consumers' lives and strengthens their identification with the brand (Kotler, Kartajaya, & Setiawan, 2017).

In B2B markets, developing high-quality content tailored to the needs of the target audience is crucial. Inbound marketing is widely adopted for its efficiency in reaching the target audience while optimizing resource utilization (Halligan & Shah, 2010). B2B content marketing does not focus on

direct persuasion but instead invests in media to attract target customers through relevant content, demonstrating the value of a company's products or services (Wang et al., 2019). The goal is to drive traffic to the company's website or blog, generate leads, increase brand awareness, and reduce customer acquisition costs (Faustino, 2019).

Additionally, collaborating with influencers who possess specialized knowledge is a valuable strategy for establishing significant brand differentiation and fostering customer loyalty (Hoyo & Molano, 2020; Hafiz et al., 2024). This can be effectively implemented in B2B markets through a thought leadership strategy. Magno and Cássia (2019) emphasize that establishing oneself or collaborating with a thought leader in a specific industry is a strategic move that helps secure a competitive advantage in the market. This strategy, the central focus of this article, is addressed in the next section.

2.2 Thought Leadership Approach

The impact of digital content created by marketing professionals in B2B markets and its effect on organizational buyer decisions has garnered academic and professional interest. The role of this content in guiding buyers seeking best practices and insights across various industries has been widely observed (Barry & Girona, 2019).

This approach has established a new domain of influencer marketing in B2B markets, known as Thought Leadership or Opinion Leadership, defined as an original and inspired thinker who takes principled positions (Klein, 2020). This leader—whether an individual or an organization—engages in Thought Leadership by generating and disseminating innovative ideas that benefit businesses (Young, 2013). It has become an essential practice for business success (Harvey et al., 2021), including in the development of competitive advantages for organizations (Harvey et al., 2021; Young, 2013).

In this sense, Thought Leadership represents a form of corporate social capital, which takes time to accumulate and should be seen as an investment (Magno & Cassia, 2019). It is a fundamental strategic

tool for the success and evolution of organizations (Young, 2013). However, to establish Thought Leadership, companies must first identify relevant and useful topics for their audience, which may include current and potential customers, as well as decision-making unit members within those organizations. Next, they must develop and implement effective digital content linked to the brand, adopting a problem-solving approach. This involves demonstrating a willingness to share valuable contributions that help customers make informed decisions, without necessarily expecting an immediate return (Magno & Cassia, 2019).

Thought Leadership emerges as an essential, though not central, extension of brand positioning strategy. Through this approach, companies educate their audience, creating a favorable framework for product and service acceptance, and preparing the market for new offerings (Meyer, 2019). It also introduces innovative concepts, which can effectively create new markets, positioning the company as a leader in emerging sectors and shaping industry direction and growth (Young, 2013).

In a multi-sectoral B2B market context, Magno and Cassia (2019) proposed and tested a model to explain how a company's Thought Leadership indirectly enhances customer relationship performance. In this model, the tested relationships included Thought Leadership capability and its effects on Thought Leadership itself, as well as brand performance. Additionally, they assessed brand performance and its effect on customer relationship performance, along with the effects of social media capability on Thought Leadership capability, Thought Leadership itself, and brand performance. All proposed relationships were positively confirmed, showing that Thought Leadership enhances brand performance, which, in turn, has positive effects on customer relationships.

To better understand these relationships, it is important to distinguish Thought Leadership capability from Thought Leadership itself. Following Barry and Gironde (2017), capability refers to the competence to exercise leadership, while leadership itself represents the outcome, reflected in the recognition of a trustworthy authority. Therefore, establishing Thought Leadership requires the ability to create high-quality, cutting-edge content that can be disseminated on social media to attract

attention and build customer trust (Magno & Cassia, 2019).

2.2.1 Thought Leadership and Customer Relationship Performance

Customers' recognition that a supplier exercises Thought Leadership fosters positive brand associations and attitudes, granting it the status of a trusted brand (Holliman & Rowley, 2014). Since trust is a crucial foundation for strengthening and maintaining relationships between customers and suppliers (Bradford, Crant, & Phillips, 2009; Putnam, 2000), a direct relationship between Thought Leadership and customer relationship performance is suggested.

By executing all the necessary steps toward Thought Leadership in B2B contexts, including the ability to identify valuable ideas and relevant topics, develop content and specialized knowledge around those ideas (Tiwarly et al., 2021; Taiminen & Ranaweera, 2019), and effectively communicate them on social media (Neuhaus, Millemann, & Nijssen, 2022), B2B brands can engage customers (Cawsey & Rowley, 2016), which stimulates the development of business relationships (Hirvonen et al., 2015). Thus, a company's digital presence enables customer monitoring and communication, positively influencing satisfaction (Itani, Agnihotri, & Dingus, 2017) and playing a vital role in the customer relationship (Lassar, Roy, & Makam, 2016).

Additionally, studies on digital content marketing (Taiminen & Ranaweera, 2019) indicate that B2B brands with strong market performance in terms of reputation and engagement tend to positively increase their relationship value—that is, customers' perception that the brand is meaningful to them and that a relationship with the brand provides concrete advantages. By offering valuable content that creates an emotional connection with the user, brands can leave a lasting impression and strengthen customer engagement with the brand (Hoyo & Molano, 2020). Consequently, companies are recognizing the strategic importance of social media and are making progress in how they can be tactically utilized (Islam & Chitran, 2022).

Thus, this study will test the following hypothesis:

H1. Thought Leadership positively influences customer relationship performance.

2.2.2 Thought Leadership and the Behavior of Positive e-WOM Generation and

Brand Advocacy

Based on the understanding that the ability to create and share relevant and innovative brand content will foster goodwill from customers (Bourdieu, 1986), it is observed that this may generate a positive word-of-mouth (e-WOM) effect as well as brand advocacy behavior. Specifically, the perception that a company is a leading authority and a reference source in its field of expertise positively influences customer attitudes and their connection with the brand (Barry & Gironda, 2017). Jiménez-Castillo and Sánchez-Fernández (2019) also report that the perceived influence power of digital influencers not only drives engagement but also enhances both the expected value and the behavioral intention toward recommended brands.

Thus, customers tend to refer primarily to brands that demonstrate a high level of utility, as they perceive them as capable of interpreting and communicating relevant information (Taiminen & Ranaweera, 2019). After all, they represent a saturated and skeptical audience that demands truthful and impartial information (Hoyo & Molano, 2020). Therefore, relevant and valuable brand content for current and potential customers on digital platforms can strengthen favorable brand engagement (Hollebeek & Macky, 2019; Salo, 2017).

Considering these arguments, the following hypotheses are proposed:

H2. Thought Leadership directly and positively influences positive e-WOM behavior.

H3. Thought Leadership directly and positively influences brand advocacy behavior.

2.2.3 Customer Relationship Performance and Word-of-Mouth (e-WOM) Behavior

When a high-performance customer relationship is established, word-of-mouth (WOM) behavior can be observed in the customer's willingness to recommend their supplier to other clients (Mohan, Nyadzayo, & Casidy, 2021; Kikumori & Ishii, 2023). This referral, when spontaneous, is defined as word-of-mouth (WOM) and represents an individual's favorable (or unfavorable) personal recommendations to others regarding a company and its products or services (Akbari et al., 2022).

In digital environments, electronic word-of-mouth (e-WOM) can occur on web-based review platforms, such as discussion forums, boycott websites, and news groups, including any positive or

negative statements made by potential, current, or former customers about a product or company, accessible to a broad audience of people and institutions through the Internet (Hennig- Thureau et al., 2004). This phenomenon has undeniable effects on companies' financial performance (Rosario, Valck, & Sotgiu, 2019).

According to Grönroos (2004), committed customers have the potential to promote their supplier by recommending it through word-of-mouth (WOM), which can be further amplified by the Internet as a medium for electronic word-of-mouth communication (e-WOM) (Gruen et al., 2006). The latter author also mentions that knowledge exchange influences customer perceptions of product value and the likelihood of recommending the product.

The accumulation of interactions and the development of relationships over time increase the likelihood that customers will engage in spontaneous recommendations. These interaction episodes form sequences that create deeper connections, resulting in greater customer willingness to promote the company, either through WOM or e-WOM (Grönroos, 2004).

In the digital marketing context, online consumer reviews (OCRs) have become a crucial tool in purchase decision-making, as consumers increasingly rely on online customer reviews to obtain product quality insights (Filiari, 2015). Additionally, Sarmiento Guede, Esteban Curiel, and Antonovica (2018) observe that in B2B contexts, there is strong evidence that relationship quality, particularly customer commitment, significantly influences positive e-WOM generation.

Considering these arguments, this study proposes the following hypothesis:

H4. Positive customer relationship performance directly influences positive e-WOM generation.

2.2.4 Brand Advocacy Behavior

In addition to word-of-mouth (WOM), brand advocacy for products and services has played a vital role in marketing (Jillapalli & Wilcox, 2010). It is defined as the extent to which customers actively recommend or support a specific brand within a product category (Badrinarayanan & Laverie, 2011). A brand advocate, in turn, is a highly loyal and engaged customer who spontaneously promotes a

company or product without receiving financial compensation or special incentives. They share positive experiences and recommend the brand to colleagues, friends, and online communities, helping to increase the brand's influence and reach in an authentic and credible manner (Fuggetta, 2012).

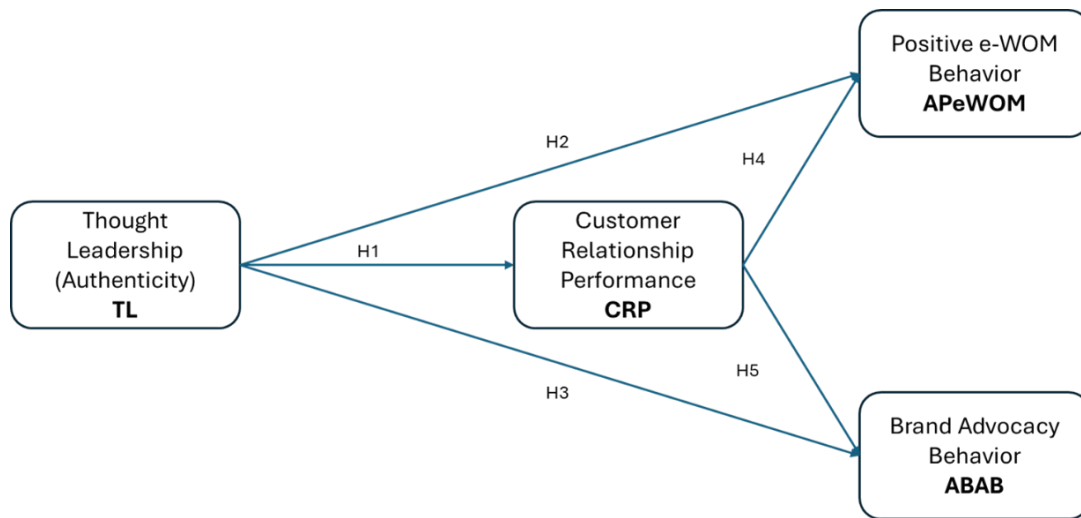
Considering the specific characteristics of relationships in B2B markets, Pai et al. (2015) define brand advocacy as a behavior in which industrial buyers: intend to try new products launched by the brand, share positive information about the brand with others, and are resilient to negative information. According to a study by Wilk, Soutar, and Harrigan (2020), consumer brand loyalty and brand identification are considered predictors of brand advocacy behavior, directly impacting purchase intention. Furthermore, they identified a strong reciprocal relationship between brand advocacy and brand loyalty, a finding not reported in previous studies. Since brand loyalty and consumer identification are behaviors present in customer relationship management discussions, these arguments lead us to propose the following hypothesis:

H5. Positive customer relationship performance directly influences brand advocacy behavior.

2.2.5 Theoretical Model

Based on the hypotheses and their supporting arguments, Figure 1 presents the theoretical model to be tested.

Figure 1: Theoretical Model



Source: Prepared by the authors (2024).

3. Methodology

The present study is characterized as a descriptive research. Millner, Robinaugh, and Nock (2020) mention that research of this type is one of the best ways to inform, assess, and advance a part of a model, focusing on the precise specification of a relationship within a formal theory. Concurrently, the approach chosen to measure the study's hypotheses is quantitative, as it seeks to analyze data in search of trends and relationships between variables (Watson, 2015). Aligned with these choices, the procedure used for data collection was the survey method (Story & Tait, 2019).

Data were collected using convenience and snowball sampling (Rahi, 2017) from Brazilian companies engaged in B2B (business-to-business) commercial transactions and with a presence in digital communication channels. To identify these companies, a survey was conducted on LinkedIn, search engines, and Instagram. Additionally, for the initially identified contacts, respondents were asked to refer potential participants among their peers who fit the desired profile. A message was sent to the representatives of all identified companies (490), from which 106 responses were obtained. Data collection took place over a period of 60 days, between August and September 2024.

An initial analysis was conducted to confirm whether the responding companies had an active social media profile, with at least one post in the last six months. The choice of the analyzed posting period

and selected social networks partially followed the indication of Magno and Cassia (2019), who used LinkedIn and Facebook, in addition to Twitter. In this study, Twitter (now X) was not used due to issues the platform was experiencing in Brazil during the research period. This led to the inclusion of Instagram, whose potential for B2B use is evidenced in studies by Yaghtin et al. (2020) and Moseler and Mörk (2021).

Following this analysis, the final sample consisted of 82 valid cases, representing a response rate of 16.7%. Among them, 1.22% indicated that their companies are smaller than their main competitors, 17.07% are in an intermediate position, comparable to other competitors, 63.41% are among the top three competitors, and 18.29% are market leaders. Regarding the industry sector, 23.17% of respondents are in the primary sector, related to agriculture, livestock, and extractivism. The majority, 46.34%, operate in the secondary sector, linked to industry, while 26.83% belong to the tertiary sector, focused on services, and 3.66% to the tertiary sector related to product trade. Geographically, 1.22% of respondents are located in the North and another 1.22% in the Northeast. In the Southeast, 6.10% of participants are located, while the vast majority, 91.46%, are in the South. No respondents were recorded in the Central-West region. Regarding job positions, 37.80% of respondents are marketing or commercial managers, 45.12% are business owners, and 17.07% hold other positions with expertise in digital marketing. The research instrument was a questionnaire. In addition to the questions that allowed the characterization of the participating companies and respondents, its structure was originally composed of 15 items arranged on a 7-point Likert scale of agreement. These items form the Thought Leadership (TL) and Customer Relationship Performance (CRP) constructs, used by Magno and Cassia (2019), comprising three items in each dimension. The four items used in the scale to measure online word-of-mouth behavior (APeWOM) were adapted from the study by Gremler and Gwinner (2000), also used by Lacey and Morgan (2008). Finally, the five items used for the Brand Advocacy Behavior (ABAB) construct are based on the study by Wilk, Soutar, and Harrigan (2020).

After translating the questionnaire into Brazilian Portuguese (BR), a pre-test was conducted with five

marketing managers. During this process, there were comments regarding the comprehension of some statements, which were adjusted and validated through further contact with the participants of this stage.

Data analysis was performed using Structural Equation Modeling (SEM), with the Robust Diagonally Weighted Least Squares (RDWLS) estimation method, which is suitable for handling categorical data and non-normal distributions. This approach allows for robust modeling, providing second-order corrections for the chi-square test, as described by Asparouhov and Muthén (2010), improving estimation accuracy and adjusting degrees of freedom to ensure greater rigor in evaluating the proposed hypotheses. Additionally, the analysis was conducted using the JASP software, which offers an intuitive interface and real-time results, facilitating the execution of statistical tests and their formatting for scientific publication (Love et al., 2019).

4. Results

Initially, the theoretical model of the proposed relationships was tested to evaluate the fit indices based on the required criteria for Structural Equation Modeling (SEM). The analysis technique was chosen due to its ability to test the relationship between observed and latent variables simultaneously, allowing for a robust assessment of the relationships proposed in the theoretical model. The analysis was implemented using the Robust Diagonally Weighted Least Squares (RDWLS) estimation method, which is appropriate for categorical data (DiStefano & Morgan, 2014; Li, 2015).

The fit indices used were: χ^2 , χ^2/df , Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), Standardized Root Mean Residual (SRMR), and Root Mean Square Error of Approximation (RMSEA). The χ^2/df ratio should be < 5 or, preferably, < 3 ; CFI and TLI values should be > 0.90 and, preferably, above 0.95; RMSEA values should be < 0.08 or, preferably, < 0.06 , with a confidence interval (upper bound) < 0.10 (Brown, 2015).

The initial tests from the Confirmatory Factor Analysis (CFA) indicated the need for adjustments and the exclusion of two items from the Brand Advocacy Behavior (ABAB) construct, which originally consisted of five items, leaving only three items in the final model. The new Confirmatory Factor

Analysis (Table 1) indicated that the model achieved satisfactory fit (Bagozzi & Yi, 2012). In detail, χ^2 (df = 59; p > 0.111) was equal to 72.503, with a χ^2 /df ratio of 1.23, which is below the cutoff point of 5 (Brown, 2015). Additionally, the CFI was 0.99, exceeding the suggested threshold of 0.95 (Brown, 2015). Finally, the Root Mean Square Error of Approximation (RMSEA) was 0.053 (Brown, 2015) and the Standardized Root Mean Residual (SRMR) was 0.053, both below the recommended cutoff point of 0.06 (Brown, 2015).

Table 1 - Theoretical Mediation Model

Construct	Item	Mean	SD	Factor Loading	Standardized
Thought Leadership (Authenticity) - TL - (Cronbach's α : 0.934; McDonald's ω : 0.936)	<i>Based on the content we share on social media, we believe our company is recognized by our audience as:</i>				
	TL1 - Our company is recognized as a leading authority in matters related to our sector	5.012	1.629	0.932	0.932
	TL2 - A trustworthy and top-tier voice (among the most relevant)	5.378	1.561	0.959	0.959
	TL3 - A reference in our field of expertise	5.561	1.572	0.897	0.897
Customer Relationship Performance - CRP - (Cronbach's α : 0.939; McDonald's ω : 0.941)	<i>Regarding our company's use of social media, these strategies:</i>				
	CRP1 - Have contributed to improving our performance in customer satisfaction	5.159	1.535	0.860	0.860
	CRP2 - Have contributed to improving our performance in maintaining current customers	5.171	1.585	0.959	0.959
	CRP3 - Have contributed to improving our performance in customer relationship development	5.220	1.466	0.970	0.970
Electronic Word-of-Mouth - APeWOM - (Cronbach's α : 0.954; McDonald's ω : 0.955)	<i>Considering word-of-mouth communication, our customers are:</i>				
	APeWOM1 - Willing to encourage others to do business with our company	5.951	1.164	0.995	0.995
	APeWOM2 - Willing to recommend our company whenever someone seeks their advice	6.024	1.111	0.990	0.990
	APeWOM4 - Willing to recommend our company to their colleagues	6.085	1.021	0.985	0.985
Brand Advocacy	<i>We have customers in our portfolio who are capable of:</i>				
	ABAB1 - Defend our brand if people speak negatively about it on social media.	5.256	1.522	0.949	0.949

Behavior - ABAB2 - Show support for our brand on social media if there are negative public discussions about it (Cronbach's α : 0.952;	5.195	1.551	0.956	0.956
McDonald's ω : 0.954) ABAB3 - Show support for our brand on social media if there are negative public discussions about it.	5.378	1.367	0.963	0.963

Source: Research data (2024).

The table presents the internal reliability coefficients for the TL, CRP, APeWOM, and ABAB dimensions, using Cronbach's alpha and McDonald's omega. For TL, the Cronbach's coefficient (0.934) and McDonald's coefficient (0.936) indicate excellent internal reliability. In the CRP dimension, the values are also high, with 0.939 (α) and 0.941 (ω). The APeWOM dimension demonstrates even greater reliability, with an alpha of 0.954 and an omega of 0.955. Finally, ABAB exhibits high consistency, with 0.952 (α) and 0.954 (ω). All coefficients reflect excellent reliability of the items in measuring the constructs.

The results (Table 2 and Figure 2) indicate that the structural model estimation was valid. The χ^2 value (df = 59, p = 0.111) was 72.503, resulting in a χ^2 /df ratio of 1.23, which is below the recommended cutoff of 3, as suggested by Kline (2011), indicating a good model fit. Additionally, the RMSEA and SRMR indices showed values of 0.053, both below the cutoff point of 0.07, according to Bagozzi and Yi (2012), reinforcing the quality of the model fit. The CFI reached a value of 0.999, highlighting the model's robustness, also in line with the criteria established by Bagozzi and Yi (2012).

The proposed hypotheses were tested, revealing that the relationship between Thought Leadership (TL) and Customer Relationship Performance (CRP), which corresponds to Hypothesis 1, is positive and significant (standardized coefficient = 0.427, p < 0.001), indicating a relevant impact of TL on CRP. However, the relationship between Thought Leadership (TL) and Positive e-WOM Generation (APeWOM), which pertains to Hypothesis 2, was not confirmed, as it was not significant (standardized coefficient = 0.120, p = 0.257), suggesting that in this model, Thought Leadership does not exert a significant influence on Electronic Word-of-Mouth. Regarding the direct effects, Hypothesis 3 is confirmed, as Thought Leadership (TL) has a positive and significant influence on

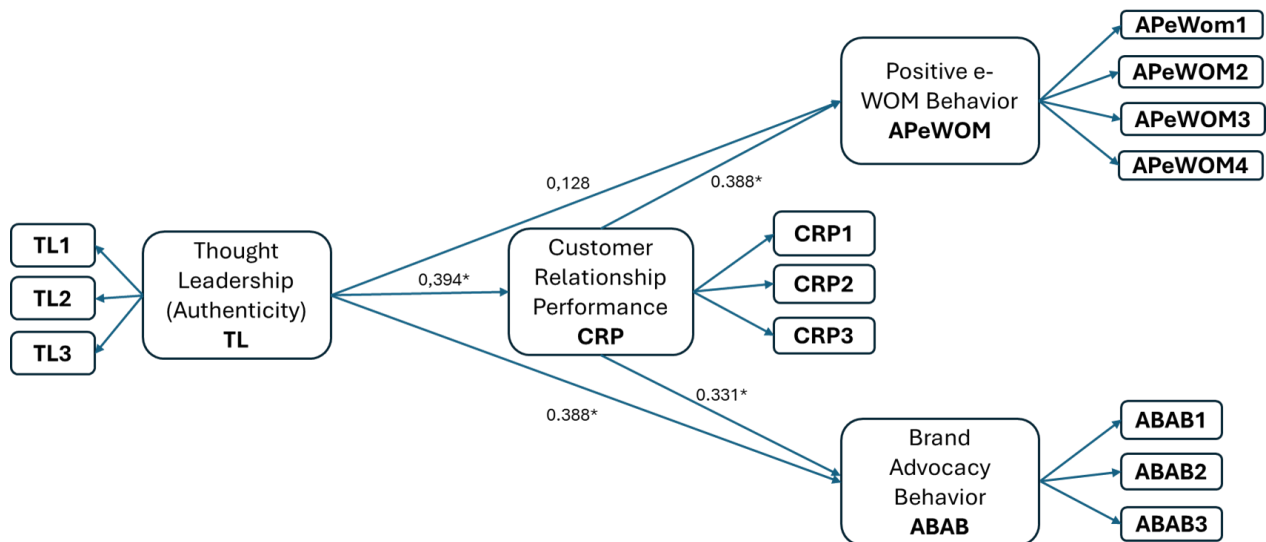
Brand Advocacy Behavior (ABAB) (standardized coefficient = 0.367, $p < 0.001$).

Table 2 - Structural Model Hypothesis Test Results

Effects and model fit	S.E.	Std. coeff.	p
H1 TL → CRP	0.394	0.427	< .001
H2 TL → APeWOM	0.128	0.120	0.257
H3 TL → ABAB	0.374	0.367	< .001
H4 CRP → APeWOM	0.388	0.335	< .001
H5 CRP → ABAB	0.331	0.300	< .001
Model fit			
χ^2	72503, df=59, p:0.111		
RMSEA	0.053		
SRMR	0.053		
CFI	0.999		

Source: Research data (2024).

Figure 2: Structural Model.



Source: Research data (2024).

*Note: $p > 0.005$.

Customer Relationship Performance (CRP) has a significant and positive effect on Authentic Positive e-WOM Behavior (APeWOM) (standardized coefficient = 0.335, $p < 0.001$) and also significantly and positively affects Authentic Brand Advocacy Behavior (ABAB) (standardized coefficient = 0.300, $p < 0.001$). Overall, the results indicate that Thought Leadership (TL) has a

significant influence on Customer Relationship Performance (CRP) and Authentic Brand Advocacy Behavior (ABAB) but not directly on Authentic Positive e-WOM Behavior (APeWOM). However, Customer Relationship Performance (CRP) proved to be an important mediator, positively impacting both APeWOM and ABAB. This suggests that strengthening customer relationships can be a key pathway for companies to indirectly benefit from Thought Leadership, especially in the B2B context.

5. Discussion and Conclusion

5.1 Theoretical Implications

Thought Leadership (TL) has been shown to have a positive and significant effect on Customer Relationship Performance (CRP). This aligns with research suggesting that TL can increase customer trust and create positive brand associations, strengthening the relationship between customer and company. The study by Bradford, Crant, & Phillips (2009), conducted in the B2B sector, demonstrated how these dynamics influence corporate relationship performance. Similarly, Holliman & Rowley (2014), in their B2C sector research, highlighted that TL can reinforce the brand-consumer bond, enhancing relationship performance. Magno and Cassia (2019) indicate that Thought Leadership on social media also helps improve customer relationships in B2B markets, impacting brand performance. This demonstrates how Thought Leadership strategies on social media can increase trust and audience engagement.

Additionally, it was found that Thought Leadership has a significant direct impact on Brand Advocacy Behavior (ABAB). This finding aligns with the research conducted by Wilk, Soutar, and Harrigan (2020) in other countries, such as the USA, the UK, and France, as well as Jiménez-Castillo and Sánchez-Fernández (2019), who report that the more loyal consumers are to a brand, the more likely they are to defend it on social media if necessary. While these authors did not study this behavior in B2B markets, it demonstrates that in this context as well, when consumers perceive a brand as an authority in its sector, it not only increases their loyalty but also motivates them to defend it, as mentioned by Barry and Gironda (2017). Therefore, Thought Leadership is an important factor in

fostering brand advocacy in B2B relationships. Thus, our conclusion is not limited to the Brazilian context but has broader implications, aligning with international findings and reflecting similar behaviors.

On the other hand, the direct relationship between Thought Leadership and APeWOM was not significant. This suggests that Customer Relationship Performance (CRP) plays a crucial role in generating positive recommendations. In other words, this reinforces the idea that Thought Leadership, to generate APeWOM, must be supported by strong customer relationships, both in B2C and B2B contexts (Hennig-Thurau et al., 2004; Grönroos, 2004). Mohan, Nyadzayo, and Casidy (2021) further emphasize that a solid customer relationship stimulates spontaneous recommendations and public brand advocacy in B2B relationships.

Aligned with this, Kikumori and Ishii (2023) highlight that electronic word-of-mouth (APeWOM) can either enhance or harm relationship performance, depending on the conditions in which it is applied. It is important to mention that their research was also conducted in a B2B context, emphasizing how APeWOM can have opposing effects, with both positive and negative mechanisms influencing relationship performance between companies. This occurs in both digital platforms and personal interactions. The influence of Customer Relationship Performance (CRP) on APeWOM and ABAB was also confirmed in this study. It is observed that in supplier-customer relationships in B2B markets, this behavior is also activated, reinforcing these findings.

Considering the described results, it is concluded that Thought Leadership has a significant positive effect on Customer Relationship Performance (CRP), in addition to encouraging customers to become brand advocates, which is extremely beneficial for companies. Although the research did not identify a direct relationship between Thought Leadership and electronic word-of-mouth (APeWOM), it is crucial to recognize that a strong customer relationship is the foundation for generating positive recommendations. Customer engagement and satisfaction are essential for them to promote the brand spontaneously and authentically.

6. Managerial Implications

The results of this study provide managers with solid evidence of the effectiveness of the Thought Leadership (TL) strategy in strengthening customer relationships. Thought Leadership plays a crucial role in building trust, increasing the perception of the company's authority in the sector. This, in turn, strengthens the bond between the company and its customers, generating greater loyalty and engagement (Hennig-Thurau et al., 2004). Companies that promote Thought Leadership are more likely to be perceived as trustworthy and respected, which significantly contributes to customer retention and the construction of a solid reputation (Taiminen & Ranaweera, 2019).

To promote Thought Leadership, companies must first identify relevant and useful topics for their target audience, which may include both current and potential customers, as well as decision-making team members within client organizations (Hollebeek & Macky, 2019; Salo, 2017). Subsequently, it is essential to develop and implement effective digital content, adopting a problem-solving approach and demonstrating a willingness to share valuable knowledge that helps customers make informed decisions. While it is important to associate the brand with the shared content, an immediate return should not be expected. Thought Leadership, like corporate social capital, takes time to build and should be viewed as a long-term investment (Magno & Cassia, 2019).

Thus, Thought Leadership must be planned as a continuous strategy, which begins with acquiring essential capabilities and involves the ongoing development and distribution of relevant content. In general, the pursuit of innovative leadership should be seen as a continuous process of strategic positioning, both on social media and within the professional circles of the industry in which the company operates (Young, 2013). By achieving high customer relationship performance (CRP), positive word-of-mouth (APeWOM) behavior can be observed, reflected in the customer's willingness to recommend their supplier to others (Mohan, Nyadzayo, & Casidy, 2021).

7. Limitations and Suggestions for Future Studies

Despite the significant results, this research presents a limitation that should be acknowledged. The

data collection method used was convenience sampling, which may have limited the representativeness of the respondents. Non-probabilistic sampling may not adequately reflect the diversity of companies operating in the B2B context. Additionally, we encountered challenges in engaging respondents. The survey was sent to 490 companies, but only 82 responses were valid. Even though the measurement model was confirmed, this low response rate may also affect the generalization of the results, highlighting another limitation of the study.

Although this study provided significant evidence on the influence of Thought Leadership (TL) on Brand Advocacy Behavior (ABAB), it is essential to identify opportunities for future research. Given the rapid advancement of artificial intelligence technologies and their capacity to transform the consumer experience (Peltier, Dahl, & Schibrowsky, 2023), future studies could investigate how the implementation of AI tools may amplify or modify the effects of Thought Leadership and Brand Advocacy Behavior.

Furthermore, conducting a longitudinal study, tracking changes in customer relationship performance (CRP) and brand advocacy behavior (ABAB) over time, would allow for a deeper understanding of the evolution of these variables in response to changes in Thought Leadership strategies. Additionally, future studies could explore a comparison between companies of different sizes and sectors. This would provide a broader understanding of the effectiveness of Thought Leadership across various organizational contexts, generating more robust and applicable insights for a wider range of industries and markets.

References

- Akbari, M., Foroudi, P., Fashami, R. Z., Mahavarpour, N., & Khodayari, M. (2022). Let us talk about something: The evolution of e-WOM from the past to the future. *Journal of Business Research*, 149, 663–689. <https://doi.org/10.1016/j.jbusres.2022.05.061>
- Asparouhov, T., & Muthén, B. (2010). *Simple second order chi-square correction*. Muthén and Muthén.
- Badrinarayanan, V., & Laverie, D. A. (2011). Brand advocacy and sales effort by retail salespeople: Antecedents and influence of identification with manufacturers' brands. *Journal of Personal Selling & Sales Management*, 31(2), 123–140. <https://doi.org/10.2753/PSS0885-3134310202>
- Brown, T. A. (2015). *Confirmatory factor analysis for applied research*. Guilford Publications.

- Cawsey, T., & Rowley, J. (2016). Social media brand building strategies in B2B companies. *Marketing Intelligence & Planning*, 34(6), 754–776. <https://doi.org/10.1108/mip-04-2015-0079>
- DiStefano, C., & Morgan, G. B. (2014). A comparison of diagonal weighted least squares robust estimation techniques for ordinal data. *Structural Equation Modeling: A Multidisciplinary Journal*, 21(3), 425–438. <https://doi.org/10.1080/10705511.2014.915373>
- Faustino, P. (2019). *Marketing digital na prática*. DVS Editora.
- Filieri, R. (2015). What makes online reviews helpful? A diagnosticity-adoption framework to explain informational and normative influences in e-WOM. *Journal of Business Research*, 68(6), 1261–1270. <https://doi.org/10.1016/j.jbusres.2014.11.006>
- Fuggetta, R. (2012). *Brand advocates: Turning enthusiastic customers into a powerful marketing force*. John Wiley & Sons.
- Gremler, D. D., & Gwinner, K. P. (2000). Customer-employee rapport in service relationships. *Journal of Service Research*, 3(1), 82–104. <https://doi.org/10.1177/109467050031006>
- Grönroos, C. (2004). The relationship marketing process: Communication, interaction, dialogue, value. *Journal of Business & Industrial Marketing*, 19(2), 99–113. <https://doi.org/10.1108/08858620410523981>
- Gruen, T. W., Osmonbekov, T., & Czaplewski, A. J. (2006). eWOM: The impact of customer-to-customer online know-how exchange on customer value and loyalty. *Journal of Business Research*, 59(4), 449–456. <https://doi.org/10.1016/j.jbusres.2005.10.004>
- Guede, J. R. S., Curiel, J. de E., & Antonovica, A. (2018). Word-of-mouth communication as consequence of relationship quality in online environments. *Palabra Clave - Revista de Comunicación*, 21(4), 1075–1106. <https://doi.org/10.5294/pacla.2018.21.4.6>
- Halligan, B., Shah, D., & Scott, D. M. (2010). *Inbound marketing: Seja encontrado usando o Google, a mídia social e os blogs*. Alta Books.
- Harvey, W. S., Mitchell, V.-W., Jones, A. A., & Knight, E. (2021). The tensions of defining and developing thought leadership within knowledge-intensive firms. *Journal of Knowledge Management*, 25(11), 1–33. <https://doi.org/10.1108/JKM-06-2020-0431>
- Hennig-Thurau, T., Gwinner, K. P., Walsh, G., & Gremler, D. D. (2004). Electronic word-of-mouth via consumer-opinion platforms: What motivates consumers to articulate themselves on the internet? *Journal of Interactive Marketing*, 18(1), 38–52. <https://doi.org/10.1002/dir.10073>
- Holliman, G., & Rowley, J. (2014). Business to business digital content marketing: Marketers' perceptions of best practice. *Journal of Research in Interactive Marketing*, 8(4), 269–293. <https://doi.org/10.1108/JRIM-02-2014-0013>
- Hoyo, C. R. del, & Molano, M. M. (2020). El branded content como estrategia (no) publicitaria. *Pensar la Publicidad: Revista Internacional de Investigaciones Publicitarias*, 14(1), 65–75. <https://doi.org/10.5209/pepu.68369>
- Itani, O. S., Agnihotri, R., & Dingus, R. (2017). Social media use in B2B sales and its impact on competitive intelligence collection and adaptive selling: Examining the role of learning orientation as an enabler. *Industrial Marketing Management*, 66, 64–79. <https://doi.org/10.1016/j.indmarman.2017.06.012>
- Jillapalli, R. K., & Wilcox, J. B. (2010). Professor brand advocacy: Do brand relationships matter? *Journal of Marketing Education*, 32(3), 328–340. <https://doi.org/10.1177/0273475310380880>
- Jiménez-Castillo, D., & Sánchez-Fernández, R. (2019). The role of digital influencers in brand

- recommendation: Examining their impact on engagement, expected value and purchase intention. *International Journal of Information Management*, 49, 366–376. <https://doi.org/10.1016/j.ijinfomgt.2019.07.009>
- Kikumori, M., & Ishii, R. (2023). Does B2B WOM usage matter to channel relationship performance? The roles of organizational culture and psychic distance. *Industrial Marketing Management*, 114, 286–296. <https://doi.org/10.1016/j.indmarman.2023.08.015>
- Kotler, P., & Keller, K. L. (2018). *Administração de marketing*. Pearson.
- Kotler, P., Kartajaya, H., & Setiawan, I. (2017). *Marketing 4.0: Do tradicional ao digital*. GMT Editores Ltda.
- Lacey, R., & Morgan, R. M. (2008). Customer advocacy and the impact of B2B loyalty programs. *Journal of Business & Industrial Marketing*, 24(1), 3–13. <https://doi.org/10.1108/08858620910923658>
- Lashgari, M., Sutton-Brady, C., Søylen, K. S., & Ulfvengren, P. (2018). Adoption strategies of social media in B2B firms: A multiple case study approach. *Journal of Business & Industrial Marketing*, 33(5), 730–743. <https://doi.org/10.1108/jbim-10-2016-0242>
- Li, C.-H. (2015). Confirmatory factor analysis with ordinal data: Comparing robust maximum likelihood and diagonally weighted least squares. *Behavior Research Methods*, 48(3), 936–949. <https://doi.org/10.3758/s13428-015-0619-7>
- Love, J., Selker, R., Marsman, M., Jamil, T., Dropmann, D., Verhagen, J., Ly, A., Gronau, Q. F., Smíra, M., & Epskamp, S. (2019). JASP: Graphical statistical software for common statistical designs. *Journal of Statistical Software*, 88(2), 1–17. <https://doi.org/10.18637/jss.v088.i02>
- Magno, F., & Cassia, F. (2019). Establishing thought leadership through social media in B2B settings: Effects on customer relationship performance. *Journal of Business & Industrial Marketing*, 35(3), 437–446. <https://doi.org/10.1108/jbim-12-2018-0410>
- Mero, J., Vanninen, H., & Keränen, J. (2023). B2B influencer marketing: Conceptualization and four managerial strategies. *Industrial Marketing Management*, 108, 79–93. <https://doi.org/10.1016/j.indmarman.2022.10.017>
- Meyer, V. (2019). *Thought leadership in the business to business environment*. International Marketing and Management. Retrieved from https://research.cbs.dk/files/59798464/643566_Master_thesis_115838_Victoria_Meyer.pdf
- Millner, A. J., Robinaugh, D. J., & Nock, M. K. (2020). Advancing the understanding of suicide: The need for formal theory and rigorous descriptive research. *Trends in Cognitive Sciences*, 24(9), 704–716. <https://doi.org/10.1016/j.tics.2020.06.007>
- Mohan, M., Nyadzayo, M. W., & Casidy, R. (2021). Customer identification: The missing link between relationship quality and supplier performance. *Industrial Marketing Management*, 97, 220–232. <https://doi.org/10.1016/j.indmarman.2021.07.012>
- Moseler, C., & Mörk, O. (2021). Social media in B2B: The new kids on the block. *Management for Professionals*, 437–461. https://doi.org/10.1007/978-3-030-54292-4_18
- Neuhaus, T., Millemann, J. A., & Nijssen, E. (2022). Bridging the gap between B2B and B2C: Thought leadership in industrial marketing—a systematic literature review and propositions. *Industrial Marketing Management*, 106, 99–111. <https://doi.org/10.1016/j.indmarman.2022.08.006>
- Pai, D.-C., Lai, C.-S., Chiu, C.-J., & Yang, C.-F. (2013). Corporate social responsibility and brand advocacy in business-to-business markets: The mediated moderating effect of attribution. *Journal of Business Ethics*, 126(4), 685–696. <https://doi.org/10.1007/s10551-013-1979-5>

- Pandey, N., & Gudipudi, B. (2019). Understanding ‘what is privacy’ for millennials on Facebook in India. *Journal of Data Protection & Privacy*, 2(3), 224. <https://doi.org/10.69554/PMYA1731>
- Pandey, N., Nayal, P., & Rathore, A. S. (2020). Digital marketing for B2B organizations: Structured literature review and future research directions. *Journal of Business & Industrial Marketing*, 35(7), 1191–1204. <https://doi.org/10.1108/JBIM-06-2019-0283>
- Peltier, J. W., Dahl, A. J., & Schibrowsky, J. A. (2023). Artificial intelligence in interactive marketing: A conceptual framework and research agenda. *Journal of Research in Interactive Marketing*, 18(1), 54–90. <https://doi.org/10.1108/jrim-01-2023-0030>
- Rahi, S. (2017). Research design and methods: A systematic review of research paradigms, sampling issues and instruments development. *International Journal of Economics & Management Sciences*, 6(2), 1–5. <https://doi.org/10.4172/2162-6359.1000403>
- Reijonen, H., Hirvonen, S., Nagy, G., Laukkanen, T., & Gabrielsson, M. (2015). The impact of entrepreneurial orientation on B2B branding and business growth in emerging markets. *Industrial Marketing Management*, 51, 35–46. <https://doi.org/10.1016/j.indmarman.2015.04.016>
- Rosario, A. B., Valck, K. de, & Sotgiu, F. (2019). Conceptualizing the electronic word-of-mouth process: What we know and need to know about eWOM creation, exposure, and evaluation. *Journal of the Academy of Marketing Science*, 48(3), 422–448. <https://doi.org/10.1007/s11747-019-00706-1>
- Story, D. A., & Tait, A. R. (2019). Survey research. *Anesthesiology*, 130(2), 192–202. <https://doi.org/10.1097/aln.0000000000002436>
- Taiminen, K., & Ranaweera, C. (2019). Fostering brand engagement and value-laden trusted B2B relationships through digital content marketing. *European Journal of Marketing*, 53(9), 1759–1781. <https://doi.org/10.1108/ejm-10-2017-0794>
- Tiwary, N. K., Kumar, R. K., Sarraf, S., Kumar, P., & Rana, N. P. (2021). Impact assessment of social media usage in B2B marketing: A review of the literature and a way forward. *Journal of Business Research*, 131, 121–139. <https://doi.org/10.1016/j.jbusres.2021.03.028>
- Torres, C. V., & Dessen, M. A. (2008). Brazilian culture, family, and its ethnic-cultural variety. *Arizona Journal of Hispanic Cultural Studies*, 12(1), 189–202. <https://doi.org/10.1353/hcs.0.0038>
- Wang, W.-L., Malthouse, E. C., Calder, B., & Uzunoglu, E. (2019). B2B content marketing for professional services: In-person versus digital contacts. *Industrial Marketing Management*, 81, 160–168. <https://doi.org/10.1016/j.indmarman.2017.11.006>
- Watson, R. (2015). Quantitative research. *Nursing Standard*, 29(31), 44–48. <https://doi.org/10.7748/ns.29.31.44.e8681>
- Wilk, V., Soutar, G. N., & Harrigan, P. (2019). Online brand advocacy (OBA): The development of a multiple item scale. *Journal of Product & Brand Management*, 29(4), 415–429. <https://doi.org/10.1108/jpbm-10-2018-2090>
- Yaghtin, S., Safarzadeh, H., & Zand, M. K. (2020). Planning a goal-oriented B2B content marketing strategy. *Marketing Intelligence & Planning*, 38(7), 1007–1020. <https://doi.org/10.1108/mip-11-2019-0559>

Corporate art assets as strategic marketing driver for sustainability: a scientific literature review

Luca Cavone¹, Stefano Denicolai¹

University of Pavia, Italy¹

Abstract

The aim of this work is to provide a state-of-the-art review, as of 2025, of the scientific literature on the relationship between the management of corporate art assets and ESG (Environmental, Social, and Governance) practices. The focus is on capabilities that integrate business practices for the exploration and exploitation of art assets within organizations (e.g., corporate art collections or corporate museums) as a marketing driver for environmental and social sustainability. According to our review based on a collection of 120 scientific articles, of which 33 were selected for in-depth analysis, the dominant perspectives highlight strategic motivations (Bargenda, 2020; Behnke, 2007) and philanthropic connections (Hoeken & Ruikes, 2005). The analysis reveals significant research gaps in the field, including the absence of a widely accepted definition of “corporate art assets” and the lack of a comprehensive framework for measuring the sustainability impact of cultural initiatives.

1. Introduction

In recent years, companies across a wide range of sectors – fashion, design, automotive, machineries, finance, etc. - have demonstrated an increasing interest in investing in art assets, such as corporate collections, commissioned artworks, and the establishment of corporate museums.

These investments are often positioned as tools for enhancing corporate identity, fostering stakeholder engagement, and aligning brand narratives with broader cultural and societal values. It’s well established in scientific literature how art assets - by their nature - offer unique opportunities to communicate intangible aspects of an organization’s mission, vision, and values, serving as a marketing tool to bridge between corporate strategy and public perception.

Surprisingly there is still little awareness about the significant impact that art assets could have as marketing drivers of sustainability — both environmental and social, both among academic researchers and practitioners. For instance, corporate art collections or museums could serve as powerful tools to promote environmental consciousness by displaying art that addresses ecological challenges or by adopting sustainable practices in the management and display of these assets.

Similarly, art assets have immense potential to foster social sustainability by encouraging cultural inclusion, preserving local heritage, and supporting artistic communities and / or local values.

In such a context, a critical challenge persists: the lack of specific managerial competencies to oversee the strategic integration of these art assets within organizations, to fully explore the above-mentioned potential. Many companies struggle to move beyond the symbolic / reputational use of these resources, failing to harness their full potential as drivers of innovation and more. Furthermore, the absence of standardized methodologies for evaluating the tangible and intangible outcomes of investments in art assets limits – first - the ability of organizations to justify or optimize these initiatives, and - second – the opportunity to make them as a “strategic factor of success”.

Despite these possibilities, the lack of structured frameworks and metrics to evaluate the contribution of art assets to sustainability goals has hindered their strategic integration into management practices. This gap highlights the need for interdisciplinary research and dialogue between the academic world and industry stakeholders to fully explore and unlock the potential of art assets in driving sustainable development.

Given this background, the aim of this work is to provide a state-of-the-art review, as of 2025, of the scientific literature on the relationship between the management of corporate art assets and ESG (Environmental, Social, and Governance) practices.

The focus is above all on managerial capabilities that integrate practices for the exploration and exploitation of art assets within organizations (e.g., corporate art collections or corporate museums) as a marketing driver for environmental and social sustainability. The analysis is based on a in depth literature review, identified through rigorous selection and classification criteria.

The findings of our study highlight both anticipated outcomes and surprising insights that contribute to a more nuanced understanding of the subject. On one hand, as expected, the literature underscores dominant perspectives that emphasize strategic motivations behind investments in art assets, such as enhancing brand identity, fostering stakeholder engagement, and strengthening corporate image

(Bargenda, 2020; Behnke, 2007). On the other hand, philanthropic connections emerge as another central theme, with art-related initiatives often positioned as tools for demonstrating corporate social responsibility and contributing to broader societal welfare (Hoeken & Ruikes, 2005). These motivations suggest a dual function of art assets, serving both as a marketing instrument for achieving business objectives and as a means of fulfilling moral or cultural obligations.

At the same time, our review also reveals significant research gaps that warrant attention. A key issue is the absence of a widely accepted definition of "corporate art assets," which creates ambiguity in the scope and boundaries of the field. Without a clear conceptual framework, it becomes challenging to compare studies, generalize findings, or establish a consistent body of knowledge. Additionally, there is a notable lack of a comprehensive methodology for assessing and measuring the sustainability impact of cultural initiatives. While many studies highlight the potential of art assets to contribute to environmental and social goals, few provide concrete metrics or frameworks for assessing their effectiveness in this regard. Addressing these gaps is crucial for advancing the field and enabling both academics and practitioners to unlock the full potential of art assets as marketing drivers of sustainability.

2. On the concept of “Corporate Art Assets”, and why they are strategic

First, it is essential to establish a clear definition of what we mean by "corporate art assets". Much research has been devoted to corporate art collections, the motivations for collecting art and their role as a strategic asset (Bargenda, 2020; Behnke, 2007; Williams & Biggemann, 2023). Motivations related to Philanthropic practices and art sponsorship have also been explored (Hoeken & Ruikes, 2005; Kottasz et al., 2007; Leclair & Gordon, 2000).

However, in the extant literature, we do not identify a consolidated or widely shared definition. This lack poses challenges for advancing both academic research and practical applications, as it limits the ability to create standardized frameworks for analysis or comparison across different contexts.

Corporations began collecting art especially in the 1930s, primarily to decorate company buildings

when they opened new branches or relocated. In less than fifty years the value of firm's collections has grown to as much as \$15 million (Yoon & Shin, 2014).

The 1980s saw a remarkable increase in the corporate involvements into contemporary culture, especially in Great Britain and America during the Thatcher and Regan years, as a direct effect of their policies aimed at promoting private sponsorship over public funding for the arts (Wu, 2003). During these years, the number of corporate art collections grew substantially (Wu, 2003), with an increase of 50% compared to the previous decade (Waxman, 1989). Corporations began to replace the roles that were once interpreted by public art museums, organising and exhibiting their collections both domestically and internationally (Wu, 2003). Moreover, they started integrating art galleries within their corporate spaces or hosted branches of public museums. The involvement in contemporary art was also expressed through the establishment of contemporary art awards, which allowed corporations to increase their cultural visibility and influence (Wu, 2003). Many corporate collections have later evolved into corporate museums (Bonti, 2014). These are also valuable strategic assets that provide management with an additional marketing tool (Gilodi, 2002).

Differently from corporate art collections, which are tangible asset that companies can anticipate to increase in their value in a secondary market, art sponsorship and philanthropic practices can bring to the company intangible benefits such as brand promotion or advertising (Lindenberg & Oosterlinck, 2011).

According to Williams and Biggemann (2023), research into the motivations for corporate art collecting started in the 1990s focusing primarily on the impact of corporate art collecting on the development and maintenance of corporate identity (Williams & Biggemann, 2023). The authors have provided a comprehensive summary of these motivations, presented in Figures 1 and 2, which is particularly relevant as it encompasses key studies on corporate art collecting since around the 1990s. Their work builds on the seminal study by Kottasz et al. (2008), which surveyed 181 companies in nine countries, making it one of the most comprehensive examinations of corporate art collecting

motivations.

An organization's corporate identity is composed by its culture and values and can be reflected visually with symbols such as names, logos and colours schemes (Melewar & Saunders, 1999). Therefore, the visual identity of a company can be reflected through their corporate art collections (Kottasz et al., 2008). Empirical evidence on the fact that corporate art collections can be used as a symbol to project a particular corporate identity was provided by Hoeken & Ruikes (2005) with an experiment involving 46 participants and 5 banks in the Netherlands. Participants rated artworks that were identified as "aligned" with a company's identity higher than artworks that were "irrelevant" or "not aligned" (Hoeken & Ruikes, 2005), thus proving that, like logos and other visual identity tools, art can be strategic in projecting a particular company's personality and culture. Moreover, communication has a crucial role in how

organisations want to project and build their image. Everything that a company does, whether it's a written message, a spoken statement or a visual element is a form of communication that shapes how a company is perceived. These diverse ways in which a company communicates can be grouped into marketing communication, corporate communication, signage and the decoration of the work environment (van Riel, 1995) and corporate art can be integrated into all these aspects (Kottasz et al., 2008).

In 1990 Martorella's study, one of the first extensive studies on corporate art collecting, reported that the main reasons for companies to collect art were to improve public relations and image-making. She noted that "Most companies agree that if "quality" art is collected, they become identified as "quality" companies" (Martorella, 1990, p.29). From this study several other authors have contributed to give empirical support for the idea that corporate art collections play an important role in creating, developing and maintaining corporate identity (Williams & Biggemann, 2023) and enhancing their marketing communication efforts (Kottasz et al., 2007, 2008).

Kottasz et al. (2008) conducted one of the most extensive studies, surveying 181 companies, 61% of

which were based in North America and 36% in 8 other countries, and provided strong evidence of the various motivations for companies to collect art (Kottasz et al., 2008). In terms of importance, the most highly ranked roles of corporate art collections were associated with external communications such as image building, impressing clients, communicating and symbolising a company's core values, while the role of presenting the company as a cultured organisation was considered less important by the respondents with a mean score of 2.2 out of 5 (Kottasz et al., 2008). These findings suggest that corporate art collections are mainly used and perceived by companies as a marketing communication instrument to project their corporate identity and core values both internally to employees and externally (Kottasz et al., 2008). The results are in line with a previous case study conducted by Kottasz et al. a year earlier, in which 14 senior executives of Deutsche Bank (which, as mentioned, has the world's largest corporate art collection) were interviewed about the motivations for corporate art collecting and its relevance for the company. The topic most frequently discussed by respondents across multiple organisational levels, not just marketing managers, was the marketing implications of the art collection and the use of the collection to develop corporate identity (Kottasz et al., 2007). Regarding the latter, one senior manager reported that the collection represented how the bank wanted to be seen. In addition, the collection was seen as a valuable marketing tool with three functions: to enhance the experience of existing customers, to attract new customers and to impress new graduates considering a career in the bank (Kottasz et al., 2007).

Focusing more on Europe an important contribution to research in this area was made by Lindenberg and Oosterlinck (2011). The authors conduct a qualitative study on 10 banks in Belgium and the results show that in 8 of the 10 banks, interviews with curators or managers of the collection indicated that the corporate art collection serves as a communication channel to promote a certain corporate image to clients, employees and to the public (Lindenberg & Oosterlinck, 2011). In addition, the study by Williams & Biggemann (2023) extends the findings on the motivation for corporate art collection, by focusing on the content of the collection. They highlight that the content of the corporate collection can be used strategically to project a certain type of corporate identity (Williams

& Biggemann, 2023) (in line with Hoeken & Ruikes, (2005)), to differentiate the company from competitors and to engage stakeholders (Williams & Biggemann, 2023). According to Martorella (1990), the contents of the corporate art collection of the companies focus of her study were “as diverse as the management styles and the corporate cultures” (Martorella, 1990 p.49). Furthermore, one of the Deutsche Bank professionals interviewed by Kottasz et al. (2007) stated that the bank's support of contemporary art is useful in defining the organisation as “being about new products, new business, moving forward, young people, creativity and being where it’s at.” (Kottasz et al., 2007).

Williams & Biggemann (2023) conducted five interviews with three Australian organisations and found that Aboriginal art was used by these companies to communicate their Australian identity. In particular, the inclusion of Aboriginal art played an important role in differentiating these companies from competitors when entering international markets (Williams & Biggemann, 2023). This suggests that the symbolic role of artworks in communicating corporate identity should not be underestimated and that companies that invest a lot of money in the developing logos and uniforms and less on the curation of corporate art should be mindful and consider the fact that art is an asset that can be as significant as other visual identity tool (Hoeken & Ruikes, 2005; Williams & Biggemann, 2023).

A point that has not been discussed so far is that the communication strategy related to a corporate art collection depends on the company’s motivation for collecting it. In fact, Lindenberg & Oosterlinck (2011) argue that if a corporate art collection is used as a branding tool to enhance the corporate image, it will be necessary to make additional investments in promoting and exhibiting the collection in order to increase the return on their art activities (Lindenberg & Oosterlinck, 2011).

Art is also a financial asset for companies. There are several factors that make it an appealing investment, including the weak correlation with the equities market, a favourable risk-to-reward ration and a seemingly unpredictable price appreciation (Mamarbachi et al., 2011). One argument that strengthens the idea that corporations buy art also for financial purposes is the preference for contemporary art as opposed to classical art. Martorella, 1990 reports that among all the companies

surveyed, 70 percent included contemporary art in their collection (Martorella, 1990). Contemporary art tends to be modestly priced and has great potential for appreciation (Kottasz et al., 2008; Mamarbachi et al., 2011). Consequently, companies that collect artworks may have purchased it for this purpose and for the incentives associated with it. In 1951 Neiman Marcus commissioned an Alexander Calder piece for \$2,500 that, 50 years later, was valued at \$175,000. Similarly, a David Smith sculpture commissioned for the National Bank of Chicago that cost \$30,000 and was valued at \$250,000 in 1990 (Martorella, 1990). In addition, the tax breaks offered to US companies in the 1980s may have encouraged companies to establish corporate art collections (Wu, 2003). The same was true in France, where significant tax benefits were offered to companies that purchased and displayed works of art. In France, the tax law allowed companies to deduct the value of donated works of art from their taxes. This only applied to donations made within 10 years of the purchase of the artwork and if the artworks met the quality standards of national museums (Kottasz et al., 2008). But despite these financial advantages, there is little evidence in the literature that suggests financial investment as a motivation for developing a collection (Kottasz et al., 2007).

In their study, Lindenberg and Oosterlinck (2011) reported that investment was only mentioned by one of the professionals from AXA Belgium, who confirmed that the collection served as a financial asset for the company to diversify its investments. For the other banks part of the study, the acquisition strategy did not indicate that the company intended to speculate on it. This was also evidenced by the fact that the works of art were entered in the balance sheet as fixed assets, indicating the intention to keep them in the long term (Lindenberg & Oosterlinck, 2011). On the same note, Williams and Biggemann (2023) in their survey of Australian companies report that the professionals perceived the association of the art collection with its monetary value as conveying negative signals (Williams & Biggemann, 2023). These findings are consistent with the previous research. Wu (2003) found that of the 72 North American companies included in his study, none reported that the financial aspect was important in starting to collect art (Wu, 2003). Kottasz (2008) reports that the motivations for collecting based on the potential to provide good financial return and attract tax relief were ranked

the lowest, at 10th place (with a mean score of 2.45 out of 5) and 12th place (with a mean score of 2.15), respectively.

Despite companies rarely admit to purchasing art for financial reasons, this factor cannot be ignored in practice as financial sustainability remains a priority for any company. From a shareholder's perspective, the art owned by a company is just another asset, similar to any other corporate asset, so whether or not the art contributes to enhancing the firm's image the main goal is to maximize the company's value (Salzmann et al., 2012). Therefore, even if companies prefer not to discuss about art as a financial asset, they still need to justify these purchases. Justifications such as the benefits to employees or the local community and the goodwill created by supporting local artists, have generally been acceptable ways to counterbalance the monetary aspect (Martorella, 1990). In light of what has previously been discussed it is evident that companies primarily emphasise the role of corporate art collections primarily as an asset to be used for cultural, social or image- related activities. However, financial pragmatism must also be taken into account, as both factors are essential but often understated in official narratives.

To sum up, based on our review and synthesis of prior studies on the subject, we define corporate art assets as “tangible and intangible artistic and cultural resources owned, commissioned, or curated by companies - not necessarily operating in a cultural sector -, which are strategically integrated into their organizational frameworks”. These assets may include, but are not limited to, corporate art collections, commissioned artworks, cultural initiatives, and corporate museums. Their purpose extends beyond decorative or symbolic value, serving instead as tools for achieving broader corporate objectives, such as enhancing brand identity (Bargenda, 2020), fostering stakeholder engagement (Hoeken & Ruikes, 2005), and promoting environmental and social sustainability (Behnke, 2007), as well as financial returns. This framework emphasizes the multifaceted nature of corporate art assets, which function not only as aesthetic elements but also as strategic resources capable of driving innovation, fostering cultural inclusion, and contributing to sustainable development.

3. The art of managing art

The management of corporate art assets, particularly in terms of their governance and impact reporting, is not straightforward. The complexity is sometimes exacerbated by operating in sectors far removed from the cultural sphere. By contrast, when operating within the cultural domain, there is often an excessive emphasis on the intrinsic value of the assets themselves, then leads to a kind of unconscious myopia, overlooking the potential strategic value these assets could bring to the company as a whole.

According to our literature review, we identify four key management areas for the art asset management: governance (a), initiative design and operating (b), communication stakeholders engagement (c), measurement / reporting (d).

First, governance of corporate art assets (a) represents a critical dimension. It requires a clear allocation of responsibilities, robust oversight mechanisms, and alignment with corporate objectives. The choice of the governance structure often determines the strategic and operational effectiveness of these assets. Sometime, art assets are managed through dedicated departments or offices within the company (e.g., often under the corporate communications or marketing divisions). This internal governance model facilitates closer integration of the assets with the company's branding and public relations strategies. However, such structures may face limitations in terms of autonomy and specialized expertise, which can hinder the full realization of the assets' potential. Alternatively, often companies establish external foundations to manage their art assets and cultural initiatives. These foundations, often legally distinct but closely affiliated with the company, offer several advantages. They provide greater autonomy, enabling a more focused and professional approach to the acquisition, preservation, and promotion of art, as well as a “sense” of independency from the company’s core business. Indeed, foundations enhance credibility and public trust, positioning the company as a patron of the arts while maintaining a degree of separation from commercial activities. For example,

foundations often facilitate collaborations with cultural institutions and serve as vehicles for philanthropic initiatives, thus reinforcing the company's corporate social responsibility (CSR) objectives. The decision to manage corporate art assets internally or through an external foundation has significant implications for their governance. While internal structures allow for direct alignment with corporate goals, external foundations may enable a broader societal impact and greater alignment with cultural and philanthropic missions. As such, organizations must carefully assess their strategic priorities, resource availability, and long-term objectives to determine the most effective governance model for their art assets. Future research could further explore the comparative advantages of these governance structures and their implications for sustainability and cultural impact.

A second key management practices is – of course – the design and the operating of cultural initiatives, that is the most frequent argument over our review. At the core of this effort is often the valorisation of corporate heritage and history, which serves as a foundation for meaningful cultural programs and initiatives.

So that the process of designing cultural initiatives may begin with a deep understanding of the organization's history, values, and legacy. Companies can leverage their heritage to craft narratives that resonate with internal and external stakeholders. Over time, such initiatives can evolve into larger projects, including the establishment of corporate museums, which serve as enduring platforms to share the company's story with a broader audience. Operationalizing these initiatives requires an interdisciplinary approach that combines strategic planning with cultural expertise. Companies must allocate resources to curate and preserve historical artifacts, documents, or art collections while also developing engaging storytelling frameworks. Partnerships with cultural institutions and experts can further enhance the credibility and impact of these efforts. In such a context, our literature review highlights a growing attention on digital applications and solution, such as virtual exhibits or interactive archives can extend the reach of these initiatives beyond physical boundaries, increasing accessibility and engagement. Future research should focus on developing frameworks for evaluating

the impact of corporate heritage initiatives, particularly in sectors where such efforts are less intuitive, to maximize their strategic value and sustainability.

Our literature review reveals a third key management area for corporate art assets, that is undoubtedly “communication and stakeholder engagement” (c). It ensures that these cultural resources serve both organizational objectives and broader societal interests. The strategic use of communication frameworks enables companies to align their art-related initiatives with the expectations and values of diverse stakeholders, including employees, customers, investors, and the public. Art assets, such as corporate collections or museums, possess a unique ability to convey narratives that reflect an organization's heritage, vision, and commitment to social responsibility. Stakeholder engagement in this context requires a kind of “multidimensional management”. Internally, employees can be engaged through initiatives that integrate art into the workplace, fostering creativity, collaboration, and a sense of shared cultural identity. Externally, targeted communication strategies can amplify the impact of art assets, positioning the company as a cultural leader and enhancing its reputation. Literature also stresses the fact the effectiveness of communication and engagement efforts depends on the development of clear metrics to evaluate their impact. Organizations must establish frameworks to measure how art asset management contributes to key performance indicators, such as brand equity, employee satisfaction, and social responsibility outcomes. Research in this area could provide valuable insights into best practices and innovative approaches for maximizing the strategic value of art assets through stakeholder engagement.

In conclusion of this overview of the most explored managerial practices in literature on corporate art assets, the fourth area “measurement and reporting” (d) deserves special attention. This domain emerges as a critical focal point, often emphasized as essential and inherently connected to the other areas discussed. However, despite its recognized importance, there is a notable lack of studies that delve into the specifics of how to effectively measure and report on art assets. This is particularly evident when considering a comprehensive approach that integrates economic-financial,

environmental, and social sustainability dimensions. Given this significant gap in literature, a dedicated analysis of this topic is presented in the following section to provide a more in-depth exploration and practical insights.

4. Art Assets as a marketing driver of sustainability

Environmental and social sustainability is considered one of the megatrends of our time, as it is closely linked to the difficult task of balancing current levels of consumption with the availability of a limited number of resources (Derqui, 2020). Due to its relevance and the undeniable effects of global warming, sustainability is seen as a challenge that must be addressed in a short period of time and has therefore increasingly gained a place on the corporate agenda (Schrettle et al., 2014). Sustainability has thus become a ubiquitous issue, affecting all industries and sectors of the economy. In fact, in recent years there has been a significant increase in studies on topics such as sustainable development, corporate sustainability and sustainability in general (Meseguer-Sánchez et al., 2021; Pazienza et al., 2022). Due to this massive proliferation of studies, it is important to clarify that the terms corporate social responsibility, corporate sustainability and sustainable development are often used as synonyms (Derqui, 2020), since in recent years the meaning of all these terms has converged to refer to three main dimensions: environmental, social and economic (Pazienza et al., 2022). Given this picture, it has therefore become essential to measure the environmental and social performance of companies, for example in terms of carbon and water footprints. For this purpose, financial metrics are not sufficient and new metrics need to be developed to measure environmental and social impacts (Mohrman & Lawler, 2014). Sustainability reporting has been developed with this aim in mind and has evolved to be more holistic and cover many dimensions (Derqui, 2020). Although many different reporting frameworks have been developed in recent years, it is still a contemporary issue and a difficult task where companies have developed their own methodologies to provide stakeholders with the broadest possible view (Derqui, 2020; Mohrman & Lawler, 2014).

Several studies highlight the potential of corporate art assets as strategic marketing drivers of environmental and social sustainability. From an environmental perspective, the contribution of cultural initiatives and the promotion of art assets by companies could be relevant. First and foremost, they hold significant educational value. For instance, art initiatives for schools can raise awareness about environmental challenges by commissioning works that address climate change, biodiversity loss, or the importance of sustainability. These initiatives can serve as powerful tools for fostering environmental consciousness among employees, clients, and the broader public. Additionally, companies can implement sustainable practices in the management of their art assets, such as adopting eco-friendly materials, minimizing energy use in exhibitions, and promoting digital accessibility to reduce the carbon footprint associated with physical attendance at cultural events.

However, it is particularly in the field of social sustainability that corporate art assets demonstrate extraordinary potential, both internally (employees) and externally (e.g. customers and local community).

Evidence on the fact that workplace design could have a significant impact on productivity and job satisfaction began to emerge in the mid-1980s (Brill, 1985 as cited in Williams & Biggemann, 2023). Furthermore, art has been shown to shape behaviours and perceptions, especially when placed in symbolic spaces like boardrooms (Betts, 2006). In line with this, other stated reasons for companies to collect art are related to improving the quality of the work environment (Kottasz et al., 2007, 2008; Wu, 2003) or benefiting employees by providing an aesthetically sophisticated environment that promotes productivity, intellectual stimulation, and relationship building (Martorella, 1990). Moreover, as mentioned by many art consultants interviewed by Martorella (1990), art helps to create a prestigious atmosphere in the workplace, which can help to attract highly qualified employees (Martorella, 1990).

In the study conducted by Lindenberg & Oosterlinck (2011), eight out of ten of the Belgian financial institutions included in the study were found to utilise artworks for the purpose of improving the

workplace environment, promoting a sense of well-being and stimulating the senses. The cultural and intellectual education of employees was also identified as an important factor in the exhibition of artworks in the workplace, with the belief that it can foster open-mindedness and creativity. For example, AXA and National Bank of Belgium specified that they would favour the purchase of artworks that elicit positive sensations with the aim to create a nice working environment (Lindenberg & Oosterlinck, 2011). Similarly, in a small-scale study conducted by Hoeken and Kuijpers (2002), seven Dutch companies that owned corporate art collections were interviewed. In the majority of these companies, their corporate art collection is utilised with the objective to motivate employees, provoking them and broadening their horizons. To achieve this, some companies have established a committee whose aim is to determine which artworks should be purchased (Hoeken & Kuijpers, 2002). Other researchers have observed that companies with corporate art collections offer art lectures as a form of corporate benefit (Martorella, 1990). It is, however, important to note that not all employees respond positively to the presence of artworks in the workplace. Wu (2003) revealed that despite the enthusiasm of senior managers for corporate art collections, some employees felt indifferent about the artworks at work, while others found certain pieces to be confusing or confronting (Wu, 2003; Martorella, 1990). Regarding the role of the artworks as confronting, Williams & Biggemann (2023) indicate that the curators and senior managers of several firms interviewed considered this aspect of the art to be crucial in stimulating creativity among employees. Furthermore, in the interviews conducted with two of the three Australian organisations, Aboriginal art was presented and employed to communicate a specific political stance to employees and partners, as well as to challenge existing beliefs and reinforce a particular point of view (Williams & Biggemann, 2023). This approach is consistent with the arguments put forth by Hoeken and Ruikes (2005) that certain styles of contemporary art can influence workplace dynamics, attitudes, and behaviours (Hoeken & Ruikes, 2005).

Another reason for corporate art collecting related to the employee and work environment that was previously mentioned is that it can be a powerful tool for communicating a company's core values to

its employees and enhancing the internal communication of the firm (Kottasz et al., 2007, 2008). According to Williams and Biggemann (2023) all of the respondents indicated that the most important role of a corporate art collection was to strengthen the identity of the company among its employees. Thereby, contributing to the firm's internal culture by creating a unified ethos within the organization (Kottasz et al., 2008) and symbolizing its values (Williams & Biggemann, 2023). In this regard, Kottasz et al. (2008), found that companies with strong core values are more likely to utilise their corporate art collections to symbolize and communicate these values, shaping employee attitudes in specific directions (Kottasz et al., 2008). Furthermore, corporate art collections also contribute to corporate hospitality activities and their efforts to improve the work environment for employees (Kottasz et al., 2008).

Up to now the emphasis has been on the motivations behind corporate art collections in relation to influencing employees and the work environment. Nevertheless, there is a notable absence of research examining the impact of artwork in corporate buildings on the experiences and perceptions of employees and board members in the workplace. The exploratory study conducted by Smiraglia, 2014 aims to fill this gap. The interviews with 19 employees of an Australian organisation indicated five main ways in which interaction with the presence of art in the workplace had an effect on them. First of all, the art promoted social interactions, which was the most discussed topics by participants. Secondly, the participants felt that art enhanced their workplace environment. Thirdly, the art elicited emotional response, facilitated personal connections and fostered learning (Smiraglia, 2014).

Scientific literature also highlights the relationship between art assets and “corporate social responsibility”. The latter refers to the idea that businesses have obligations that go beyond the ones to their owners or shareholders, and that extend to society. In this regards, Hoeken and Ruikes (2005) state that one of the motivations that leads companies in the development of a corporate art collection could be attributed to corporate social responsibility and the need of firms to project a positive image (Hoeken & Ruikes, 2005). In addition to improving the public image of a corporation, art collections reflect the philanthropic commitment of a firm in several ways: first, by supporting emerging artists in

finding an audience for their work that they might otherwise struggle to find. Secondly, through exhibitions or loans to museums, a company provides the public the opportunity to enjoy these collections (Hoeken & Ruikes, 2005). In doing so, a company demonstrates that it is giving back to society in a way that doesn't necessarily involve with direct economic benefits (Kottasz et al., 2008). For example, Lindenberg and Oosterlinck (2011) report that some financial institutions in Belgium, such as Cera, the National Bank of Belgium, Fortis, and Ethias, only purchase artworks made by young, emerging artists from the country to promote national creativity, while companies such as ING and Deutsche Bank also support emerging artists within and outside the country (Lindenberg & Oosterlinck, 2011). On the same note, Williams and Biggemann (2023) state that for all three companies that were the focus of the study, a key motivation for collecting art was philanthropy, especially supporting emerging artists (Williams & Biggemann, 2023).

The concept of legitimacy, defined 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) can be seen to have close ties with the practice of utilizing corporate art collections as a form of philanthropy. Supporting the arts has traditionally been viewed as a desirable corporate behaviour, with firms seeking to enhance their legitimacy through philanthropic activities such as supporting art education programs, museums, sponsoring cultural events and exhibitions and the utilization of their collections to communicate their fair behaviour and, as a consequence, increase their public image (Yoon & Shin, 2014). In their study Yoon & Shin (2014) explore the assumption that comes from the institutional theory, according to which companies that are actively responding to institutional pressure to support the arts tend to have larger art collections as opposed to firms that are less active in this regard. Their study confirms this hypothesis, showing a positive correlation between companies active in support programs and the size of the art collection (Yoon & Shin, 2014). Similarly, Lindenberg & Oosterlinck (2011) categorize the banks that demonstrate a strong commitment to society as the “socially responsible”. These organizations support artists that need financial support by buying their artworks and engage in several social and

cultural events that involve the transparent collaboration of their artists. For example, companies such as Cera and Ethias demonstrate their commitment to society through engagement in a range of cultural activities, including internal exhibitions designed to enhance the visibility of their artists among the banks' clientele, as well as the creation of art publications.

Through the curation of corporate art collections, firms engage in a sophisticated form of Corporate social responsibility that goes beyond the mere decoration of their corporate offices. By supporting artists, lending artworks to museums and public institutions, and actively promoting artistic events, corporations demonstrate their commitment to societal welfare and cultural enrichment. This approach contributes to enhancing the public image of the company involved in these activities, whilst simultaneously solidifying its legitimacy and reputation, positioning them as responsible and culturally aware entities in the eyes of their stakeholders (Bargenda, 2020; Kottasz et al., 2008). Thus, corporate art collecting is a strategic marketing tool for companies that want to connect business objectives with an authentic commitment to social responsibility.

5. Measuring to Govern: A Map of KPIs for Assessing the Impact of Art and Culture

According to our analysis, so far, the scientific literature underscores the critical importance of measuring the impact of corporate art assets in terms of sustainability / ESG (Environmental, Social, and Governance) goals. Numerous studies advocate for the integration of art assets into corporate sustainability strategies, highlighting their potential to drive environmental and social value. However, a significant gap persists in the practical methodologies for assessing such impacts. While the theoretical importance of these measurements is well established, there is a striking scarcity of research offering concrete frameworks or detailed guidance on how to effectively quantify these phenomena.

Table 1 presents a summary of the few relevant indicators we noticed identified in the literature. These indicators, while valuable, represent only a fragmented understanding of the broader potential impact,

underscoring the need for further empirical and conceptual work in this domain.

Table 1. Measuring sustainability impact of art assets: outcomes from a literature review

Sustainability dimension	Impacts of Corporate art assets	References	KPI(s)	KPI References
Economic Sustainability	Act as a source of competitive advantage by creating market differentiation	Bargenda, 2019; Williams & Biggemann, 2023; Riviezzo et al., 2022; Kottasz et al. 2008	-	-
	Attracts new clients	Bargenda, 2019; Kottasz et al., 2008	-	-
	Enhance reputational capital	Bargenda, 2019	-	-
	Improve client retention	Kottasz et al., 2008	-	-
	Help attract highly qualified employees	Martorella, 1990	-	-
	Potential appreciation in asset value over time	Kottasz et al., 2008	-	-
	Provide access to tax relief or other fiscal incentives for art-related investments	Wu, 2003; Kottasz et al., 2008; Carloni et al., 2023	Yearly percentage of tax relief due to investment in artwork	Carloni et al., 2023
	Generates self-financing income (related to corporate museums)	Carloni et al., 2023	Total yearly funds from private actors; Total yearly funds from public and external initiatives; Yearly sales from educational laboratories and workshops; Yearly revenue from hiring out the museum locations; Yearly bookshop sales; Yearly ticket sales	Carloni et al., 2023
Social Sustainability (internal)	Provide access to art and culture (e.g., through exhibitions, loans to museums)	Bargenda, 2019; Hoeken & Ruikes, 2005	-	-
	Strengthen community ties (e.g., engaging in cultural events across the region, organizing meetings and sporting activities, and collaborating with collectors, associations, and both public and private sponsors)	Bargenda, 2019; Bonti, 2014.	-	-
	Enhance employee well- being	Bargenda, 2019; Lindenberg & Oosterlinck, 2011	-	-

	Stimulate employee creativity and social interactions.	Bargenda, 2019; Martorella, 1990; Smiraglia, 2014	-	-
	Safeguard and Foster Cultural Heritage (related to museums)	Carloni et al., 2023	Percentage of collections digitized; Percentage of archive digitized; Number of restored collection items per year; Number of linear metres of documents discarded from the archive; Total number of freed-up square metres	Carloni et al., 2023
Social Sustainability (external)	Support emerging artists (e.g., Purchasing artworks from these artists and participating in social and cultural events that call for the transparent cooperation with them)	Bargenda, 2019; Hoeken & Ruikes, 2005; Williams & Biggemann, 2023; Lindenberg & Oosterlinck, 2011.	-	-
	Provide educational opportunities (e.g., cultural and intellectual enrichment for employees, or establishing collaborative initiatives with schools and technical institutes)	Lindenberg & Oosterlinck, 2011; Martorella 1990; Bonti 2014	-	-
	Promote the enhancement and development of the local territory (related to corporate museums, e.g., employee individuals from surrounding region, building relationship with local supplies; Attract tourists to the museum thereby generating economic benefits for the local population)	Bonti, 2014; Katarzyna Piatkowska, 2014; Carloni et al., 2023	Number of Out- of- region visitors per year; Number of events per year; The public’s perceived impact of the museum’s contribution to the area’s revitalization; Percentage of local employees over the total number of museum employees	Carloni et al., 2023
Environmental Sustainability	No explicit impacts listed	-	-	-

6. Conclusions

This work extensively analysed the scientific literature to outline a state-of-the-art review, as of 2025, of the scientific literature on the relationship between the management of corporate art assets as a marketing driver and ESG (Environmental, Social, and Governance) practices. This review highlights several critical research gaps that demand further scholarly attention.

First, we noticed the lack of a widely accepted definition of "corporate art assets." This absence of a clear and consistent conceptualization creates ambiguity regarding the scope, characteristics, and boundaries of the field. As a result, it becomes difficult to achieve comparability across studies, generalize findings, or build a cohesive and systematic body of knowledge. This definitional gap not only limits academic discourse but also hampers the practical application of research findings, as companies lack a standardized framework to guide the integration of art assets into their strategic objectives.

Second, we revealed a remarkable deficiency of comprehensive scientifically validated methodologies for assessing and measuring the sustainability impact of cultural initiatives. While there is widespread acknowledgment in the literature of the potential for art assets to contribute to environmental and social sustainability goals, empirical studies offering concrete metrics or actionable frameworks remain sparse. For example, while art initiatives are frequently cited as fostering environmental awareness or enhancing social cohesion, there is little guidance on how to quantify these impacts in ways that align with ESG (Environmental, Social, and Governance) reporting standards. This limitation restricts the ability of organizations to evaluate the return on investment of their cultural initiatives and communicate their contributions effectively to stakeholders.

Addressing these gaps is essential for advancing both theory and practice in the field. In particular, the development of managerial practices that integrate corporate art assets with sustainability initiatives holds the potential to make significant strides in helping managers better understand the distinction between an organization's mission and its **corporate purpose**. While these concepts are related, they address fundamentally different dimensions of a company's identity and role in society. The mission of a company traditionally focuses on its operational goals — what the organization does and for whom. In contrast, the corporate purpose represents a broader and more innovation-oriented framework, creating synergies between economic, social and environmental sustainability through

novel solutions. It defines the company's reason for existence beyond profit generation, emphasizing its commitment to creating innovative solution towards a long-term value for all stakeholders, including employees, customers, communities, and the environment.

By linking corporate art assets to sustainability, managers can gain tools and frameworks to embed a genuine corporate purpose into their decision-making processes. Art and cultural initiatives can serve as tangible expressions of a company's purpose, communicating values such as inclusivity, innovation, and environmental stewardship in a way that resonates emotionally with stakeholders. By integrating art assets into sustainability strategies, organizations can operationalize their purpose, transforming abstract values into concrete actions. This process not only enhances internal alignment but also provides a strategic advantage in an era where stakeholders increasingly demand authenticity, accountability, and a clear contribution to the common good. In our view, future research must dedicate greater attention to this topic, particularly by addressing the gap in empirical studies aimed at validating new methodologies for managing and measuring the social impact of corporate art assets.

References

- Alshawaaf, N., & Lee, S. H. (2024). The Paradox of Corporate Sponsorship of Arts in the Age of Austerity. *International Journal of Arts Management*, 26(2), 4–24.
- Azmat, F., Ferdous, A., Rentschler, R., & Winston, E. (2018). Arts-based initiatives in museums: Creating value for sustainable development. *Journal of Business Research*, 85, 386–395. <https://doi.org/10.1016/j.jbusres.2017.10.016>
- Bargenda, A. (2019). Aesthetic CSR Communication: A Global Perspective on Organizational Art Collections. In *Responsible Organizations in the Global Context* (pp. 117–132). Springer International Publishing. https://doi.org/10.1007/978-3-030-11458-9_7
- Bargenda, A. (2020). The artification of corporate identity: aesthetic convergences of culture and capital. *Qualitative Market Research*, 23(4), 797–819. <https://doi.org/10.1108/QMR-12-2017-0182>
- Behnke, C. (2007). Corporate Art Collecting: A Survey of German-Speaking Companies. *Journal of Arts Management Law and Society*, 37, 225–244.
- Bertoli, G., Busacca, B., Ostillio, M. C., & Di Vito, S. (2016). Corporate museums and brand authenticity: Explorative research of the Gucci Museo. *Journal of Global Fashion Marketing*, 7(3), 181–195. <https://doi.org/10.1080/20932685.2016.1166716>
- Betts, J. (2006). Framing Power: The Case of the Boardroom. *Consumption Markets & Culture*, 9(2), 157–167. <https://doi.org/10.1080/10253860600633887>

- Bonti, M. (2014a). THE CORPORATE MUSEUMS AND THEIR SOCIAL FUNCTION: SOME EVIDENCE FROM ITALY. In *European Scientific Journal* (Vol. 1).
- Bonti, M. (2014b). THE CORPORATE MUSEUMS AND THEIR SOCIAL FUNCTION: SOME EVIDENCE FROM ITALY. In *European Scientific Journal* (Vol. 1).
- Carlioni, E., Arnaboldi, M., Lorenzini, E., & Calabrò, A. (2023). Corporate museums and performance measurement systems. *Museum Management and Curatorship*. <https://doi.org/10.1080/09647775.2023.2188477>
- Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34(4), 39–48. [https://doi.org/10.1016/0007-6813\(91\)90005-G](https://doi.org/10.1016/0007-6813(91)90005-G)
- Carù, A., Ostillio, M. C., & Leone, G. (2017). Corporate Museums to Enhance Brand Authenticity in Luxury Goods Companies: The Case of Salvatore Ferragamo. *International Journal of Arts Management*, 19(2), 32–45.
- Chang, R.-D., Zuo, J., Zhao, Z.-Y., Zillante, G., Gan, X.-L., & Soebarto, V. (2017). Evolving theories of sustainability and firms: History, future directions and implications for renewable energy research. *Renewable and Sustainable Energy Reviews*, 72, 48–56. <https://doi.org/10.1016/j.rser.2017.01.029>
- Dalle Nogare, C., & Murzyn-Kupisz, M. (2024). Core functions, visitor friendliness and digitalisation: a comparative analysis of corporate museums' performance. *Journal of Cultural Economics*, 48(3), 405–437. <https://doi.org/10.1007/s10824-024-09515-z>
- Derqui, B. (2020). Towards sustainable development: Evolution of corporate sustainability in multinational firms. *Corporate Social Responsibility and Environmental Management*, 27(6), 2712–2723. <https://doi.org/10.1002/csr.1995>
- Gilodi, C. (2002). IL MUSEO D'IMPRESA: FORMA ESCLUSIVA PER IL CORPORATE MARKETING. *Luic Papers*, 101.
- Hoeken, H., & Ruikes, L. (2005). Art for art's sake? An exploratory study of the possibility to align works of art with an organization's identity. *Journal of Business Communication*, 42(3), 233–246. <https://doi.org/10.1177/0021943605277111>
- Katarzyna Piatkowska, K. (2014). The Corporate Museum: A New Type of Museum Created as a Component of Marketing Company (Vol. 6). <http://ijz.cgpublisher.com/product/pub.177/prod.267>
- Kottasz, R., Bennett, R., Savani, S., & Ali-Choudhury, R. (2008). The role of corporate art in the management of corporate identity. *Corporate Communications: An International Journal*, 13(3), 235–254. <https://doi.org/10.1108/13563280810893634>
- Kottasz, R., Bennett, R., Savani, S., Mouskey, W., & Ali-Choudhury, R. (2007). The role of corporate art collection in corporate identity management: The case of Deutsche Bank. *Marketing Management*, 10(1), 19–31.
- Leclair, M. S., & Gordon, K. (2000). Corporate Support for Artistic and Cultural Activities: What Determines the Distribution of Corporate Giving? In *Journal of Cultural Economics* (Vol. 24).
- Lindenberg, M., & Oosterlinck, K. (2011). Art Collection as a Strategy Tool: A Typology Based on the Belgian Financial Sector. *International Journal of Arts Management*, 4–19.
- Mamarbachi, R., Day, M., & Favato, G. (2011). Art as an Alternative Investment Asset. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.1112630>
- Nissley, N., & Casey, A. (2002). The Politics of the Exhibition: Viewing Corporate Museums

- Through the Paradigmatic Lens of Organizational Memory. *British Journal of Management*, 13(S2). <https://doi.org/10.1111/1467-8551.13.s2.4>
- O'hagan, J., & Harvey, D. (2000). Why Do Companies Sponsor Arts Events? Some Evidence and a Proposed Classification. In *Journal of Cultural Economics* (Vol. 24).
- Park, S., Ahn, S., & Kim, S. (2024). Sport event vs. art event? The effect of CSR-linked sponsorship event type on product purchase. *Journal of Retailing and Consumer Services*, 77, 1–7. <https://doi.org/10.1016/j.jretconser.2023.103683>
- Riviezzo, A., Mason, M. C., Garofano, A., & Napolitano, M. R. (2022). Uncovering the worth of the past: the relationship between corporate museums' strategic orientation and dual performance. *Management Decision*, 60(7), 1852–1874. <https://doi.org/10.1108/MD-01-2021-0037>
- Shrivastava, P., Ivanaj, V., & Ivanaj, S. (2012). Sustainable development and the arts. *International Journal of Technology Management*, 60(1–2), 23–43. <https://doi.org/10.1504/IJTM.2012.049104>
- Smiraglia, C. (2014). Artworks at work: The impacts of workplace art. *Journal of Workplace Learning*, 26(5), 284–295. <https://doi.org/10.1108/JWL-11-2013-0097>
- Suchman, M. C. (1995). Managing Legitimacy: Strategic and Institutional Approaches. *The Academy of Management Review*, 20(3), 571. <https://doi.org/10.2307/258788>
- Waxman, L. K. (1989). Attitudes Toward Corporate Art Collecting: A Survey of Design Professionals. *Journal of Interior Design*, 15(2), 15–20. <https://doi.org/10.1111/j.1939-1668.1989.tb00139.x>
- Williams, M., & Biggemann, S. (2023). Corporate Art Collections in Australia: The Influence of Aboriginal Art on Corporate Identity. *International Journal of Business Communication*, 60(2), 656–677. <https://doi.org/10.1177/2329488420958112>
- Yoon, H., & Shin, H.-D. (2014). Determinants of the Number of Artworks in Corporate Art Collections. *International Journal of Arts Management*, 16, 19–28.

Globalisation and Industry structure: conceptualization and measurements

Håvard Huse¹, Carl Arthur Solberg¹

BI Norwegian Business School, Norway¹

Abstract

This paper explores the measurement and definition of globalisation, critically assessing its relevance in contemporary discourse. Globalisation is often defined as the increasing interconnectedness of nations through economic, political, cultural, and technological exchanges. However, measuring this phenomenon remains complex due to its multifaceted nature. The study reviews prominent globalisation indices, including their methodologies and limitations, to understand how globalisation is quantified. By contextualizing globalisation within measurable parameters, the study highlights discrepancies in its perceived and actual impact. Key dimensions include trade flows, and foreign direct investments (FDI). We make use of both secondary data (judged crude) and primary data (judged biased) in order to identify critical dimensions. While globalisation may appear to be waning in traditional forms, it persists in new, often underexplored, dimensions. This nuanced understanding contributes to ongoing debates about the role of globalisation in shaping the global order and informs future research on its measurement and conceptualization.

Keywords: globalisation, industry and competitive structure

1. Introduction

Over the last four decades, globalisation has shaped both firm strategies and theoretical development in business science (Levitt, 1983; Porter, 1986; Ghemawat, 2012). In its wake, a plethora of research contributions on international marketing and business have flourished and enriched our understanding of this extremely complex field of study. Whereas the first thirty years of this period were characterised by euphoric optimism, gloom – spurred by a number of world events (Brexit, military and trade conflicts, nationalism, COVID 19) - has pervaded the last ten years. Nevertheless, globalisation has had and still has ramifications on competition, and it is therefore important to further explore both the phenomenon as such and its consequences on global industry structure and firm strategy.

Globalisation has indeed been given different conceptualizations. Levitt (1983) suggests that converging consumption patterns together with freer trade open national markets benefitting companies that are in a position to exploit scale economies, resulting in a more concentrated industry

structure with fewer and larger players, inexorably leading to the demise of smaller firms. For example, standardizing products and marketing allows for an opportunity to create economies of scale (Wiersema and Bowen, 2008). Large corporations may also see scale economies in research and development and manufacturing, additionally influencing the degree of internationalization. As noted by Levitt (1983), the strength of economies of scale will often overshadow the heterogeneities of local and regional tastes and preferences. Hence, strong economies of scale are an important determinant of the degree of globality in an industry. Others have adopted a more limited view of globalisation, focusing on the consumption patterns leading to advantages of standardisation of marketing (Zou and Cavusgil 2002) or of processes (Keegan 1984) and tuning down the effect on competitive structure.

Based on Levitt's (1983) prediction of concentrated competitive structure, and on the emergent writings on industrial organisation (Scherer, 1990) and strategic groups (Hunt, 1972; Caves and Porter, 1977), Solberg (2018, p. 9) defines globalisation as

a process where companies in different industries seek to gain large market shares in international markets, partly by establishing entry barriers (such as economies of scale or branding) and partly by benefiting from reduced trade barriers or surmounting such barriers, resulting in global oligopolies in the said industries.

Solberg (1997) introduced the concept of industry globality and hypothesised that global industry structure had – together with firm resources – an impact both on strategy and on firm performance, mediated by strategy. Although he uncovered - in a study of 22 Norwegian firms - interesting patterns of S-C-P (structure-conduct-performance) partly supporting his propositions, it has been difficult to unambiguously support parts of his framework (Solberg, 1998). Nevertheless, some patterns “comply” with the predictions posited by Solberg: it has been shown that performance effects of product standardisation increase with globalisation drivers, such as trade liberalisation, converging regulatory standards and consumer patterns (Solberg and Durrieu, 2014). They also find that product

standardisation improves firms' *market position* in concentrated industries (Solberg and Durrieu, 2015).

However, the multidimensional character of the concepts in use renders this field of study particularly sensitive to various definitions. Various attempts have been made to operationalise the concept of globalisation and (global) industry or competitive structure, and to measure its effect on firm performance in international markets (Solberg, 1997; Mathyssens and Pauwel, 2001; Burmo and Heedman, 2014; Solberg and Durrieu, 2014, 2015). These attempts suggest that there are certain relationships between globalisation drivers, industry structure, strategic thrust, and performance, but that their strength hinges on the operationalisation of the constructs.

Attempting to capture the nature of competition in global industries, Makhija, Kim and Williamson (1997, p. 680) define globalisation “as an industry in which a firm's competitive position in one country is affected by its position in other countries or vice versa”. Comparing this definition with that of Porter (1986), we see conceptual similarities when he defines global industries as “linked domestic industries in which rivals compete ... on a truly worldwide basis” (Porter, 1986, p. 18). Makhija, Kim and Williamson (1997) aim for a systematic measure of globalisation, allowing to capture a more complete measurement of the globality of each industry. They argue that capturing the intra-industry trade along with international linkages for the industry gives a balanced and nuanced measure.

Sambharya, Rasheed and Contractor (2022) point to several important aspects of capturing the level of globalisation in an industry. First, competition is multifaceted in highly globalized industries, meaning that adversaries face off in several countries and regions. Some industries are heavily concentrated with a few oligopolistic competitors dominating the market, while other industries see competition varying in size and locations; the degree of globalisation is a continuum, and industries may have a mix of local and international competitors. Second, products and services are traded across borders, both as imports and exports. This includes unidirectional exports as well as bidirectional flows

with competitors situated in different countries. Third, global industries also see investments across borders in the form of foreign direct investments (FDI). While this is not a necessity for global competition, there should be a minimal level of investment across borders. Finally, a global industry is likely to partly consist of companies which optimize their supply chains to deliver value across all markets. In other words, global industries will display a baseline level of intra-industry linkages (IIT, c.f. Makhija, Kim and Williamson, 1997).

These factors have consequences on global industry structure that are not fully explored. This paper, therefore, endeavours to develop an updated operationalisation of both globalisation drivers and counteracting forces and of global industry structure, in addition to discussing the relationships between them. We believe that this is important because the industry structure sets the ramifications for all the players in the industry. In particular, firms based in smaller countries with less opportunities to achieve economies of scale, need to understand these mechanisms to properly position themselves in international markets. We also introduce the concept of economic globalisation measured by secondary data - such as intra-industry trade, level of international trade and foreign direct investments - in order to compare this definition of globalisation with that of competitive / industry structure and explore potential linkages between them.

2. Competitive structure and global industry

Industry structure has traditionally been defined as concentration of competitors (Bain, 1956; Scherer, 1990), for example share of total market among the largest firms in an industry (based on nomenclatures such as SIC or NACE). This measure is readily available in many industries and should therefore be relatively easy to calculate. Ghemawat (2012) finds that the global concentration ratio (global share of five largest companies in the industry) in the consumer goods sector generally is moderate (35%) and has - in spite of globalisation trends - only slightly increased over the decade between 2000 - 2010. Some notable exemptions are carbonated drinks (75%) and aluminium smelting (42%).

However, using this ratio is not without caveats. For instance, what is the relevant catchment area for the main players in the industry: the local market in Normandie, the French market, the EU, or the world (or any other geographic area)? Obviously, a firm can totally dominate the market in one region without being present in other regions. Another problem lies in the definition of the product or service itself, in that most industries are divided into segments where firms in one segment do not necessarily compete directly with firms in other segments. Therefore, to properly define the relevant market – and therefore also the relevant set of competitors is not straight forward. In 1972, Hunt coined the concept of strategic groups responding to the need to categorise firms in the same industry albeit not operating with the same set of resources in the same marketing environments with the same strategies. These groups emerge in the wake of mobility barriers (Caves and Porter, 1977) as idiosyncratic structural factors such as brand position, relationships, scale economies and so on cement an industry structure where there is little competition across groups. The main hypothesis is that firms in the same strategic groups are likely to pursue similar strategies and therefore also achieve more or less the same performance levels (Porter, 1980).

Whereas mobility barriers restrain transfer from one group to another, entry barriers make access to a market onerous for *new* entrants. Solberg (2018) distinguishes between structural and (inter-) national entry barriers. Structural barriers are those inherent in the industry based on its resource base, technology, capital requirements etc. They have a direct impact on the formation of strategic groups but also on the competitive structure, i.e. the number and relative strength of competitors within each group. International barriers are typically customs tariffs, national regulations, cultural factors, or economic sanctions that inhibit free flow of goods and services across borders. After forty years of gradual reduction, these barriers have been reinvigorated in the wake of political shifts over the last ten years or so (c.f. Brexit, trumpism, political and military conflicts, covid-19) as discussed above.

Structural entry barriers	Hi	Global oligopolies	National oligopolies or monopolies
	Lo	International industries	Fragmented national industries
		Lo	Hi
		National barriers	

Figure 1: Structural and (inter)national barriers to entry

Figure 1 illustrates plausible outcomes in terms of industry structure for the different levels of structural and (inter)national barriers. These combinations give a classification of four groups of industries:

- 1) International industries (few structural and few international barriers) where it is relatively easy to enter the industry inside a country, but easy to export to the country. Examples would here be woodworking and furniture industries, some branded food.
- 2) Global oligopolies (high structural barriers and low national barriers). Aerospace (Boeing, Airbus), software (Microsoft, Adobe, Oracle, SAP and more, each dominating their sector(s) of operation), softdrinks (Coca Cola, Pepsi Cola, Sprite etc).
- 3) Fragmented national industries - with few structural barriers and many (inter-)national barriers. In these industries there are few threats of global players entering individual local markets. Examples are typically hairdressers, handicraft sector, such as carpenters, electricians, plumbers, dentists but also to a less extent manufacturing industries.
- 4) National oligopolies or monopolies (both structural and national barriers are high). Typical examples are national railway or telecom companies.

However, these two factors are not dichotomous, and most industries find themselves in “grey areas” between these four classes. Also, a global industry according to the definition above does not necessarily have to consist of large players. Due to mobility barriers, most industries consist of speciality segments – or in our parlance strategic groups – allowing smaller firms to erect structural entry barriers based on technology, customer relationships, small scale advantages and carve out a global niche difficult for larger firms to engage in. However, entry barriers are not constant; rather they are continuously shifting, through technological innovations or changes in national policies by way of state interventions (through subsidies or erection of trade barriers). A very recent example is the arrival of DeepSeek challenging ChatGPT’s position as a world leader within generative artificial intelligence.

Albeit theoretically sound, the concept of strategic groups is difficult to operationalise, and it is therefore difficult to correctly assess the nature of competition. Han et al. (2022) mention three different methods: characteristics based, cognitive based and news co-citation based (network) approaches. These have both advantages and disadvantages. For instance, characteristic based methods use measures of dimensions such as balance sheet, performance, scale, geographic scope, etc. Whereas the advantages are obvious (easily accessible data through company records), the analysis hinges on the preconceived idea of what dimensions to incorporate in the set. Also, the multidimensionality of firm characteristics may render in-between comparison beside the point (Han et al., 2022). The cognitive perspective was a response to these and other caveats; it was deemed that managers through their cognitive maps were better able to assess similarities with other firms in the industry and thereby identify direct competitors (Porac, Thomas and Baden- Fuller, 1989). Panagiotou (2007) found in a study of British leisure package holiday tours that firms belonging to the same strategic group consider their group as a reference point in their decision-making process. Consequently, their strategic choices are calibrated to those of their group's strategic behaviour. He maintains that individual referencing to critical elements of the competitive environment is better able to capture its “real” content as compared to industry statistics that are rather general in nature.

However, such mental models fall prey of incomplete intelligence, and – particularly in the wake of new technologies and developments in the international business environment – managers may therefore miss out on critical information (Porac, Thomas and Baden-Fuller, 2011). This point is exacerbated by the global nature of many industries.

Gulati, Nohria and Zaheer (2000) introduce the network based approach as a reliable method to identify strategic groups. Han et al. (2022) apply this approach through a news co-mentions methodology. This methodology records the structural equivalence between players in the industry and gives consistent results in identifying strategic groups. However, it is limited to news mentions and therefore to larger firms.

The essence in the present context is not to identify strategic groups within an industry; rather it is to gauge the structure of the competition of firms from a variety of different industries. For a more general analysis of competitive structure in any industry we therefore consider the cognitive approach to be more relevant. It can be applied to large and small firms alike, and it is easy to collect data through surveys. Some of its limitations – such as biased mental maps - can possibly be alleviated by developing survey instruments that attack the issue from different angles.

3. Measuring globalisation and global industry structure

Globalisation and, hence, the development of competitive structure within specific industries then depends on a variety of factors. In their review, Sambharya et al. (2022) mention a number of elements that either drive or work against globalisation but other factors are not included. For instance, economic growth seems to be highly correlated with increase in international trade (an indicator of globalisation). Also price sensitivity across markets – suggesting an interdependent competitive situation (in contrast to isolated price formation) - should be considered as a measure of globalisation. Developments in telecom technology - facilitating cross border communication - is a third factor not included in Sambharya et al. (2022).

Whereas Sambharya et al. (2022) divide globalisation factors into those driving industries to globalise and factors that limit globalisation, we suggest grouping them into structural and (inter)national barriers in accordance with our matrix in figure 1 above. We believe that the strength with which these factors influence the business environment will vary greatly between each individual industry sector or more precisely within each strategic group. As argued above, we find it relevant to include another (than industry structure) and more general measure of globalisation: economic globalisation as epitomised by intra-industry trade, level of international trade and of foreign direct investments – see figure 2.

We will measure globalisation drivers and industry structure by combining two different types of data: secondary data from databases and survey data from businesses in each industry. This means we will access and combine both objective and subjective data. Whereas survey data will provide highly specific data which reveals how business leaders assess and perceive globalisation of their industry, data from databases provide general and precise measures (although often aggregated).

Through factor analysis we aim to identify the drivers and counteracting forces that count the most in explaining the globality of the industry structure - see figure 2, and thereby also rule out factors that are irrelevant.

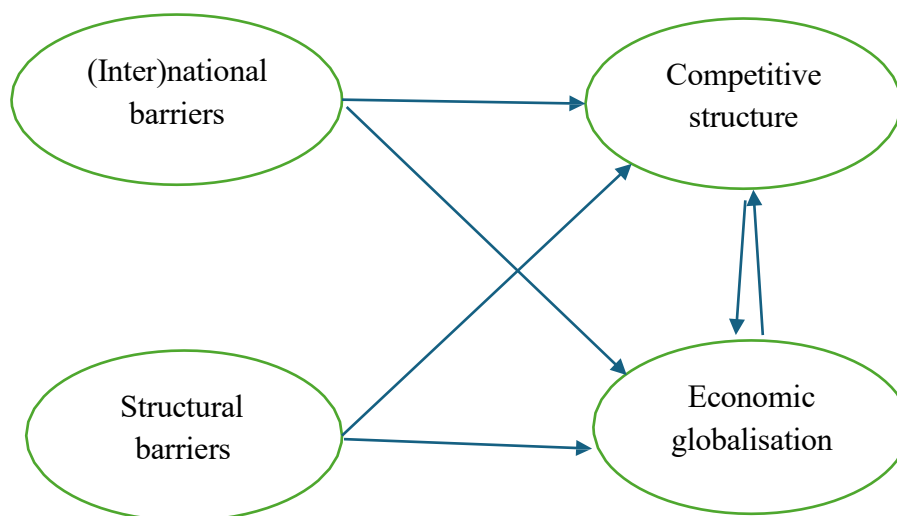


Figure 2: Research model, international and structural barriers influence competitive structure

The model also indicates a mutual causal relationship between economic and competitive structure, in that increased interconnectedness in terms of trade and foreign direct investments will shape the structure of the industry, both in terms of number of players and their locations. We argue that the arrows can go in both directions.

We have sketched the main indicators to be included in the measurement instruments in the appendix below.

4. Summary

The present paper revisits the concept of globalisation and its antecedents, in light of the developments in the international business environment over the last decade. We argue that measures of globalisation need to be reformulated and suggest a set of measures that can be used. This paper presents a conceptual framework with suggested operationalisations of the concepts discussed, we intend to carry out data collection to validate the items. We anticipate that the many items in the survey instrument will group under other “headlines” compared to the ones they are now classified, helping us better understand the (de-)globalisation forces that matter. The analysis is therefore expected to give pointers to researchers as well as managers and policy makers as to what factors weigh in the formation of global competitive structure. In addition, we argue that industry structure is a result of globalisation factors. Our conceptual framework therefore predicts that an industry structure reflecting globality is positively related to economic globalisation. If this holds true, we will contribute to the understanding of the globalisation process in industries as well as test the validity of extant frameworks of industry globality.

Bibliography

- Bain, Joe S., 1956. *Barriers to new competition; Their Character and Consequences in Manufacturing Industries*, Harvard University Press
- Buckley, P.J. and M.C. Casson, 1998. Models of the Multinational Enterprise. *Journal of International Business Studies*, vol. 29, No. 1, p. 21–44.
- Burmo, Alexander and Maja Heedman. 2014. *What factors affect a firm's internationalization strategy?* Master thesis, BI Norwegian Business School, Oslo.

- Caves, Richard E. and Michael E. Porter. 1977. "From Entry Barriers to Mobility Barriers: Conjectural Decisions and Contrived Deterrence to New Competition." *The Quarterly Journal of Economics*, 91(2): p. 241-261.
- Deepika, N. and Thomas, S.G. 1997. "Convergence Across Alternative Methods For Forming Strategic Groups". *Strategic Management Journal*, Vol. 18:9, p. 745-760.
- Ghemawat, Pankaj. 2012. *World 3.0: Global prosperity and how to achieve it*. Harvard Business Review Press.
- Gulati, R., N. Nohria and A. Zaheer, 2000. Strategic networks. *Strategic Management Journal* (John Wiley & Sons, Inc.) - 1980 to 2009. Mar 2000, Vol. 21 Issue 3, p. 203-226
- Han, Tian, Abby Ghobadian, Andrew Yim, Ran Tao, Howard Thomas. 2022. *British Journal of Management*, December, p. 1687-1730.
- Hunt, M. S. (1972). Competition in the major home appliance industry 1960–1970. (Unpublished doctoral dissertation). Harvard University, Cambridge, MA
- Keegan, W.J.: *Multinational Marketing Management*. Prentice-Hall International Inc., 1984.
- Levitt, T. 1983.: «The Globalisation of Markets» *Harvard Business Review*,
- Makhija, M. V., Kim, K., & Williamson, S. D. (1997). Measuring globalisation of industries using a national industry approach: Empirical evidence across five countries and over time. *Journal of international business studies*, 28, p. 679-710.
- Mathyssens, Paul, Pieter Pauwels and Koen Vandenbempt, 2001, Strategic behavior in globalizing markets: case studies on the internationalization of mid-sized MNEs. In Larimo, Jorma, Proceedings of the University of Vaasa, Reports
- Panagiotou, George. 2007. Reference theory: strategic groups and competitive benchmarking. *Management Decision*. Vol. 45 Issue 10, p. 1595-1621.
- Porac, J., H. Thomas and C. Baden-Fuller 1989. Competitive groups as cognitive communities: the case of Scottish knitwear manufacturers. *Journal of Management Studies* (Wiley-Blackwell). July, Vol. 26 Issue 4, p. 397-416.
- Porac, J., H. Thomas and C. Baden-Fuller. 2011. Competitive groups as cognitive communities: the case of Scottish knitwear manufacturers revisited. *Journal of Management Studies* (Wiley-Blackwell). May Vol. 48 Issue 3, p. 646-664.
- Porter, M.E.: *Competitive Strategy*. The Free Press, New York 1980.
- Porter, M. E. (1986). *Competition in global industries*. Harvard Business School Press
- Rugman, A. and A. Verbeke. 2004. A Perspective on Regional and Global Strategies of Multinational Enterprises, [Journal of International Business Studies](#) 35(1):3-1
- Sambharya, R. B., Rasheed, A. A., & Contractor, F. J. (2022). Exploring the antecedents of industry globalisation: a longitudinal investigation. *Cross Cultural & Strategic Management*, 29(1), p. 91-113.
- Scherer, F.M.: *Industrial market structure and economic performance*. Houghton Mifflin Company, Second edition, Boston 1990.
- Solberg, C.A.: «A framework for analysis of strategy development, in globalizing markets.» *Journal of International Marketing*, vol. 5, No. 1, 1997, p. 9–30.
- Solberg, Carl Arthur and Francois Durrieu. 2014. "The impact of globalisation drivers on strategy performance relationships, in international markets"., in Julian, C. *Research Handbook on Export Marketing*, Edward Elgar, Cheltenham, UK. p. 163-184.

- Solberg, Carl Arthur and Francois Durrieu. 2015. “Internationalisation strategies and industry structure”, in Zou, S, B. Schlegelmilch and B. Stöttinger, *Advances in international Marketing* Vol. 26, p. 33-60
- Wiersema, M. F., & Bowen, H. P. (2008). Corporate diversification: The impact of foreign competition, industry globalisation, and product diversification. *Strategic Management Journal*, 29(2), p. 115-132.
- Zou, S. and Cavusgil, S. T. (2002). The GMS: A Broad Conceptualization of Global Marketing Strategy and Its Effect on Firm Performance. *Journal of Marketing*, 66, p. 40–56.

Appendix

1 Secondary data measures

Structural barriers

For secondary data, this will be registered as the assessments of the industry in the reports available from the databases employed. For example, if the report mentions strong brands, economies of scale in production, economies of scale in R&D or similar, it will be registered as a structural barrier. The severity of each barrier will be marked from 1-10, and the totality of structural barriers in the industry will also be marked 1-10. Industries will be assessed by multiple individuals, and the interrater reliability will be assessed.

International barriers

Tariffs

To analyze the tariffs applied to the relevant industries, we sourced data from the World Trade Organization (WTO) (<http://tariffdata.wto.org/>). Two types of tariff measurements were considered: ad valorem (AV) duties and duty-free rates. Ad valorem duties function as value-added taxes, calculated based on the value of the commodity. However, tariffs can also be applied in other ways, beyond value- based calculations. For example, Norway does not impose an AV duty on imported beer; instead, a specific tax is levied based on the alcohol content of the beverage.

This indicator poses a potential challenge, particularly in the wake of President Trump’s second

term. However, since we measure historic data, this will not appear in the data collected.

Regulations

The level of shared regulation practices and standards with industries in other countries should indicate lower national barriers. If the demands placed on the producer or the product are similar across countries, it should be easier for companies to enter international markets.

Economic globalisation

Intra-industry trade

As defined in Makhija, Kim, and Williamson (1997), intra-industry trade (IIT) is measured the following way: $IIT = 1 - \frac{abs(X - M)}{X + M}$, where X is exports and M is imports. This measure will generate a number between 0 or 1, where 0 indicates no intra-industry trade and 1 indicating total intra-industry trade.

Level of international trade

As defined in Makhija, Kim, and Williamson (1997), the level of international trade is measured the following way: $LIT = \frac{X + M}{P + M - X}$, where X is exports, M is imports and P is the level of production.

Foreign direct investments

Different sources offer statistics on FDI, but they are generally fairly crude when it comes to specific industrial sectors. [InvestmentMap \(www.investmentmap.org\)](http://www.investmentmap.org) offer some detail, listing ca 125 different industry sectors. However, this is still a limited degree of specification compared to concrete strategic groups.

Competitive structure

To assess market concentration, we collected data on the market shares of the top four companies

in each industry and summed these figures. The market share percentages for each company were obtained from industry-specific market reports provided by Statista. Also, the number of competitors in the industry with a market share above 5% is counted.

2 Survey data

As argued above, we surmise that managers' perception of their firm's business environment will more accurately translate critical factors in their specific strategic group than the unavoidably more general secondary data mentioned above. We therefore propose to carry out a survey to cover the main factors in our model in figure 2. In addition, we need to classify the industry sector of each firm in the survey.

International barriers to entry

Globalised networks

- Our technology and products/services lend themselves easily to be distributed through the net.

Seeking cheaper or better inputs abroad

- Inputs to our production are to a great extent sourced from suppliers in low cost countries
- Critical components in our production are mainly provided by suppliers in our home country
- Freight costs hinder us from sourcing components from virtually anywhere in the world
- The general trend in our industry is to seek suppliers from secure and friendly countries
- Low costs are not the most important factor; security of supply chains is.

Value-to-weight ratio

- Transport costs for our products are negligible
- The value of our products is extremely high compared to the freight costs to international markets
- The costs of transferring our products to international markets are too high for us to engage in exports

Tax avoidance

- Tax regimes in selected countries make it easy for players in our industry to compete in international markets

- Large MNEs in our industry are much better positioned to benefit from tax havens around the world
- Many companies in our industry take advantage of different tax systems in the world to configure their international value chain
- Technology licensing is heavily used in our industry in order to “optimise” the tax burden

Fragmentation of the world economy

- The development of geopolitics is particularly harmful in our industry, restricting otherwise promising business opportunities.
- Our international sales are gravely hampered by *trade* conflicts in the world
- Our international sales are gravely hampered by *military* conflicts in the world

Risk and asset specificity

- Players in our industry are hesitant to invest in otherwise promising markets because of the risks involved (sanctions, military conflicts, political uncertainty, cultural distance).
- If it hadn't been for all the uncertainties in our business environment we would have invested much more in business operations around the world.
- We have been forced to abandon investment projects abroad due to the political situation in the country
- US and/or EU sanctions against specific countries are significantly hindering our international operations.

Nationalism and protectionism

- We encounter increasing trade barriers (tariffs, import regulations) in many of our key markets
- Nationalism around the world makes it difficult for us to expand internationally
- Trade wars between USA and other countries (such as China and the EU) are greatly inhibiting players in our industry to take new international market initiatives

Sensitivity to cultural differences

- The markets we serve are generally very different when it comes to *the technical requirements* of our products.

- The markets we serve are generally very different when it comes to *the design* of our products
- We meet the same customer groups with basically the same preferences in all our markets
- Adapting to local tastes and requirements is very costly in our industry

International price levels

- If we lower our price in one local market, our strongest competitors will immediately respond by lowering their prices in our most important markets.
- The price level for our products is more or less the same across all our markets
- Price competition is very severe in our international markets
- Our markets are generally isolated from one another so that we can freely set our prices in one market without regard to the price level in other markets.

Currency issues

- The general use of Euros and Dollar in our markets is greatly facilitating our transborder transactions
- Currency fluctuations make us hesitant to engage in markets outside the Euro or Dollar zone

Global coordination costs

- The complexity of the market situation in our industry makes it onerous to control and follow up our foreign operations.

Structural barriers to entry

Production scale economies

- In our industry only firms with large production output are competitive.
- Manufacturing technology in our industry allows for small scale operations
- Even small firms in small countries are internationally competitive in our industry sector
- High fixed investments in production in our industry warrant larger outputs and higher sales compared to other industries.

High-technology overheads

- In order to be competitive firms in our industry need to invest heavily in R&D
- We need to access large international markets in order to amortise our initial investments

- In our industry the R&D/Sales ratio is much higher than in other industries

Prevalence of strong international brands

- Only a handful of brands (around six-seven) dominate world markets in our industry
- National brands are generally market leaders in each market where we operate
- We seldom compete with other than local brands in our export markets
- Brand loyalty is more critical than affordable price in our markets
- In our industry local brands are favoured in each local market

Global industry / competitive structure

- Our main competitors operate on a global scale
- Competitors in our industry are few and large
- Customers in our industry are globally oriented
- Customers in our industry are few and large
- Our industry consists of many small segments with a variety of small and medium sized players from many countries
- A key feature of our industry is the development of large industrial centers located in regions with specific advantages (low costs, technological competence, R&D culture)
- Strategic alliances across borders is a key feature in our industry
- International mergers and acquisitions are a prominent feature in our industry



UNIVERSITÀ
DI PAVIA



UNIVERSITÀ DI PAVIA
Dipartimento di
Scienze Economiche
e Aziendali

Dipartimento
di Eccellenza
MUR 2023-2027

CIMaR

Consortium for International Marketing Research

May 19-22 | 2025 | University of Pavia
Italy

Extended Abstracts



INSTITUTE FOR
TRANSFORMATIVE
INNOVATION
RESEARCH



CIBER
CENTER FOR
INTERNATIONAL BUSINESS
EDUCATION & RESEARCH



The Strategic Role of Professional Social Media in Franchisee Recruitment and Network Expansion: Insights from Italian Franchisors

Ilaria Curina¹, Barbara Francioni,¹ Alice Aiudi,¹ Matilde Milanesi²

University of Urbino Carlo Bo¹; University of Firenze²

Introduction and purpose

The growing importance of digital channels, particularly social media platforms, in shaping business relationships has been widely recognized in recent years (Rocha et al., 2023). These tools allow firms to engage more effectively with various stakeholders, including current customers, prospective clients, and business partners (Muna et al., 2023; Venkateswaran et al., 2019; Bocconcelli et al., 2017; Rodríguez et al., 2012).

In this context, the franchising sector emerges as an ideal context to explore the transformative role of digital tools. Franchising operates as a business model where the franchisor licenses intellectual property and operational expertise to franchisees in exchange for fees and royalties. Central to the success of this model is the process of partner selection, which requires careful evaluation of potential franchisees to ensure alignment with the franchisor's values, goals, and capabilities (Doherty, 2009; Rosado-Serrano et al., 2018). Relational factors such as trustworthiness, open communication, and mutual commitment further contribute to successful partnerships (Das & He, 2006).

While the literature provides comprehensive insights into selection criteria and relationship management, it does not specifically address how and where partnerships are initiated, particularly in digital environments such as social media platforms (Ruparel et al., 2023). Research indicates that social media platforms can significantly transform communication and collaboration between franchisors and franchisees (Sashi & Brynildsen, 2022). Franchisors use these platforms to enhance their visibility, monitor consumer sentiment, and respond to market demands (Perrigot et al., 2012; Webster & Hume, 2019). Professional social media platforms provide franchisors with unique

opportunities to establish thought leadership, cultivate trust, and expand their networks by connecting with potential franchisees (Calderón-Monge & Ramírez-Hurtado, 2021).

These platforms enable franchisors to showcase their brand culture, communicate expertise, and increase transparency throughout the recruitment process (López-Fernández & Perrigot, 2018). Tools such as LinkedIn groups, direct messaging, and targeted recruitment campaigns significantly enhance engagement and facilitate the identification of qualified partners (Ahmed et al., 2022; McCabe, 2017). Furthermore, franchisors can leverage paid campaigns and event promotion tools to share insights and success stories, thereby strengthening their position within the franchising community (Goldstein, 2010). These tools enable real-time communication, knowledge sharing, partner selection, and the creation of international franchise networks (Gorovaia et al., 2023; King, 2016). Additionally, they allow franchisors to create online communities with their franchisees, disseminate operational guidelines, and provide ongoing support (Sashi & Brynildsen, 2022; King, 2016). These communities promote open dialogue, mutual trust, and engagement, thus strengthening relationships within the franchising network (Kacker & Perrigot, 2016). Moreover, these platforms enable franchisors to implement targeted recruitment strategies, which diversify and reinforce their international networks (Panda et al., 2023; López-Fernández & Perrigot, 2018). Despite these advantages, the adoption and strategic use of professional social media platforms for partner selection and relationship management are still underexplored (Giroto et al., 2022; Ruparel et al., 2023), and the potential of professional platforms like LinkedIn for attracting and managing franchise partners has not been fully recognized (Giroto et al., 2022; Kacker & Perrigot, 2016). Current studies primarily focus on sectors outside of franchising, thus leaving a gap in understanding the platform-specific limitations and strategic barriers in this context (Calderón-Monge & Ramírez-Hurtado, 2022). Addressing these gaps is critical for optimizing the use of professional social media in franchising, providing both theoretical insights and practical guidance for managing today's digital context.

Consequently, this study aims to explore how Italian franchisors use professional social media for international partner selection and network expansion. It also investigates the strategies employed to

initiate and manage relationships with potential foreign partners and identifies the challenges franchisors face in leveraging these platforms. This research also contributes to a deeper understanding of the digital dynamics shaping modern franchising strategies.

Methodology

In light of the exploratory nature of the study, we chose a multiple case study approach to gather rich, contextual insights, adhering to the guidelines provided by Eisenhardt (1989), Eisenhardt and Graebner (2007), and Yin (2018) (Pagell & Wu, 2009). In particular, the study focuses on four Italian franchisors operating in the food and beverage sector, selected due to the sector's growing reliance on franchising and social media for communication and brand engagement (Dossena et al., 2020). Primary data were collected through semi-structured interviews with export and social media managers between March and November 2024. The interview protocol covered different themes: (i) franchisor background; (ii) adoption of professional social media; (iii) use of professional social media in partner selection; (iv) international network development strategies; (v) challenges and limitations in using social media; (vi) strategic impact and future plans.

Empirical Analysis and Discussion

The four firms analyzed specialize in different sectors within the food and beverage industry, ranging from high-quality coffee to artisanal gelato and themed restaurants.

Concerning the *adoption of professional social media*, Firm A employs a centralized approach to ensure brand consistency. Firm B primarily uses social media for branding and institutional communication, emphasizing values such as sustainability and Italian heritage. Franchisee recruitment is rarely conducted online, relying instead on personal networks. Firm C stands out with its localized strategies, such as for its market in Saudi Arabia where the content is adapted to respect cultural sensitivities. It also engages global audiences through partnerships, such as with Netflix, to enhance its premium brand image and to position itself as a global brand. Firm D adopts a more reserved approach, using social media as a promotional tool for consumer engagement while

prioritizing traditional methods like trade shows for franchisee recruitment.

For *partner selection*, the strategies for franchisee recruitment reveal varying levels of dependence on social media. Firm A uses LinkedIn for initial candidate screening, assessing professional experience and compatibility with brand values. However, final decisions rely on comprehensive in-person evaluations, including financial and legal assessments. Firm B relies on traditional channels and existing networks to identify experienced and reliable partners, prioritizing long-term relationships over rapid expansion. Firm C adopts a proactive approach, seeking financially capable partners with the organizational expertise to manage different international markets. This selectivity ensures alignment with the company's premium positioning. Firm D favors trade shows and word-of-mouth recommendations, using social media as a supplementary tool to attract initial inquiries rather than as a primary selection channel.

Also the approaches to *international network development and expansion strategy* vary widely. Firm A adopts a cautious strategy, leveraging LinkedIn and trade shows to build its presence abroad. Firm B minimizes the use of social media for international franchising, relying instead on established relationships to expand its global network. Firm C demonstrates adaptability by customizing content for culturally specific markets and emphasizing affordable luxury to attract different audiences. Firm D benefits from franchisee-managed local social profiles, particularly in key markets like South Korea, ensuring visibility while maintaining central oversight to preserve brand consistency. Moreover, the case studies highlight *challenges in using social media* for franchisee engagement, primarily due to resource constraints, digital illiteracy, and strategic hesitations. Firm A struggles with engaging franchisees on LinkedIn, where most partners prefer traditional communication methods such as WhatsApp. Despite centralized content management, the lack of franchisee participation limits the platform's potential. Firm B avoids such challenges by prioritizing direct, personal interactions.

However, this traditional approach risks underutilizing social media's potential for broader franchisee alignment and visibility. Firm C mitigates these issues by localizing content and partnering with local

agencies. However, maintaining high standards across a variety of marketplaces and overcoming the divide between local autonomy and centralized control remains challenging. Firm D faces issues with sustaining franchisees' enthusiasm for social media. While initial engagement is high, profiles are often abandoned, undermining consistent brand visibility across regions.

Looking ahead to *future plans*, the firms exhibit varying levels of readiness to leverage emerging digital technologies such as artificial intelligence (AI). Firm A aims to enhance LinkedIn engagement and visual content creation through AI, addressing its current limitations in franchisee participation. Firm B plans to use AI to optimize partner selection and streamline international communications, though this will require a cultural shift within the organization. Firm C integrates AI with CRM systems to refine partner selection and market data analysis, reinforcing its position as a leader in digital innovation. Firm D remains cautious, exploring AI for content management but avoiding significant investments in digital transformation.

Conclusive remarks and implications

This study provides significant contributions to the understanding of the role of professional social media within the franchising sector, particularly in the Italian food and beverage industry. Firstly, social media, particularly LinkedIn, has emerged as a valuable preliminary tool for evaluating potential partners. These platforms allow franchisors to assess candidates' professional stability and entrepreneurial capabilities. The cautious approach observed in the analyzed cases reflects the trust and relationship-building priorities central to franchising partnerships, as noted in previous studies (Combs et al., 2004). However, while social media complements traditional partner selection methods, it remains a secondary tool, with final decisions grounded in traditional methodologies (Brookes and Altinay, 2011).

The findings also advocate for a strategic reevaluation of professional social media's role in franchise expansion. An integrated, cross-platform strategy that leverages LinkedIn's networking strengths alongside the broader reach of Facebook and Instagram could synergistically enhance franchise growth. This aligns with López-Fernández and Perrigot (2018), who noted that such integration

enhances consistent and transparent communication during recruitment, thereby strengthening trust in franchisor-franchisee relationships. Furthermore, tailored engagement strategies that incorporate advanced data analytics enable franchisors to customize interactions and more effectively target audiences. This approach not only enhances direct engagement but also improves long-term relationship management with potential franchisees, introducing a new paradigm in the use of social media for franchise expansion (Giroto et al., 2022; Kacker & Perrigot, 2016). Consistent with Rodríguez et al. (2012), the findings emphasize the importance of data-driven strategies in anticipating partner needs and streamlining decision-making processes. Moreover, this study explores challenges associated with the use of professional social media in franchise development. It highlights the tension between centralized brand management and localized content adaptation. While platforms like TikTok, Facebook, Instagram, and LinkedIn facilitate content customization for diverse demographics, achieving a balance between global consistency and local relevance remains critical. This challenge reflects Robertson's (1995) concept of "glocalization" and Hofstede's (1980) Theory of Cultural Dimensions, which underscored the importance of respecting local cultural contexts while maintaining a unified brand identity. As Sashi and Brynildsen (2022) argued, localized strategies enhance franchisee autonomy while preserving core brand integrity.

Finally, emerging technologies such as AI present promising avenues for franchisors to develop more adaptive and responsive digital strategies. These technologies facilitate smarter partner recruitment, content personalization, and market responsiveness, as highlighted by Crupi et al. (2022). However, successful adoption requires overcoming internal resistance, providing comprehensive training, and collaborating with external digital agencies (Gorovaia et al., 2023). Managerially, this work offers actionable recommendations for franchisors seeking to leverage professional social media for network creation and management. This study underscores the strategic importance of professional social media platforms in the expansion and management of franchise networks. By sharing thought leadership content, sharing franchisee success stories, and highlighting sustainability initiatives, franchisors can build brand trust and credibility to attract well-

aligned candidates. For instance, McDonald's highlights its sustainability efforts, while Dunkin' Donuts showcases franchisee achievements to expand their networks. Platforms like LinkedIn offer tools for targeted recruitment, enabling franchisors to connect with candidates who possess relevant expertise. Starbucks exemplifies this approach by using LinkedIn to promote its corporate culture and attract skilled professionals. Beyond recruitment, social media increases engagement through dedicated groups and pages, as demonstrated by Anytime Fitness' use of LinkedIn for nurturing collaboration and resource sharing among its franchisees. AI-powered technologies further enhance these efforts by personalizing content, analyzing engagement, and refining marketing campaigns. Domino's Pizza uses AI to gain insights into customer engagement. However, franchisors must address challenges related to franchisee digital literacy and cultural sensitivities to fully capitalize on these benefits. Ensuring brand consistency remains essential. Centralized digital libraries with customizable templates allow franchisees to adapt content locally while preserving brand integrity. Structured training programs and mentoring initiatives help bridge gaps between franchisors and franchisees, ensuring alignment on branding strategies. Collaborations with digital marketing agencies can optimize resources and enhance the effectiveness of recruitment and engagement campaigns. By integrating these strategies into their operations, franchisors can fully harness the potential of professional social media to drive network growth, maintain consistency, and build resilient franchise systems.

Limitations and Future Research

While this study provides valuable insights, it also has limitations that highlight opportunities for future research. The focus on the Italian food and beverage sector may limit the generalizability of the findings. Future studies could explore different industries and smaller franchising businesses to uncover unique challenges and opportunities. Additionally, the qualitative nature of this research could be complemented by quantitative studies to validate the findings and explore causal relationships between social media strategies and franchisor performance metrics. Further research should also

examine the impact of emerging tools, such as AI and machine learning, on franchising strategies, especially in enhancing partner recruitment and content localization. Investigating issues like data security, privacy concerns, and regulatory compliance in global operations could provide franchisors with clearer guidelines for managing online risks. Lastly, future studies could explore the influence of training, incentives, and mentorship programs on franchisee engagement with social media strategies.

References

- Ahmed, M. A. E. H. F., Aboutabl, A. E., & Galal, A. (2022). Utilizing Social Media Data Analytics to Enhance Banking Services. *Intelligent Information Management*, 14(1), 1-14.
- Bocconcelli, R., Cioppi, M., & Pagano, A. (2017). Social media as a resource in SMEs' sales process. *Journal of Business & Industrial Marketing*, 32(5), 693-709.
- Brookes, M., & Altinay, L. (2011). Franchise partner selection: Perspectives of franchisors and franchisees. *Journal of Services Marketing*, 25(5), 336-348.
- Calderón-Monge, E., Ramírez-Hurtado, J.M. (2022). Measuring the consumer engagement related to social media: the case of franchising. *Electronic Commerce Research*, 22, 1249–1274.
- Combs, J. G., Michael, S. C., & Castrogiovanni, G. J. (2004). Franchising: A review and avenues to greater theoretical diversity. *Journal of management*, 30(6), 907-931.
- Crupi, A., Del Sarto, N., Di Minin, A., & Kenney, M. F. (2022). Disentangling the importance of digital platforms and absorptive capacity in digital business ecosystems. In *Handbook on Digital Business Ecosystems* (pp. 40-49). Edward Elgar Publishing.
- Das, T. K., & He, I. Y. (2006). Entrepreneurial firms in search of established partners: review and recommendations. *International Journal of Entrepreneurial Behavior & Research*, 12(3), 114-143.
- Doherty, A. M. (2009). Market and partner selection processes in international retail franchising. *Journal of business Research*, 62(5), 528-534.
- Dossena, C., Mochi, F., Bissola, R., & Imperatori, B. (2020). Restaurants and social media: rethinking organizational capabilities and individual competencies. *Journal of tourism futures*, 7(1), 20-39.
- Eisenhardt, K.M. (1989). Building theories from case study research. *The Academy of Management Review*, 14(4), 532-550.
- Eisenhardt, K.M., & Graebner, M.E. (2007). Theory building from cases: opportunities and challenges. *Academy of Management Journal*, 50(1), 25-32.
- Giroto, M., Moro, M., & Irurita, A. M. A. (2022). *Roles and Implications of Marketing Communications in Retail Settings: A Systematic Review*. *Advances in National Brand and Private Label Marketing*, 173- 199.
- Goldstein, J. (2010). Can social media sell a franchise. *Franchising World*, October, 167-169.
- Gorovaia, N., Pajić, M., & Windsperger, J. (2023). Performance of knowledge transfer mechanisms: The case of franchising networks. *Industrial Marketing Management*, 115, 539- 549.

- Hofstede, G. (1980). Culture and organizations. *International studies of management & organization*, 10(4), 15-41.
- Kacker, M., & Perrigot, R. (2016). Retailer use of a professional social media network: Insights from franchising. *Journal of Retailing and Consumer Services*, 30, 222-233.
- King, B. L. (2016). Caught in the middle: franchise businesses and the social media wave. *Journal of Business Strategy*, 37(2), 20-26.
- López-Fernández, B., & Perrigot, R. (2018). Using websites to recruit franchisee candidates. *Journal of Interactive Marketing*, 42(1), 80-94.
- McCabe, M. B. (2017). Social media marketing strategies for career advancement: An analysis of LinkedIn. *Journal of Business and Behavioral Sciences*, 29(1), 85.
- Muna, N., Yasa, N. N. K., Ekawati, N. W., Wibawa, I. M. A., & Sri Subawa, N. (2023). Business network power as a process for enhancing firm performance: A perspective of RAToC. *Cogent Business & Management*, 10(2), 2207620.
- Pagell, M., & Wu, Z. (2009), “Building a more complete theory of sustainable supply chain management using case studies of 10 exemplars”, *Journal of supply chain management*, Vol. 45 No. 2, pp. 37-56.
- Panda, S., Thapa, S., Paswan, A. K., & Mishra, S. P. (2023). Franchising: a signaling perspective. *Journal of Business & Industrial Marketing*, 38(4), 813-827.
- Perrigot, R., Kacker, M., Basset, G., & Cliquet, G. (2012). Antecedents of early adoption and use of social media networks for stakeholder communications: Evidence from franchising. *Journal of Small Business Management*, 50(4), 539-565.
- Robertson, R. (1995). Globalization: Time-space and homogeneity-heterogeneity. *Global Modernities/Sage*.
- Rodríguez, M., Peterson, R M., & Krishnan, V. (2012). Social Media’s Influence on Business-to-Business Sales Performance. *Journal of Personal Selling and Sales Management*, 32(3), 365-378.
- Rosado-Serrano, A., Paul, J., & Dikova, D. (2018). International franchising: A literature review and research agenda. *Journal of Business Research*, 85, 238-257.
- Rocha, E.M., Pacheco, D.A.d.J., Silvério, N., Zanuzzi, C.M.d.S. and Selig, P.M. (2023). The role of ICTs for knowledge sharing in franchising networks. *Journal of Business & Industrial Marketing*, Vol. ahead-of- print No. ahead-of-print.
- Ruparel, N., Bhardwaj, S., Seth, H., & Choubisa, R. (2023). Systematic literature review of professional social media platforms: Development of a behavior adoption career development framework. *Journal of Business Research*, 156, 113482.
- Sashi, C. M., & Brynildsen, G. (2022). Franchise network relationships and word of mouth communication in social media networks. *Industrial Marketing Management*, 102, 153-163.
- Venkateswaran, R., Ugalde, B., & Rogelio, T. (2019). Impact of Social Media Application in Business Organizations. *International journal of computer applications*, 178(30), 5-10.
- Webster, G., & Hume, M. (2019). Defining the role of social media as a contemporary local area marketing technique in franchising. In *Social Entrepreneurship: Concepts, Methodologies, Tools, and Applications* (pp. 1324-1353). IGI Global.
- Yin, R.K. (2018). *Case Study Research and Applications: Design and Methods*. Sage Publications, Thousand Oaks, CA.

The effects of metaphorical advertising on the consumption of healthy food: A cross-cultural study

Mauro Capestro ¹

University of Pavia¹

1. Theoretical background

The World Health Organization (2022) has declared obesity a public health issue. In 2022, 25% of people in the world were living with obesity. Worldwide adult obesity has more than doubled since 1990, and adolescent obesity has quadrupled. Countering this epidemic is critical because excess weight and obesity are major risk factors for a number of chronic diseases, including diabetes, cardiovascular problems and cancer (Kelly et al., 2008). Of particular importance in the fight against obesity are those people that for cultural or contextual reasons show low interest in health issues (e.g. general health, diet, and natural products) (Zandstra et al., 2001).

Food brands, especially global brand, such as fast-food brands, must identify a value proposition that will differentiate them from competitors (Tallman et al., 2017). Many food products are similar in formula, taste, packaging and appearance with the only difference being in the communication. In the case of healthy food products, just the emphasis on the consumption of a particular product of excellent quality, affects the consumer's perspective (Floto-Stammen, 2022). However, people seek products with features that result in the greatest value and pleasure considering their needs, resources and cultural habits (Rimal et al., 2001; Vassallo et al., 2016).

Food preferences and consumption are substantially influenced by social and cultural factors and vary across cultural contexts. For example, people from Western countries use raw leafy vegetables in salads. In the Eastern countries people prefer to stir fry vegetables. When dining, Eastern countries people score higher on dimensions of elaboration and celebration of food, whereas people from Western countries emphasize sensory and health components of food (Wang et al., 2016).

Global food brands should consider both cultural context as well as the kind of product to deliver an

effective advertising (De Mooij, 2010). Several studies in food advertising have considered the use of (visual) metaphors (Margariti et al., 2019). Metaphor uses the analogy to relate two items by implying that, despite their obvious differences in form, they are conceptually similar (Stern, 1990). Metaphor can be seen as a way to capture consumers' attention and interest and serves as fascinating execution signals that stimulate interest in the brand/product and lead to higher levels of processing (MacInnis, et al., 1991). According to McQuarrie and Mick, (1996), metaphors require to be close to the audience. They are used to portray advertising messages in unconventional ways to grab attention and urge customers to think about the ad's proposal. They can be abstract or concrete as well as verbal or visual.

However, to be effective the advertising should consider the cultural context of consumers and of consumption. Several studies on international advertising have shown that consumers' reactions to advertising appeals typically differ depending on the culture, and favourable attitudinal and behavioural responses are typically elicited by appeals that are compatible with cultural values (Morris and Waldman, 2011). In the case of food industry, cultural values frequently correlate with product categories, benefits, or specific product qualities meaning that the same product can acquire different cultural connotations (De Mooij, 2022; De Mooij and Hofstede, 2011). One of the most important elements playing a substantial role in influencing the behaviour towards the consumption of healthy food is the consumer's level of health consciousness. Consumers who are concerned about health are likely to buy healthy food products (Nagaraj, 2021). Depending on how actively or passively they prefer to engage in healthy activities, people may respond differently to health claims (Pichierri et al., 2021). In this regard, context, which can be defined as the way in which individuals are affected by information and knowledge, becomes relevant (Piper et al., 2017). In high-context cultures, the emphasis of advertising is on how intention or meaning can be conveyed through context; in contrast, in low-context cultures the emphasis is on how intention or meaning is expressed through explicit verbal messages.

In addition to cultural factors, also experience significantly impacts consumers' behaviour. Schmitt

(1999) suggests focussing on sensory, emotional, cognitive, behavioural, and relational values provided by experience. Values lie both in the object of consumption and the experience of consumption. Indeed, buyers now demand more than the product's functional aspects. Customers want products, messages, and marketing initiatives that they can identify with, and that can enrich their daily lives (Schmitt, 1999). They now purchase brands rather than goods and services (Brakus et al., 2009). Despite the relevance of healthy food as well as the use of metaphor in the advertising of food products the effects on consumers' responses (intention to buy, word of mouth, attitude towards the ad) in diverse cultures has been only narrowly investigated.

2. Methodology

The purpose of this research is to investigate how advertising with the use of a metaphor can affect consumer behaviour towards healthy food. In doing so, in the present study, other factors have been considered, specifically, the cultural context, the individual's perception and predisposition towards the health topic and the experience that a customer has with the brand.

Cultural factors allow us to understand the extent to which cultural and societal backgrounds influence consumers' perception of a brand or product and their interpretation of advertising messages. This is especially pertinent to our study since food is a culturally bonded good, closely associated with its nation of origin. Therefore, advertisers can integrate the fundamental characteristics of a country into advertising campaigns to encourage their customers to buy the product. Moreover, consumers' beliefs about healthy behaviours and overall healthiness can influence them to opt for healthier meals and ingredients as they help them achieve what they consider a state of well-being. This help to determine if perceptions of healthy habits and intentions to engage in them vary across nations. Other crucial factors are those linked to the brand. In particular, brand experience investigates the emotions and feelings evoked from the moment the consumer comes into contact with the brand or its advertising till the post-purchase phase. A positive brand experience usually leads to brand loyalty and a reliable and stable relationship with the brand. To reach the research purposes,

two surveys have been carried out on consumers of two different countries, Bosnia and Italy. Specifically, the study examines the impact of metaphor in the advertising of healthy food products on consumers' behaviours, such as intention to buy, word of mouth, and attitudes towards the ad. To sum up, the following main research question is to be answered with this study:

RQ: Does metaphorical advertising influence consumers' buying behaviour differently in two different cultural contexts?

2.1 Stimuli

In order to analyse the effects of metaphor on healthy food product advertising, four (two for Italian and two for Bosnian) different versions of the questionnaire were created. In particular, the advertisement was created using previous McDonald's ads as inspiration. The advertising aims to suggest healthier alternatives and persuade customers to adopt a more balanced diet. Both metaphorical "Hearty, fresh and full of life" (Figure 1) and non-metaphorical "Hearty, fresh and healthy" claims (Figure 2) underline the freshness and quality of the ingredients used to create the product. Moreover, the adjective hearty implies abundance both in terms of ingredients and the size of the bowl. The metaphorical claim refers to a salad full of life. Life is frequently used as a metaphor in advertising since marketers try to persuade consumers that the products will optimize their lives and well-being. This is exactly what the advertisement in the present study is designed to do. Consumers will improve their diet by eating salad and maybe think about gradually adopting a healthier lifestyle.

Figure 1: *Metaphorical ad used in the present study*

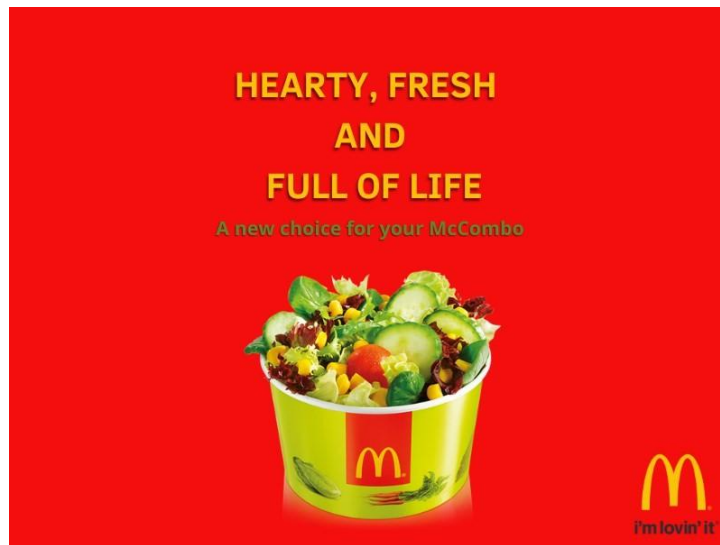
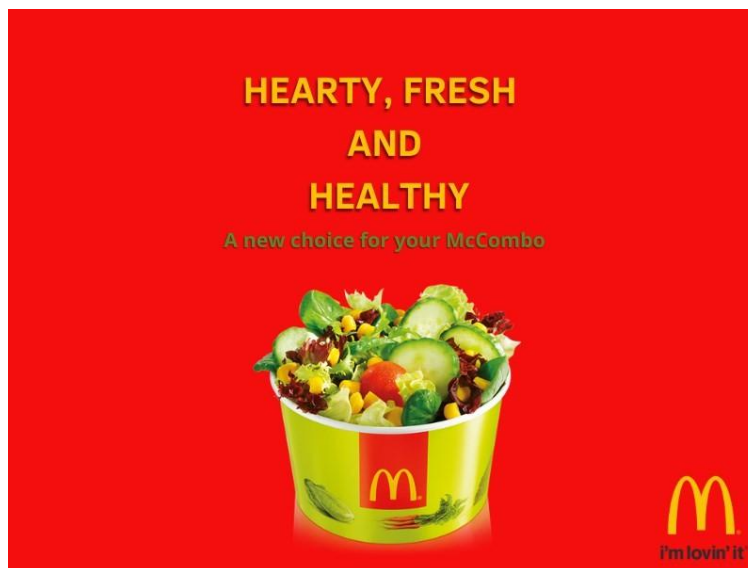


Figure 2: *Non-metaphorical ad used in the present study*



2.2 Samples

The total number of respondents for the Italian versions of the survey is 268 (58% of the sample), whereas the total number of Bosnian respondents is 197 (42%). Specifically, 131 Italian respondents answered the metaphorical questionnaire, 137 Italian subjects filled out the non-metaphorical survey. Instead, for the Bosnian sub-sample, 101 Bosnians completed the metaphorical questionnaire, while 96 Bosnians who answered the non-metaphorical survey. As far as gender is concerned, 73% of the

respondents to the two Italian surveys overall are women, whereas 27% are men. Similarly, the percentage of Bosnian women who answered the questionnaire is 63%, while the percentage of male participants is 37%.

About respondents' ages, 26% of respondents are between 18 and 24 years old, 25% are between 25 and 34 years old, 21% are between 35 and 44 years old, 20% are between 45 and 54 years old, 7% are between 55 and 64 years old, and 1% is over 65 years old. The distribution was slightly different in Bosnia, where the majority of respondents are between 18 and 44 years old. Particularly, 34% are between 18 and 24 years old, 29% are between 25 and 34 years old, 15% are between 35 and 44 years old, 9% are between 45 and 54 years old, 11% are between 55 and 64 years old, and 2% is over 65 years old.

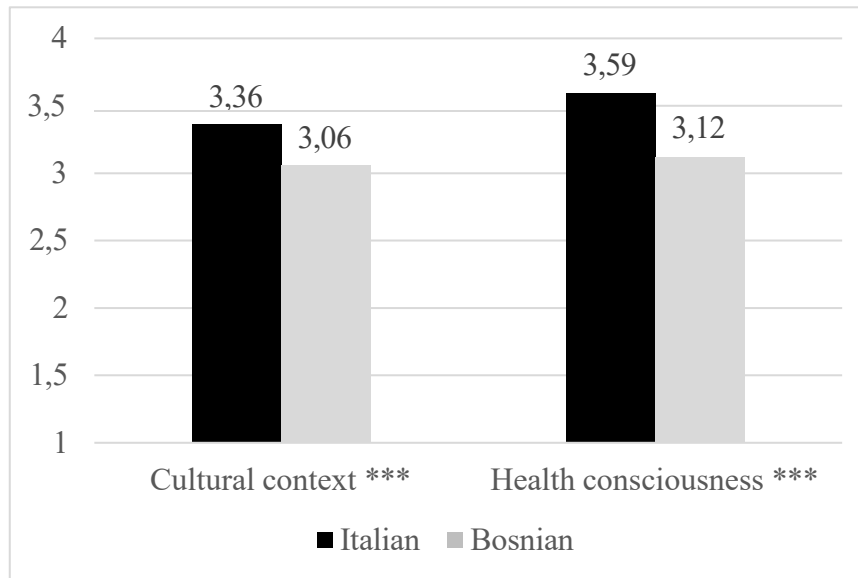
3. Main results

Italy is considered to be a high-context culture, whereas Bosnia is seen as a low-context nation. However, it is essential to mention that both countries are characterized by elements from both low and high contexts. This distinction is supported by the result derived from the analysis of cultural context (Figure 3). Italy scored a significantly higher average than Bosnia (3,36 vs 3,06; $p < .001$). Another important factor linked to the consumption of healthy food products refers to health consciousness. Also in this case, a significant statistical difference (Italy = 3,59 vs Bosnia = 3,12; $p < .001$) emerged between the two countries for all three constructs (Figure 3).

With regard to the effects of metaphor on the advertising of healthy food products, we have analysed the two sub-samples distinctly. As Figures 4 and 5 show, metaphor work only for Italian consumers. Specifically, the Italian sub-sample that filled out the metaphorical advertising show significantly higher levels of brand experience (2,93 vs 2,68; $p < .05$), of intention to buy (2,99 vs 2,39; $p < .001$), of word of mouth (2,95 vs 2,31; $p < .001$) and of attitude towards the ad (3,01 vs 2,56; $p < .001$) respect the non-metaphorical one. Instead for the Bosnian consumers, we have the opposite results. Non-metaphorical advertising affects positively brand experience (3,23 vs 3,02; $p < .01$), of intention to

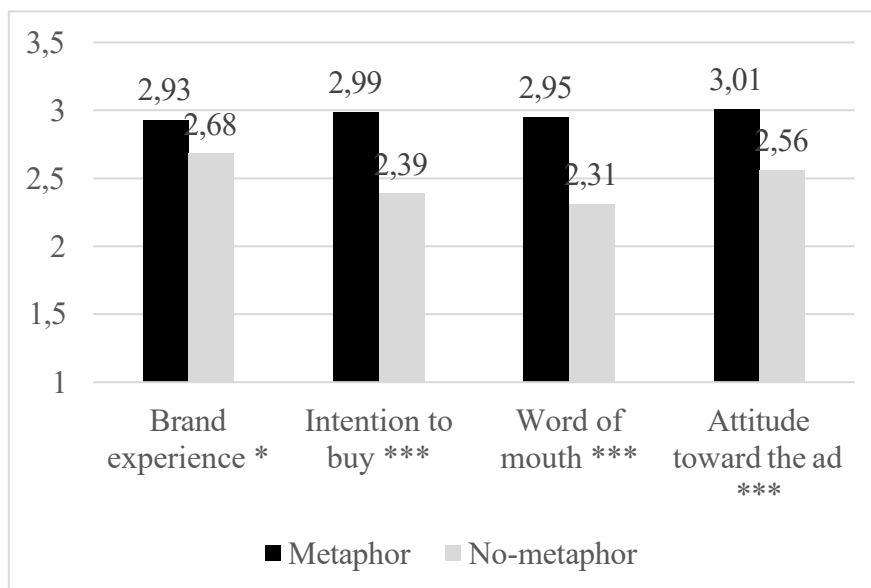
buy (3,82 vs 3,17; $p < .001$), of word of mouth (4,01 vs 3,46; $p < .001$) and of attitude towards the ad (3,79 vs 3,45; $p < .01$)

Figure 3: Cultural context and health consciensioness



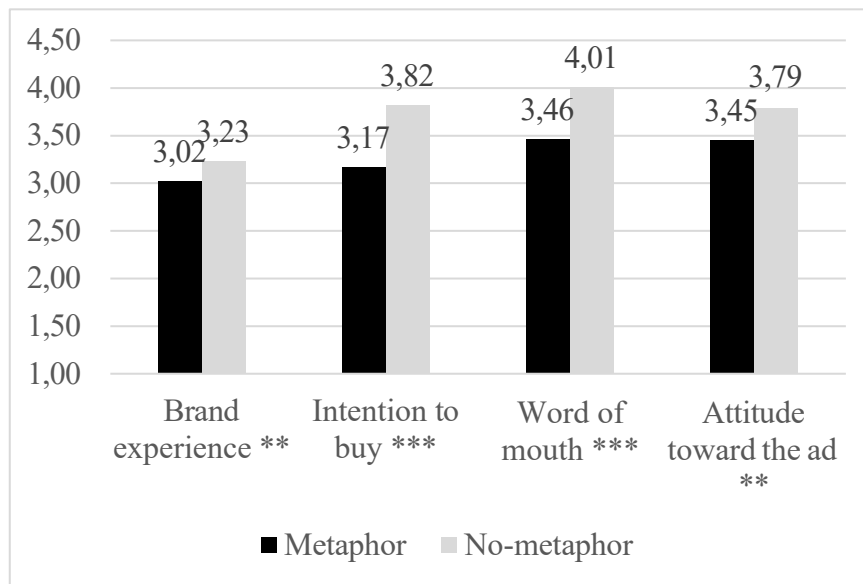
Note: N=268; Italy=268; Bosnia=197; *** $p < .001$.

Figure 4: Effects of metaphor on Italian sub-sample



Note: N=268; Metaphor = 131; Non-metaphor =137; *** $p < .001$; * $p < .05$.

Figure 5: *Effects of metaphor on Bosnian sub-sample*



Note: N=197; Metaphor = 101; Non-metaphor = 96; *** $p < .001$; ** $p < .01$.

4. Discussion and conclusion

The study focused on the analysis of metaphorical advertising in the context of healthy food products. In particular, the goal of the study was to assess how the use of metaphor in the advertising could affect consumer behaviour, taking into consideration some relevant factors that global food brand should consider in their communication strategies. From one hand, we aimed at assessing the role that cultural context as well as the willingness towards healthy food consumption, which is related to the context, could have in affecting the perception of metaphor. From the other hand we aimed at assessing if the use of metaphor could affect consumer behaviours and if this effects work for different kind of people (different culture).

The results suggest that culture is the primary determining factor. The findings indicate that Italy is a high-context nation whereas Bosnia is a lower-context country. In general, lower-context cultures value meaning above situational context in communication. The actual meaning of the message is determined by the content rather than how it is expressed. This means that communication is linear, more straightforward and literal in Bosnia because people assume that the interlocutor needs to be

told everything. On the one hand, Italian consumers agree on the fact that people should be able to read behind the words, which is something that metaphor requires. Moreover, they comply with the importance and influence of the context on the understanding and interpretation of a given statement. On the other hand, Bosnians prefer direct and clear communication. In such countries even when criticism or concerns are raised, remarks are expressed publicly and quite frankly. According to this, metaphors should be better perceived in high-context cultures because of their figurative component. Conversely, it may be difficult to employ metaphorical advertising in low-context cultures since they tend to interpret things literally.

Theoretically, a main contribution of the study regards the literature about the use of verbal metaphor in advertising stressing how important is culture. In particular, the study enriches literature about the difference between high and low-context countries (Piper et al., 2017) as well as the literature about the value of metaphor for healthy food product of certain countries that allows to engage people (Pichierra et al., 2021).

Practically, the results of the metaphorical survey suggest the use of metaphor as an effective technique for connecting with and engaging consumers across various cultures and languages. Indeed, it can be used to influence some types of consumers, but not all of them or all cultures, so it's important to understand the market that such advertising is targeting to determine when to use metaphors and when not to. Metaphorical advertising can raise brand experience and enhance consumers' intention to buy and word of mouth.

5. Limits and future research

Certainly, the type of metaphor used in the study is one of its shortcomings. To determine whether the effects on the consumer are the same or stronger than those reported in the literature, it could be useful to replicate the research using a visual metaphor as a stimulus. It would be interesting to see which type influences consumer behaviour the most. Further studies could consider unknown brand to avoid any prior influence and see how the respondent reacts to the metaphors. Furthermore, the

results are restricted to the investigation of only one healthy product, namely a bowl of salad, in a constantly growing market such as fast food; as a result, future research will also need to focus on other items.

References

- Brakus, J. J., Schmitt, B. H. and Zarantonello, L. (2009), “Brand experience: What is it? How do we measure it? And does it affect loyalty?”, *Journal of Marketing*, Vol. 73, No. 3, pp. 52–68.
- De Mooij, M. (2022), *Global marketing and advertising: Understanding cultural paradoxes*, Sage Publications Ltd., London.
- De Mooij, M. (2010), *Global marketing and advertising: Understanding cultural paradoxes*. 3rd ed. Thousand Oaks, CA: Sage.
- De Mooij, M., and Hofstede, G. (2011), “Cross-cultural consumer behaviour: A review of research findings”, *Journal of International Consumer Marketing*, Vol.23 No. 3-4, pp. 181–192.
- Floto-Stammen, S. (2022), “Food marketing”, in Wernaart, B. and van der Meulen (eds.), *Applied food science*, Wageningen Academic Publishers, Wageningen, pp.453-479.
- Kelly, T., Yang, W., Chen, C.S., Reynolds, K. and He, J. (2008), “Global burden of obesity in 2005 and projections to 2030”, *International Journal of Obesity*, Vol. 32 No. 9, pp. 1431-1437.
- Margariti, K., Boutsouki, C., Hatzithomas, L. and Zotos, Y. (2019), “Visual metaphors in food advertising: A cross-cultural study”, *Food Research International*, Vol. 115, pp. 338–351.
- MacInnis, D.J., Moorman, C. and Jaworski, B.J. (1991), “Enhancing and measuring consumers’ motivation, opportunity, and ability to process brand information from ads”, *Journal of Marketing*, Vol.55 No. 2, pp. 32–53.
- McQuarrie, E. F., and Mick, D. G. (1996), “Figures of rhetoric in advertising language”, *Journal of Consumer Research*, Vol. 22, pp. 424–437.
- Morris, P.K. and Waldman, J.A. (2011), “Culture and Metaphors in Advertising: France, Germany, Italy, the Netherlands, and the United States”, *International Journal of Communication*, Vol. 5, pp. 942-968.
- Nagaraj, S. (2021), “Role of consumer health consciousness, food safety & attitude on organic food purchase in emerging market: A serial mediation model”, *Journal of Retailing and Consumer Services*, Vol. 59. DOI: 10.1016/j.jretconser.2020.102423.
- Pichierri, M., Peluso, A.M., Pino, G. and Guido, G. (2021), "Communicating the health value of extra-virgin olive oil: an investigation of consumers' responses to health claims", *British Food Journal*, Vol. 123, N. 2, pp. 492-508.
- Piper, L. Prete, M.I. e Capestro, M. (2017) “Le emozioni suscitate dall’inglese come lingua franca nella comunicazione dei prodotti di lusso “Made in Puglia”, *Lingue & Linguaggi*, vol. 20, ISSN: 2239-0367.
- Rimal, A., Fletcher, S.M., McWatters, K.H., Misra, S.K. and Deodhar, S. (2001), “Perception of food safety and changes in food consumption habits: a consumer analysis”, *International Journal of Consumer Studies*, Vol. 25 No. 1, pp. 43–52.
- Schmitt B.H. (1999), *Experiential Marketing*, The Free Press, New York.
- Stern, B. B. (1990), “Beauty and joy in metaphorical advertising: The poetic dimension”, In

Goldberg, M. E., Gorn, G. and Pollay, R. W. (Eds.), *Advances in consumer research*, Association for Consumer Research, Provo, UT, Vol. 17, pp. 71–77.

Tallman, S., Luo, Y. and Buckley, P.J. (2017), “Business models in global competition”, *Global Strategy Journal*, Vol. 8 No. 4, pp. 517-535.

Vassallo, M., Scalvedi, M.L. and Saba, A. (2016), “Investigating psychosocial determinants in influencing sustainable food consumption in Italy”, *International Journal of Consumer Studies*, Vol. 40, pp. 422–434.

Wang, O., Gellynck, X. and Verbeke, W. (2016), “Perceptions of Chinese traditional food and European food among Chinese consumers”, *British Food Journal*, Vol. 118 No. 12, pp. 2855–2872.

World Health Organization (2022), “Obesity and overweight”, available at: www.who.int (accessed January 21, 2025).

Zandstra, E.H., De Graaf, C. and Van Staveren, W.A. (2001), “Influence of health and taste attitudes on consumption of low-and high-fat foods”, *Food Quality and Preference*, Vol. 12 No. 1, pp. 75- 82.

Transformative Marketing in the Digital Age: Addressing B2B Challenges through Convergent Strategies

Andres Fernandez¹, Manuel Mendoza², Fernando Enrique Garcia²

University of Pavia¹, Universidad Rey Juan Carlos²

Abstract

Traditional B2B marketing strategies struggle to meet the evolving demands of Industry 5.0, which prioritizes human-centricity, sustainability, transparency, and resilience. This study introduces Transformative Marketing, an AI-driven framework that integrates B2B and B2C strategies, leading to the emergence of the B2B2C model—a hybrid approach that enhances customer engagement and value co-creation.

Using a case study of the Italian ceramic sector, this research employs semi-structured interviews and secondary data analysis to explore how AI and digital platforms enable firms to personalize marketing, optimize supply chains, and improve transparency. Findings reveal that while digital transformation presents opportunities, resistance to change, lack of expertise, and regulatory constraints remain barriers. However, AI-driven marketing strategies can mitigate these challenges, fostering adaptability and competitiveness.

This study contributes to academic and managerial discourse by proposing Convergent Marketing as a model for aligning B2B marketing with Industry 5.0 principles. Future research should further examine AI's role in industrial marketing and its long-term impact across sectors.

Keywords: B2B marketing, Industry 5.0, AI-driven marketing, B2B2C, digital transformation, sustainability, supply chain transparency

Introduction

International marketing serves as a transformative force, shaping business and society by driving sustainable value creation and strategic adaptation. In an era of increasing disruptions—from technological advancements and geopolitical tensions to heightened environmental awareness and shifting consumer behavior—companies must rethink their B2B marketing approaches to remain competitive (Maldonado-Canca et al., 2024; Marc Lim, 2023).

Global needs have shaped industrial paradigm shifts, driving the development of foundational principles that are achieved through the successful application of disruptive technologies. The era of Industry 3.0, spanning from the 1970s to the 2000s, marked the emergence of automation alongside the standardization of processes, consequently augmenting the operational efficiency of supply chain activities. Industry 4.0, which emerged during the 2010s, capitalized on advancements in digitalization, the Internet of Things (IoT), and sophisticated data analytics, thereby facilitating

enhanced transparency, individualized customer experiences, and the optimization of resources (Grosse et al., 2023). Since the mid-2020s, the Industry 5.0 paradigm has begun to emerge, driven by the rise of artificial intelligence platforms and anchored primarily on the principles of stakeholder collaboration, ethical responsibility, and sustainable marketing practices (Grosse et al., 2023).

The industrial landscape is undergoing rapid transformation, driven by economic changes, globalization, regulatory directives such as the Corporate Sustainability Reporting Directive (CSRD), and accelerating digital developments (He & Zhang, 2022). Companies must cope with increasing demands for transparency, digitization, and sustainability without losing competitiveness (Pfajfar et al., 2022). Traditional B2B marketing models, historically focused on operational efficiency and cost reduction, remain rigidly transactional and process-oriented. However, this approach is inadequate to address the contemporary challenges of Industry 5.0, which demands a transformative strategy that extends beyond customer relationships to encompass human-centricity, transparency, and sustainability—core tenets of the new industrial paradigm (G. & Asokan-Ajitha, 2023).

Traditional B2B marketing strategies, rooted in linear transactional relationships and firm-centric models, struggle to meet the evolving demands of Industry 5.0. To address these challenges, recent trends in B2B marketing emphasize interactive and customer-centric strategies, including gamification, data visualization, and mixed reality (de Jong et al., 2021). This study seeks to fill a significant research gap by analyzing the limitations of existing B2B marketing strategies in Industry 5.0 and assessing how AI-driven transformative marketing can facilitate a necessary shift towards a more customer-centric approach (Zolkiewski et al., 2017). The research question guiding this work is: How can AI-driven B2B marketing strategies converge with B2C approaches, thereby realizing the Industry 5.0 principles of human-centricity, resilience, transparency, and sustainability?

To address this gap, this study introduces Transformative Marketing, a framework leveraged by AI and digitalization to enhance industrial marketing strategies. Convergent Marketing emerges as a natural consequence of this transformation, signifying the intersection of B2B and B2C approaches.

The Italian ceramic sector is selected as a case study to illustrate how companies in resource-intensive industries can adapt to digital transformation and sustainability imperatives.

Theoretical Framework

Transformative marketing has emerged as a response to an unstable global environment and the principles of Industry 4.0, with the COVID-19 pandemic serving as a key moment of disruption. The recent evolution of B2B marketing has been shaped by these approaches, emphasizing adaptability and resilience (Marc Lim, 2023). The pandemic accelerated digital transformation and underscored the limitations of traditional B2B strategies, necessitating a shift toward more flexible and customer-centric models.

Traditional B2B marketing models, centered on transactional relationships, struggle to meet the evolving expectations of Industry 5.0. Effective relationship management and high relationship quality are essential for fostering trust, collaboration, and long-term value co-creation in digitalized B2B ecosystems (Lasrado et al., 2023). The principles of Industry 5.0—human-centricity, sustainability, transparency, and resilience—require a more integrated and stakeholder-oriented approach. Research by Grosse et al. (2023) emphasizes that Industry 5.0 is not just a technological upgrade from Industry 4.0 but a fundamental shift toward value creation that prioritizes human factors and system sustainability. Eriksson & Heikkilä (2023) further highlight that traditional B2B marketing often lacks the dynamic capabilities needed for data-driven innovation, which is crucial for Industry 5.0 compliance.

One of the most significant shifts in B2B marketing is the convergence with B2C strategies, forming a B2B2C (business-to-business-to-consumer) model. Nath et al. (2019) argue that the traditional boundaries between B2B and B2C are blurring, particularly in industries influenced by co-creation content and social media. Strengthening brand attachment and engagement with end users allows B2B firms to drive higher customer loyalty and create value beyond transactional relationships (Fehl et al., 2025). Similarly, He & Zhang (2022) propose that digitalized interactive platforms integrate

B2B and B2C marketing to enhance customer engagement and platform value. Transitioning a B2B brand into the consumer market requires careful brand positioning and communication strategies to maintain credibility while appealing to end consumers (Zhou et al., 2021). Traditional B2B marketing strategies, rooted in transactional relationships, struggle to meet the evolving demands of Industry 5.0. As businesses adopt more customer-centric models, storytelling and co-creation with stakeholders play a crucial role in reinforcing brand identity and trust (Bansal & Sisodia, 2024).

The B2B2C model aligns with Industry 5.0 by enhancing human-centricity, prioritizing user experience and direct engagement with end consumers (Latinovic & Chatterjee, 2024); fostering sustainability through green B2B marketing strategies that promote eco-innovation and sustainable business practices (Esangbedo et al., 2024); improving transparency by enabling real-time interaction and data sharing across the supply chain; and building resilience through the creation of integrated business ecosystems that mitigate risks and improve service reliability (G. & Asokan- Ajitha, 2023).

AI-driven technologies serve as a catalyst for the B2B-B2C convergence and the realization of Industry 5.0 principles. The integration of transformative technologies enables businesses to optimize their marketing strategies, enhance customer engagement, and drive innovation (Shankaranarayana et al., 2025). The industrial metaverse, by facilitating virtualized business transactions and immersive digital experiences, further enhances transparency and engagement in B2B marketing (Bamberger et al., 2025). Maldonado-Canca et al. (2024) discuss how AI adoption in marketing enhances segmentation, automation, and predictive analytics, significantly improving marketing effectiveness. However, they also highlight AI aversion as a barrier, particularly among smaller firms, necessitating strategic interventions such as training and financial incentives. Moreover, AI-driven cognitive computing is instrumental in reinforcing transparency and ethical standards in digital marketing (Behera et al., 2022). AI enhances organizational reputation by enabling ethical decision-making and improving corporate social responsibility (CSR) initiatives (Lacka et al., 2020). In the B2B2C context, AI-powered platforms facilitate value co-creation by enabling seamless collaboration

between suppliers, businesses, and end consumers (Li et al., 2021).

Despite these advancements, two key gaps remain in the academic literature: the absence of structured frameworks guiding the convergence of B2B and B2C marketing through digital technologies and the limited exploration of AI's role in enabling large-scale personalization and seamless customer journey management in B2B contexts (Chatzipanagiotou et al., 2023; Krings et al., 2021).

Case Study: the Italian Ceramic Sector

This study employs a blended methodology combining qualitative analysis based on semi-structured interviews, with an abductive research approach of secondary data—including industry reports, academic studies, and regulatory documents—to examine B2B marketing strategies in the Italian ceramic sector (Eriksson & Heikkilä, 2023; He & Zhang, 2022). This sector is particularly relevant due to its historically high resource consumption, reliance on traditional manufacturing methods, and increasing pressures to adopt sustainable and digital business models. By assessing how companies in this sector have adapted across different industrial revolutions, particularly in response to increasing digitalization and sustainability imperatives, the research provides an exemplary case of how B2B firms can evolve their marketing strategies to align with modern industry paradigms (Esangbedo et al., 2024; Lacka et al., 2020).

Primary data was gathered through semi-structured interviews with marketing and innovation managers from various stakeholder categories, ensuring an in-depth exploration of key themes related to marketing transformation and strategic adaptation. Secondary data sources—including industry reports, academic studies, and regulatory documents—were analyzed to triangulate findings and contextualize sector-wide challenges.

The Italian ceramic sector, traditionally reliant on industry trade shows and direct client relationships, is increasingly adopting digital channels to engage stakeholders. Social media platforms provide opportunities for B2B firms to create value-driven content, improve visibility, and establish stronger

digital connections with both business partners and end consumers (Cartwright et al., 2021). The research specifically examines the limitations of current B2B marketing strategies in the ceramic sector, identifying key barriers that hinder the adoption of AI for marketing personalization and transparency. It explores how Transformative Marketing can effectively address these industry-specific challenges by leveraging digitalization and AI-driven insights. Furthermore, the study evaluates the potential of this approach to serve as a replicable model for other high-consumption industries undergoing digital transformation, ensuring enhanced engagement, efficiency, and adaptability in rapidly evolving markets (Behera et al., 2022; Maldonado-Canca et al., 2024).

Results and Discussion

Findings indicate that B2B marketing in the Italian ceramic sector remains largely transactional and efficiency-driven, despite increasing digital adoption. AI presents a significant opportunity to enable personalization at scale, engage customers with customized content, and improve transparency and trust in supply chains through AI-driven analytics and blockchain integration. It also fosters B2B-B2C convergence by shifting marketing strategies from industry-centric to customer-driven models. However, several barriers hinder AI adoption, including a lack of digital expertise within traditional B2B firms, resistance to change, and regulatory and ethical concerns surrounding AI-driven automation in marketing decision-making. Transformative Marketing can help overcome these barriers by integrating AI, digitalization, and sustainability, leading to Convergent Marketing as a more adaptive and customer-centric approach.

Conclusion and Contributions

Convergent Marketing represents a paradigm shift in industrial marketing. The case study demonstrates how transformative marketing adapts B2B strategies to today's global demands by integrating AI and digitalization. This model optimizes supply chains, enhances transparency, builds trust, and fosters collaboration among stakeholders. The convergence of B2B and B2C marketing creates a seamless experience for both industrial partners and end consumers, ultimately driving competitiveness and long-term success. This research introduces Convergent Marketing as a novel

framework integrating AI, blockchain, and digitalization into industrial marketing. Practitioners must modernize strategies to remain competitive, leveraging AI-driven personalization to enhance customer relationships and optimize supply chains. Academically, this study supports transformative marketing research by structuring Convergent Marketing, suggesting future directions on B2B & B2C convergence, AI, and digital marketing adaptation.

Research Limitations and Future Research Lines

The study's qualitative approach limits generalizability. Future research should incorporate quantitative validation across industries to enhance the applicability of Transformative Marketing. Additionally, further investigation is needed into AI's regulatory implications, ethical considerations, and long-term effects on industrial marketing strategies. Expanding cross-sectoral analysis would validate the framework's adaptability in diverse high-consumption industries undergoing digital transformation.

Bibliography

- Bamberger, B., Reinartz, W., & Ulaga, W. (2025). Navigating the future of B2B marketing: The transformative impact of the industrial metaverse. *Journal of Business Research*, 188, 115057. <https://doi.org/10.1016/j.jbusres.2024.115057>
- Bansal, A., & Sisodia, S. (2024). Building brand identity in b2b markets: Co-creation of content with suppliers via storytelling. *Journal of Marketing Communications*, 1–20. <https://doi.org/10.1080/13527266.2024.2387845>
- Behera, R. K., Bala, P. K., Rana, N. P., & Kizgin, H. (2022). Cognitive computing based ethical principles for improving organisational reputation: A B2B digital marketing perspective. *Journal of Business Research*, 141, 685–701. <https://doi.org/10.1016/j.jbusres.2021.11.070>
- Cartwright, S., Liu, H., & Raddats, C. (2021). Strategic use of social media within business-to-business (B2B) marketing: A systematic literature review. *Industrial Marketing Management*, 97, 35–58. <https://doi.org/10.1016/j.indmarman.2021.06.005>
- Chatzipanagiotou, K., Azer, J., & Ranaweera, C. (2023). E-WOM in the B2B context: Conceptual domain, forms, and implications for research. *Journal of Business Research*, 164, 113957. <https://doi.org/10.1016/j.jbusres.2023.113957>
- de Jong, A., de Ruyter, K., Keeling, D. I., Polyakova, A., & Ringberg, T. (2021). Key trends in business-to-business services marketing strategies: Developing a practice-based research agenda. *Industrial Marketing Management*, 93, 1–9. <https://doi.org/10.1016/j.indmarman.2020.12.004>
- Eriksson, T., & Heikkilä, M. (2023). Capabilities for data-driven innovation in B2B industrial companies. *Industrial Marketing Management*, 111, 158–172.

<https://doi.org/10.1016/j.indmarman.2023.04.005>

- Esangbedo, C. O., Chang, Y., Ushie, A. M., & Hasan, M. M. (2024). Eco-Innovation and Firm Sustainability in Emerging Economies: The Role of Consumer Behavior and Green B2B Marketing. *Journal of Business-to-Business Marketing*, 31(4), 405–420. <https://doi.org/10.1080/1051712X.2024.2369764>
- Fehl, A. G., Arnold, T., & Good, V. (2025). How B2B seller firms can leverage the power of brands with end users. *Journal of Business Research*, 186, 114952. <https://doi.org/10.1016/j.jbusres.2024.114952>
- G., R., & Asokan-Ajitha, A. (2023). Business customer experience in B2B2C service settings: a scale development. *Journal of Business & Industrial Marketing*, 38(4), 886–904. <https://doi.org/10.1108/JBIM-07-2021-0342>
- Grosse, E. H., Sgarbossa, F., Berlin, C., & Neumann, W. P. (2023). Human-centric production and logistics system design and management: transitioning from Industry 4.0 to Industry 5.0. *International Journal of Production Research*, 61(22), 7749–7759. <https://doi.org/10.1080/00207543.2023.2246783>
- He, J., & Zhang, S. (2022). How digitalized interactive platforms create new value for customers by integrating B2B and B2C models? An empirical study in China. *Journal of Business Research*, 142, 694–706. <https://doi.org/10.1016/j.jbusres.2022.01.004>
- Krings, W., Palmer, R., & Inversini, A. (2021). Industrial marketing management digital media optimization for B2B marketing. *Industrial Marketing Management*, 93, 174–186. <https://doi.org/10.1016/j.indmarman.2021.01.002>
- Lacka, E., Chan, H. K., & Wang, X. (2020). Technological advancements and B2B international trade: A bibliometric analysis and review of industrial marketing research. *Industrial Marketing Management*, 88, 1–11. <https://doi.org/10.1016/j.indmarman.2020.04.007>
- Lasrado, F., Thaichon, P., & Nyadzayo, M. W. (2023). Exploring the role of relationship management and relationship quality in B2B: empirical insights and future research directions. *Journal of Business & Industrial Marketing*, 38(5), 1055–1086. <https://doi.org/10.1108/JBIM-05-2021-0267>
- Latinovic, Z., & Chatterjee, S. C. (2024). Value co-creation: Balancing B2B platform value and potential reverse-value effects. *Journal of Business Research*, 175, 114518. <https://doi.org/10.1016/j.jbusres.2024.114518>
- Li, S., Peng, G., Xing, F., Zhang, J., & Zhang, B. (2021). Value co-creation in industrial AI: The interactive role of B2B supplier, customer and technology provider. *Industrial Marketing Management*, 98, 105–114. <https://doi.org/10.1016/j.indmarman.2021.07.015>
- Maldonado-Canca, L.-A., Cabrera-Sanchez, J.-P., Gonzalez-Robles, E.-M., & Casado-Molina, A.-M. (2024). AI in Marketing Management: Executive Perspectives from Companies. *Marketing and Management of Innovations*, 15(4), 42–55. <https://doi.org/10.21272/mmi.2024.4-04>
- Marc Lim, W. (2023). Transformative marketing in the new normal: A novel practice-scholarly integrative review of business-to-business marketing mix challenges, opportunities, and solutions. *Journal of Business Research*, 160, 113638. <https://doi.org/10.1016/j.jbusres.2022.113638>
- Nath, A., Saha, P., & Salehi-Sangari, E. (2019). Blurring the borders between B2B and B2C: a model of antecedents behind usage of social media for travel planning. *Journal of Business & Industrial Marketing*, 34(7), 1468–1481. <https://doi.org/10.1108/JBIM-11-2018-0329>
- Pfajfar, G., Shoham, A., Małacka, A., & Zalaznik, M. (2022). Value of corporate social responsibility

for multiple stakeholders and social impact – Relationship marketing perspective. *Journal of Business Research*, 143, 46–61. <https://doi.org/10.1016/j.jbusres.2022.01.051>

Shankaranarayana, R., Narayanamurthy, G., Ramaswamy, S., & Moser, R. (2025). Integration of traditional, transitioning & transformative digital technologies for value co-creation in B2B: A process model. *Industrial Marketing Management*, 124, 304–324. <https://doi.org/10.1016/j.indmarman.2024.12.007>

Zhou, Z., Ding, Y., Feng, W., & Ke, N. (2021). Extending B2B brands into the B2C market: Whether, when, and how brands should emphasize B2B industry background. *Journal of Business Research*, 130, 364–375. <https://doi.org/10.1016/j.jbusres.2021.03.034>

Zolkiewski, J., Story, V., Burton, J., Chan, P., Gomes, A., Hunter-Jones, P., O'Malley, L., Peters, L. D., Raddats, C., & Robinson, W. (2017). Strategic B2B customer experience management: the importance of outcomes-based measures. *Journal of Services Marketing*, 31(2), 172–184. <https://doi.org/10.1108/JSM-10-2016-0350>

The role of ambivalence in international marketing decisions: The case of small and medium-sized British exporters

Marica Grego¹

University of Pavia¹

1 Introduction

1.1 Background

Starting from the very first international step, internationalisation theories are not fully equipped to explain or predict the behaviour of small and medium enterprises (Tan et al., 2018). To identify the factors that favour or inhibit the decision to export, scholars usually rely on structural factors (such as firm's size, age, management system, organisation, R&D and technology) (i.e. Bonaccorsi, 1992), on the role of obstacles and incentives (see Paul et al., 2017 for a review) and, finally, on managerial factors (Acedo & Galán, 2011).

Contributions from the latter approach have established that specific cognitive and behavioural attributes necessary lead to a certain IM decision (Muzychenko & Liesch, 2015). However, cognition has often been treated as a unidimensional construct, whereas in reality, it encompasses contrasting elements, evolves over time, and is influenced by uncertainty, conflicting emotions, leading managers to inconsistencies in decision-making.

1.2 Research gap

The mixture of feelings and beliefs that characterises international marketing (IM) decisions, such the decision to export, represents a research area that is currently underexplored. We refer to this phenomenon as *ambivalence*—a psychological state in which individuals simultaneously hold opposing orientations toward an object due to conflicting information (Ashforth & Reingen, 2014). For example, a manager may wish to start a new exporting project because they believe that exports make a huge contribution to the company's long-term profit, but they are also aware that exports may have a negative impact on the company because of the risk associated with international markets.

We have limited understanding of how managers may react and resolve situations of ambivalence, as this has rarely been tested in the context of IM decisions. This leaves some questions open such as: How do managers react to a situation of ambivalence in IM decisions? What strategies do they employ to reconcile contrasting feelings and beliefs?

1.3 Objective of the study

This study aims to advance understanding of the cognitive foundations of IM decisions by examining the role of ambivalence. Ambivalence introduces internal cognitive tensions that influence how managers frame risks, prioritise outcomes, and employ heuristics in internationalisation. By integrating both cognitive and affective dimensions, this research offers a more comprehensive framework for explaining and predicting IM decisions.

1.4 Main contribution(s)

This study contributes to IM research by integrating ambivalence as a key cognitive mechanism in the context of export decisions, highlighting its dual role in both hindering and enhancing decision-making. Additionally, the study differentiates between two main types of ambivalence (cognitive ambivalence and cognitive-affective inconsistency), offering new theoretical insights and practical implications to understand psychological barriers in internationalisation. The findings can be extended to various IM decisions, involving significant trade-offs, such as adopting transformative marketing approaches and balancing business, social and environmental outcomes.

2 Theoretical Background

2.1 The concept of ambivalence

The managers' attitude towards international markets has been mostly conceived along a unique dimension that may be low or high, pro or con, positive or negative (and all the points in between) (DeGhetto et al., 2021). However, early research in psychology, marketing and management studies, have challenged this view highlighting the property of ambivalence (Maio et al., 1996). Ambivalence

means that attitudes are not always totally positive or negative but can simultaneously encompass both valences, as decision makers may evaluate an issue as both positive and negative at the same time (Plambeck & Weber, 2009).

As an example, consider Amazon's entry into the Indian market in 2013. The decision was likely influenced by ambivalence due to the coexistence of significant opportunities and substantial challenges. This conflicting situation led Amazon's managers to a mix of risk-averse behaviour and bold initiatives challenging the predictive power of traditional theories.

2.2 Types of ambivalence

One of the most investigated types of ambivalence is cognitive ambivalence which is characterized by a coexistence of positive and negative beliefs about a particular object (Hamby & Russell, 2022). Beliefs are mental representations or convictions that individuals hold about the consequences of a specific decision (De Cock et al., 2021). Cognitive ambivalence has been studied in a variety of decision contexts such as leader-member interaction (Lee et al., 2019), CEOs' strategic decisions (Bao et al., 2022), political evaluations (Plambeck & Weber, 2009), sustainability decisions (Sheng et al., 2023) and consumer research (Roster & Richins, 2009; Turel & Qahri-Saremi, 2023). Marketing and consumer research show more prolific applications of the concept of ambivalence, from the decision between online and offline channel (Penz & Hogg, 2011) to the purchase intentions (Aaker et al., 2008), from the trust and distrust in electronic transactions (Moody et al., 2017) to the impact of *nostalgia* and *animosity* in buying Russian brands (Gineikiene & Diamantopoulos, 2017).

The literature also identifies other sources of conflict that generate ambivalence, though they have received less attention than cognitive ambivalence. One such example is cognitive-affective inconsistency (Conner et al., 2021) which remains relatively underexplored concept but represents a promising area for future research. Cognitive- affective inconsistency relies on the long-standing

assumption that every decision is driven by affect¹ and cognition² (Ajzen, 2001). These two entities are under the control of separate and partially independent brain systems; they may influence each other's but are in principle independent (Zajonc, 1980). This implies that affective evaluations may, in some cases, differ from cognitive evaluations (Loewenstein et al., 2001). Compared to ambivalence, cognitive-affective inconsistency has a slightly broader scope because it captures the misalignment between cognitive and affective responses, which can weaken the link between attitude and intention, reducing commitment to action (Conner et al., 2021).

2.3 Ambivalence in international marketing decisions

Ambivalence and inconsistency have received limited attention in the field of IM, particularly in the context of export decisions. When ambivalence is explored in IM related research, the focus tends to be on other organizational phenomena rather than IM decisions (Gineikiene & Diamantopoulos, 2017; Yuan et al., 2017).

Therefore, a clear research gap remains in understanding how ambivalence influences IM decisions. The lack of attention to ambivalence in IM studies is surprising, given the inherently complex and conflicting nature of the internationalisation process.

3 Hypotheses Development

Traditionally, behavioural research has established a direct relationship between a manager's positive international attitude and the degree of internationalization of their organization (Acedo & Galán, 2011; DeGhetto et al., 2021). This relationship is consistently supported by well-established psychological theories (Ajzen, 1991). Therefore, as baseline hypothesis we hypothesize that managers who have a positive cognitive attitude towards exporting are more likely to express the intention to internationalize (H0).

The study of ambivalence has produced conflicting results depending on the context and the type of

¹ The term *affect* refers to an umbrella concept that identifies “any experience of feeling or emotion, ranging from suffering to elation, from the simplest to the most complex sensations of feeling” (APA Dictionary of Psychology, last update 19/04/2018).

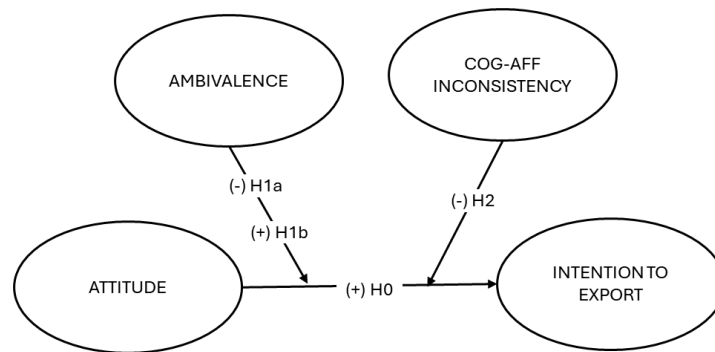
² The term *cognition* refers to “all forms of knowing and awareness, such as perceiving, conceiving, remembering, reasoning, judging, imagining, and problem solving” (APA Dictionary of Psychology, last update 19/04/2018).

decision. The first group of studies emphasizes the negative consequences that a conflicting situation activates in the decision maker's mind (Ajzen, 2001). Ambivalence decreases the confidence in the decision maker's attitude (Jonas et al., 1997), increases the perception of risk (Podoyntsyna et al., 2012) and reduces the willingness to perform a behaviour or making a certain decision (Russell et al., 2011). Therefore, a first plausible hypothesis is that ambivalence negatively moderates the relationship between attitude and export decisions such that for higher levels of ambivalence the relation attitude-intention becomes weaker (H1).

A concurrent stream of research emphasizes the positive implications of ambivalence on decision quality because the internal conflict associated with ambivalence produces more awareness and more refined analytic processes (Plambeck & Weber, 2009). Rather than weakening the attitude-intention relationship, we also take into consideration the opposite effect that ambivalence may strengthen the relationship between attitude and export intention (H1b).

Unlike ambivalence, which can sometimes enhance decision-making, cognitive-affective inconsistency disrupts the attitude-intention relation by generating affective conflict, leading to lower decision confidence and weaker behavioural intentions Conner et al. (2021). While conflicting beliefs can be reconciled with extra-cognitive effort, cognitive-affective inconsistency is tightly related to affective and emotional responses that rise spontaneously and are not mediated by analytical reasoning (Zajonc, 1980). In the context of export decisions, managers may cognitively recognise the benefits of exporting but contextually experience negative affect, such as unpleasant feelings and psychological discomfort with foreign markets, reducing their likelihood of acting on a positive attitude. Therefore, we hypothesise a (H2) negative moderating effect of cognitive-affective inconsistency on the attitude-intention relationship, such that higher levels of cognitive-affective inconsistency weaken the relationship. Figure 1 graphically represents our model.

Figure 1: Model



4 Methodology

4.1 Sample

Our model has been tested on a sample of 232 small and medium-sized British manufacturers. The survey was distributed via email to company directors or export managers.

4.2 Variables

The dependent variable (intention to export) was measured using two approaches: a broad measure (1= firms that expressed some level of intention to export; 0=all the others) and a strict measure (1= firms with a precise commitment to export; 0=all the others). Attitude toward internationalisation was measured using three items on a 7- point Likert scale, capturing respondents' overall favourability, utility, and perceived benefits of exporting. Ambivalence was measured objectively using the method proposed by Thompson et al. (1995), which quantifies the coexistence of positive and negative evaluations toward exporting. Cognitive-affective inconsistency was measured using the approach outlined by Conner et al. (2021), which captures the degree of misalignment between cognitive evaluations and affective responses toward exporting. Several control variables were included to account for firm- and individual-level factors that could influence export intention (respondent's age, educational attainment, whether the respondent is the firm owner, and previous work experience in exporting, whether the firm is a regular exporter, the number of foreign operations, whether the firm is family-owned, age of the firm, and firm size).

4.3 Estimation and preliminary results

Given the binary nature of the dependent variable, the models are estimated using binary logistic regression. Preliminary results are outlined in Table 1.

Table 1: Logistic regression models

	DV: Intention to export			DV: Strong intention to export		
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
(Intercept)	-1.393 (1.190)	3.175 (2.241)	-1.206 (1.710)	-1.491 (1.328)	0.388 (2.033)	-2.458 (1.577)
ATT		4.567*** (0.816)	4.538*** (0.675)		2.059*** (0.607)	2.823*** (0.604)
AMB		-0.054*** (0.019)			-0.027 (0.018)	
ATTxAMB		0.063** (0.031)			0.007 (0.023)	
INC			0.010 (0.019)			0.03 (0.021)
ATTxINC			-0.013 (0.032)			-0.052 *** (0.027)
AGE	-0.026 (0.017)	-0.011 (0.025)	-0.017 (0.024)	-0.028 (0.018)	-0.006 (0.021)	-0.019 (0.021)
EDU	0.084 (0.067)	-0.047 (0.099)	-0.059 (0.097)	0.011 (0.071)	-0.063 (0.080)	-0.049 (0.08)
OWNER	0.306 (0.361)	1.520** (0.638)	1.182** (0.579)	-0.046 (0.379)	0.040 (0.439)	-0.012 (0.43)
REG_EXP	2.055 *** (0.383)	0.163 (0.622)	0.091 (0.598)	2.175*** (0.567)	0.904 (0.655)	0.973 (0.655)
NFO	0.294 (0.194)	-0.092 (0.283)	-0.095 (0.277)	0.137 (0.184)	-0.087 (0.216)	-0.096 (0.204)
FAM_BUS	-0.337 (0.330)	-0.830 (0.513)	-0.714 (0.497)	0.076 (0.350)	0.107 (0.400)	0.124 (0.396)
FIRM_AGE	0.001 (0.007)	0.006 (0.011)	0.014 (0.011)	-0.005 (0.007)	-0.003 (0.008)	-0.003 (0.007)
SIZE	-0.005 (0.019)	0.022 (0.029)	0.007 (0.027)	-0.018 (0.020)	-0.016 (0.022)	-0.017 (0.022)
EXP_WORK	0.153* (0.074)	0.152 (0.116)	0.189* (0.111)	0.113 (0.074)	0.033 (0.085)	0.114 (0.082)
N	232	232	232	232	232	232
Pseudo R2	0.360	0.768	0.742	0.224	0.457	0.442

*** p < 0.001; ** p < 0.01; * p < 0.05.

Note: Pseudo R2 method Nagelkerke

5 Findings and Discussion

Preliminary findings show that attitude toward exporting (ATT) is a strong predictor of export intention across all models ($p < 0.001$), confirming H0 and aligning with prior research.

Ambivalence (AMB) has a significant negative effect on export intention in Model 2 ($p < 0.001$), indicating that higher ambivalence reduces the likelihood of expressing a positive intention to export, supporting the idea that ambivalence acts as a psychological barrier, creating cognitive hesitation and emotional discomfort. However, its effect is not significant for strong export intention (Model 5), suggesting that for managers who are firmly committed to exporting, ambivalence has likely already been resolved or is overridden by other factors (e.g., attitude).

The interaction effect ATT×AMB is positive and significant in Model 3 ($p < 0.01$), indicating that ambivalence strengthens the relationship between attitude and export intention. While ambivalence alone reduces export intention (Model 2), when interacting with a strong positive attitude, it encourages deeper cognitive engagement and more deliberate decision-making. However, the interaction is not significant in Model 5, implying that at higher commitment levels ambivalence plays does not play a moderating role likely because other factors, such as a strong attitude has a strong biasing effect taking precedence.

Cognitive-affective inconsistency (INC) has no significant direct effect in either Model 3 or Model 6, suggesting that misalignment between cognitive and affective evaluations does not influence export intention or commitment to exporting. The interaction effect (ATT×INC) is not significant in Model 3 but becomes significantly negative in Model 6 ($p < 0.001$), indicating that cognitive-affective inconsistency weakens the relationship between attitude and strong export intention. Unlike ambivalence, which can sometimes enhance decision-making, cognitive-affective inconsistency appears to introduce psychological resistance, preventing managers from acting on their positive attitudes at higher levels of export commitment. The effect of cognitive-affective inconsistency (ATT×INC) is more evident in strong export intention (Model 6), suggesting that this misalignment becomes more salient when the decision is closer to being made.

6 Conclusion, Limitations and Implications

The study examines the role of ambivalence and cognitive-affective inconsistency in forming IM

decisions. We show that ambivalence weakens export intention but strengthens the attitude-intention relationship, suggesting that while it can create hesitation, it may also lead to more deliberate decision-making. In contrast, cognitive- affective inconsistency does not directly influence export intention or commitment, but it emerges as a key factor that creates misalignment between attitude and intention. This implies that even when managers hold a positive attitude toward exporting, cognitive-affective misalignment may prevent their decisions from fully reflecting their attitude, leading to inconsistent or discontinuous behaviour.

The study's limitations include its cross-sectional design and reliance on self-reported measures. Additionally, while findings may extend to similar decision contexts, they may not generalize across different cultural settings. Lastly, the study focuses on intention rather than actual behaviour, though intention serves as a valid proxy for understanding managerial decision-making processes.

This study has policy, managerial, and theoretical implications. Policymakers can design export support programs based on a rhetoric that leverages the affective dimension of attitude. Managers should start recognizing and dealing with internal conflict to successfully direct their action towards the desired goals. Theoretically, the findings highlight the necessity to reconsider some of the behavioural assumptions about managers.

References

- Aaker, J., Drolet, A., & Griffin, D. (2008). Recalling mixed emotions. *Journal of Consumer Research*, 35(2), 268-278.
- Acedo, F. J., & Galán, J. L. (2011). Export stimuli revisited: The influence of the characteristics of managerial decision makers on international behaviour. *International Small Business Journal*, 29(6), 648-670.
- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179-211.
- Ajzen, I. (2001). Nature and operation of attitudes. *Annual Review of Psychology*, 52(1), 27-58.
- Ashforth, B. E., & Reingen, P. H. (2014). Functions of Dysfunction. *Administrative Science Quarterly*, 59(3), 474-516.
- Bao, Y., Yuan, W., Bao, Y., & Olson, B. (2022). Does More CEO Ambivalence Lead to Higher Organizational Ambidexterity? A Paradoxical Perspective. *IEEE Transactions on Engineering Management*, 69(5), 2386-2398.

- Bonaccorsi, A. (1992). On the relationship between firm size and export intensity. *Journal of International Business Studies*, 23(4), 605-635.
- Conner, M., Wilding, S., van Harreveld, F., & Dalege, J. (2021). Cognitive-Affective Inconsistency and Ambivalence: Impact on the Overall Attitude-Behavior Relationship. *Personality and Social Psychology Bulletin*, 47(4), 673-687, Article 0146167220945900.
- De Cock, R., Andries, P., & Clarysse, B. (2021). How founder characteristics imprint ventures' internationalization processes: The role of international experience and cognitive beliefs. *Journal of World Business*, 56(3).
- DeGhetto, K., Holmes, R. M., Lamont, B. T., Lucianetti, L., & Kasapoğlu, M. M. (2021). New ventures going global: Cognition and context. *Journal of Small Business Management*, 61(6), 2732-2761.
- Gineikiene, J., & Diamantopoulos, A. (2017). I hate where it comes from but I still buy it: Countervailing influences of animosity and nostalgia. *Journal of International Business Studies*, 48(8), 992-1008.
- Hamby, A., & Russell, C. (2022). How does ambivalence affect young consumers' response to risky products? *Journal of the Academy of Marketing Science*, 50(4), 841-863.
- Jonas, K., Diehl, M., & Brömer, P. (1997). Effects of attitudinal ambivalence on information processing and attitude-intention consistency. *Journal of Experimental Social Psychology*, 33(2), 190-210.
- Lee, A., Thomas, G., Martin, R., & Guillaume, Y. (2019). Leader-Member Exchange (LMX) Ambivalence and Task Performance: The Cross-Domain Buffering Role of Social Support. *Journal of Management*, 45(5), 1927-1957.
- Loewenstein, G. F., Weber, E. U., Hsee, C. K., & Welch, N. (2001). Risk as feelings. *Psychological Bulletin*, 127(2), 267-286.
- Maio, G. R., Bell, D. W., & Esses, V. M. (1996). Ambivalence and persuasion: The processing of messages about immigrant groups [; Proceedings Paper]. *Journal of Experimental Social Psychology*, 32(6), 513-536.
- Moody, G. D., Lowry, P. B., & Galletta, D. F. (2017). It's complicated: explaining the relationship between trust, distrust, and ambivalence in online transaction relationships using polynomial regression analysis and response surface analysis. *European Journal of Information Systems*, 26(4), 379-413.
- Muzychenko, O., & Liesch, P. W. (2015). International opportunity identification in the internationalisation of the firm. *Journal of World Business*, 50(4), 704-717.
- Paul, J., Parthasarathy, S., & Gupta, P. (2017). Exporting challenges of SMEs: A review and future research agenda. *Journal of World Business*, 52(3), 327-342.
- Penz, E., & Hogg, M. K. (2011). The role of mixed emotions in consumer behaviour Investigating ambivalence in consumers' experiences of approach-avoidance conflicts in online and offline settings. *European Journal of Marketing*, 45(1-2), 104-132.
- Plambeck, N., & Weber, K. (2009). CEO Ambivalence and Responses to Strategic Issues. *Organization Science*, 20(6), 993-1010.
- Podoyntsyna, K., Van der Bij, H., & Song, M. (2012). The role of mixed emotions in the risk perception of novice and serial entrepreneurs. *Entrepreneurship Theory and Practice*, 36(1), 115-140.
- Roster, C. A., & Richins, M. L. (2009). Ambivalence and attitudes in consumer replacement

- decisions. *Journal of Consumer Psychology*, 19(1), 48-61.
- Russell, C. A., Russell, D. W., & Klein, J. (2011). Ambivalence toward a country and consumers' willingness to buy emblematic brands: The differential predictive validity of objective and subjective ambivalence measures on behavior. *Marketing Letters*, 22(4), 357-371.
- Sheng, H. Y., Feng, T. W., & Liu, L. (2023). The influence of digital transformation on low-carbon operations management practices and performance: does CEO ambivalence matter? *International Journal of Production Research*, 61(18), 6215-6229.
- Tan, A., Brewer, P., & Liesch, P. (2018). Rigidity in SME export commencement decisions. *International Business Review*, 27(1), 46-55.
- Thompson, M. M., Zanna, M. P., & Griffin, D. W. (1995). Let's not be indifferent about (attitudinal) ambivalence. In R. E. Petty & J. A. Krosnick (Eds.), *Attitude strength: Antecedents and consequences*. (pp. 361-386). Hillsdale, NJ, US, Lawrence Erlbaum Associates, Inc.
- Turel, O., & Qahri-Saremi, H. (2023). Responses to ambivalence toward social networking sites: A typological perspective. *Information Systems Journal*, 33(2), 385-416.
- Yuan, W., Bao, Y., & Olson, B. J. (2017). CEOs' ambivalent interpretations, organizational market capabilities, and corporate entrepreneurship as responses to strategic issues. *Journal of World Business*, 52(2), 312-326.
- Zajonc, R. B. (1980). Feeling and thinking: Preferences need no inferences. *American Psychologist*, 35(2), 151-175.

Exploring the interplay between inward and outward internationalization

Simona Amerio¹, Birgit Hagen²

Silvateam SpA¹, University of Pavia²

Abstract

Research on internationalization of small and medium-sized enterprises (SMEs) has extensively studied either outward (market related) or inward (supply related) activities. Little emphasis, however, is put on interlinkages and potential connections between these two sides of international activity.

Therefore, in our paper we theorize a framework of potential inward-outward connections, their linkages and their performance outcomes. The framework may assist in designing qualitative, processual studies that investigate the linkages more in depth. In itself, the framework contributes to theory with a deeper understanding of non-sequential stages of internationalization. Importantly, it bears the potential to illustrate and explain patterns not easily explained by traditional models of internationalization. Additionally, by identifying the potential linking factors, e.g. relationships, transfer of knowledge, and flows of resources, it also contribute to the resource-based view (RBV) within the context of international business (Peng, 2001), showing how firms leverage resources obtained through inward activities to support outward activities and vice-versa.

Keywords: inward internationalization, outward internationalization, market-seeking, resource-seeking, efficiency-seeking

Inward and outward internationalization: Identifying a missing link

While research on internationalization has extensively studied either outward (market related) or inward (supply related) activities, there is some recognition of the connections between these operations and their mutual influence (Karlsen et al., 2003; Korhonen, 1999). Fletcher (2001) and Jones (1999) for example recognize the importance of a holistic perspective to internationalization which considers both inward and outward dimensions and their interplay. Fletcher's (2001) holistic conceptual framework suggests that firms' international decision-making is multidimensional, driven by both inward and outward activities, each reciprocally influencing the other.

Inward-outward connections increase the understanding of firms' internationalization process, explaining both the progression between different stages of internationalization, and how and why companies internationalize (Karlsen et al., 2003). Leveraging these connections can be especially beneficial for SMEs, given their limited resources. International growth allows SMEs to acquire

complementary resources and competencies (Dimitratos et al., 2016) which enable them to access new opportunities and improve performance (Pangarkar, 2008; Kabbara & Hagen, 2023) and those can arise, as we add, from both sourcing and selling sides. Despite their significance in the firms, connections have received little attention to date.

Inward operations and their implications

Inward international operations not only minimize costs of resource integration (Agndal, 2006), but also enhance firms' capabilities (Quélin & Duhamel, 2003) and international knowledge (Hennart et al., 2021). Negotiating with foreign suppliers expands a company's international contact network (Andersen & Christensen, 2005; Bertrand, 2011) providing access to crucial resources, information, and ideas. Strong relationships with suppliers help SMEs obtain accurate product information, reduce costs, increase production efficiency, and access new markets and business opportunities (Knudsen & Servais, 2007). These facilitate the transfer of competencies and knowledge (Child & Rodrigues, 2005; Hätönen, 2009), which combined with international experience, reduce perceived risks and uncertainties in foreign markets (Korhonen, Luostarinen & Welch, 1996). Acquiring technological, managerial, and business knowledge enables firms to achieve organizational, process (Szymura-Tyc, 2021) and product innovations (Nieto & Rodriguez, 2011). Inward operations, such as inward foreign direct investment (FDI), foreign acquisitions, and international joint ventures, increase a firm's production and innovation capacity (Liu et al., 2020) by facilitating the transfer of technology and expertise (Maskell et al., 2007). They also provide opportunities to acquire highly skilled personnel (Lewin, Massini & Peeters, 2009), physical capital (Emako, Nuru & Menza, 2023) and financial resources beneficial for future international activities (Child & Rodrigues, 2005).

Outward operations and their implications

On the other hand, many companies pursue outward internationalization to establish a global presence. Firms expand abroad with market-seeking strategies to capture foreign clients, but also to

augment capabilities, such as organizational and international market expansion (Tallman & Fladmoe-Lindquist, 2002). Also, as does inward-internationalization, outward internationalization offers unique learning opportunities, allowing access to knowledge that is not available otherwise (Love & Ganotakis, 2013). Foreign market, technological (Salomon & Shaver, 2005) and marketing knowledge (Golovko, Lopes-Bento & Sofka, 2023; Szymura-Tyc, 2021; Hagen & Zucchella, 2014) are examples that result from contacts with foreign partners and their network. Manufacturers and technology providers (Zahra, Ireland & Hitt, 2000), and buyers share information on production technologies and product specifications (Atkin, Khandelwal & Osman, 2017; Love & Ganotakis, 2013), and customers who provide insights into their needs and expectations (Salomon and Shaver, 2005; Hagen et al., 2019). These interactions help firms to develop high-quality products and marketing innovations (Golovko, Lopes-Bento & Sofka, 2023; Szymura-Tyc, 2021).

Additionally, outward international activities support process and organizational innovations (Szymura-Tyc, 2021). Exporters, benefiting from larger market access and economies of scale achieve improved technical efficiency, higher productivity and profitability compared to non-exporters (Atkin, Khandelwal & Osman, 2017; Bernard et al., 2007).

Bridges for inward-outward connections

Few studies focus on connections between inward and outward international activities and their linking factors. One of them, as is evidenced in the sections above, is *knowledge*. Market-knowledge gained from exporting can positively influence the performance of inward operations (Bertrand, 2011; Hagen & Zucchella, 2012) and, vice versa, inward internationalisation activities have been found to assist with market-seeking expansion (Karlsen et al., 2003). Bagheri et al. (2019) find that inward activities provide technological knowledge, while outward ones facilitate market knowledge (Bagheri et al., 2019). Their combination enables the implementation and commercialization of technical solutions (Lichtenthaler, 2009). Inward-outward connections are facilitated by the ability to share and transfer such knowledge within *international networks* (Welch et al., 2002). Firms develop

relationships abroad expanding their contact network through interactions with foreign suppliers, distributors, buyers, and customers, that can be leveraged to access and transfer resources, increase business opportunities and support growth and expansion (Bertrand, 2011; Hernandez & Nieto, 2016). Additionally, *reputation* is important in stimulating potential customers in a new market (Reuber & Fisher, 2009); as demonstrated by Karlsen et al. (2003), the acknowledgment of a company by foreign authorities and business partners can serve as an asset in subsequent outward activities. *Financial resources* acquired through inward FDI (e.g. funds obtained by state banks and government agencies) can be leveraged for investments in foreign markets (Child & Rodrigues, 2005). The same holds for capital gained from outward operations that can be reinvested to support resource-seeking activities.

Therefore, knowledge, international networks, reputation and financial resource can be considered as linking factors of international inward-outward connections. However, there is reason to believe that there may be other linking factors.

Recent work by Brouthers et al. (2022) identifies the resources necessary for foreign entry activities, including not only knowledge, relations with investors, capital and reputation, but also managerial assistance, and technical capabilities. Significantly, these resources are outcomes of inward internationalization, thus potentially linking factors. Resources accessed through either inward or outward operations can have the potential to further improve the next international activity. Technologies and technological knowledge acquired during inward activities may be strategically used to improve operations efficiency and support foreign market penetration. The same holds for organizational capabilities and innovations gained, which may promote collaboration and sharing resources across functions, or monitoring and coordinating relationships with suppliers and buyers. In the light of the existing literature, further research is needed to investigate whether and how inward-outward connections emerge and to identify the potential linking factors for the interplay between inward and outward internationalization. To better understand the identified research gap, Figure 1 can be viewed as a guiding conceptual framework for the study.

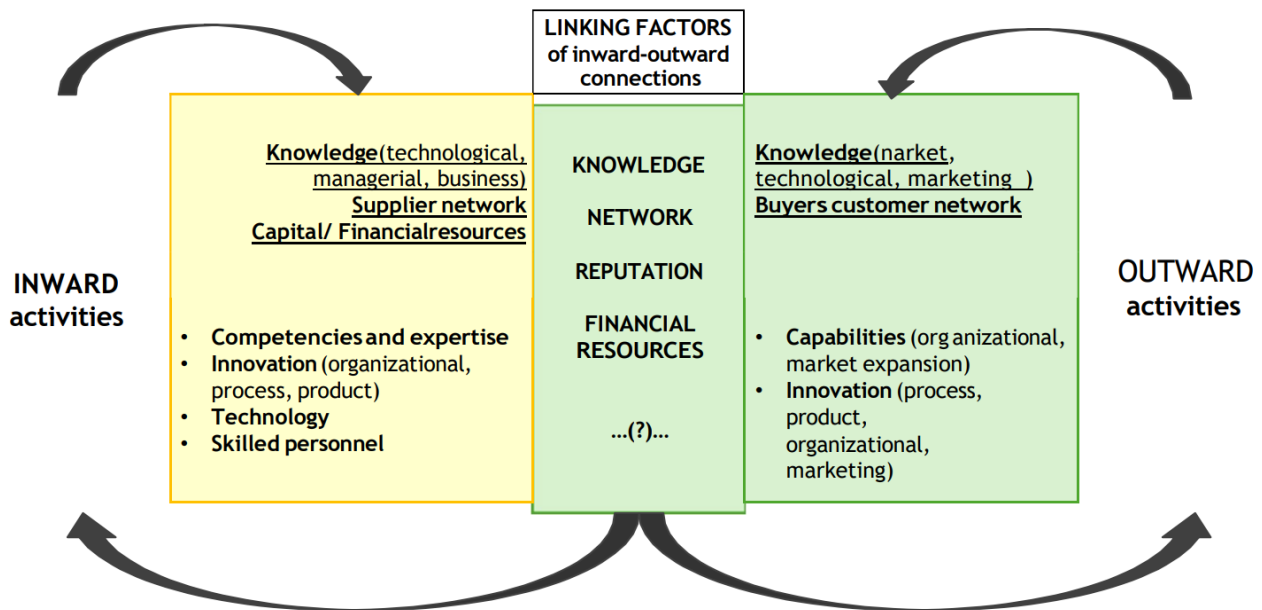


Figure 1. Linking factors of inward-outward connection

From a theoretical perspective, our analysis may refine the Uppsala Model (Johanson & Vahlne, 1977) beyond the sequential stages of internationalization. Inward–outward connections can explain movements from one stage in the internationalization process to another and provide examples of patterns not easily explained by traditional models such as ‘born global’ (Karlsen et al., 2003). Additionally, by identifying the potential linking factors as relationships, transfer of knowledge, and flows of resources, the analysis supports the importance of networks in the process of internationalization (Coviello & Munro, 1997). It can also contribute to the resource-based view (RBV) within the context of international business (Peng, 2001), showing how firms leverage resources obtained through inward activities to support outward activities and vice-versa.

Internal organizational environment

Importantly, as firms undertake international operations, they gain valuable insights from foreign markets which require them to adapt their systems, processes, and organizational structures. This often leads to strategic, structural, and human resource changes (Lam & White, 1999; Hagen, Ghauri & Macovei, 2024).

To fully benefit from international activities, firms must facilitate the transfer of knowledge among

intra-organizational functions and departments (Bertrand, 2011; Karlsen et al., 2003). Otherwise, the gained information, knowledge, and network base may risk being retained in respective silos and not be properly disseminated and documented throughout the company (Karlsen et al., 2003) to the benefit of inward and outward activities. Knowledge acquired is crucial, but it must be effectively transferred within the organization to maximize its benefits. Systems to disseminate this knowledge across different units of the firm are necessary to avoid missed opportunities and to ensure that the firm can leverage it for future international activities (Welch et al., 2002).

Effective strategic management, informed decision-making and robust internal organization are key to facilitating inward-outward connections and to leverage on them in business internationalization (Karlsen et al., 2003; Welch et al., 2002). Therefore, when dealing with inward-outward connections, it is essential to consider internal company processes since connections may include organizational changes in structure, personnel, and training (Karlsen et al., 2003). Managerial innovations, such as new approaches, tasks, and unit structures, influence organizational changes (Fariborz, & Deepa, 2012) required to manage the increasing volume and complexity of international activities, thereby demonstrating a company's commitment to international involvement (Welch & Luostarinen, 1988). Welch and Luostarinen (1988) highlight the importance of organizational capacity in internationalization, considering changes in organizational structure, personnel, and finance as indicators of a firm's level of internationalization.

To further enrich the existing literature, it is crucial to explore more deeply how to facilitate *inward-outward connections and how to change once they occur*. Recognizing these internal changes caused by inward-outward connections will enable managers to make informed strategic decisions (e.g. restructuring processes, reallocating resources) fostering collaboration among departments, facilitating knowledge transfer within the organization and enhancing their international competitiveness. Examining changes within SMEs enriches the theory of organizational change by highlighting the importance of considering internationalization processes as drivers of change and

explaining how organizations implement change and undergo transformational processes.

Performance

By successfully managing organizational changes and enabling inward-outward connections, firms can fully leverage the benefits deriving from those connections. Effective connections offer several advantages to firms, which would be lost if they are not made (Karlsen et al. 2003). Indeed, anecdotal evidence shows that they generate greater positive impacts compared to focusing on just one type of international activity (Bagheri et al., 2019).

Studies on SMEs highlight the role of connections in providing access to complementary knowledge that increases the opportunities for learning and generates higher turnover growth (Hernandez & Nieto, 2016), so improved financial performance. Building strong strategic relationships with suppliers and buyers opens doors to new markets, and expands business opportunities (Knudsen & Servais, 2007), leading to increased revenue and profitability. As anticipated, international activities, either inward or outward oriented, allow companies to access technologies, skilled personnel, and financial resources, that can be used to improve operational efficiency. Leveraging on information and experience gained from early inward activities can bring advantages in terms of reduced time needed to establish successful outward operations (Karlsen et al., 2003). As well, increased knowledge flow increases chances of SMEs of fostering organizational and process innovation, improving best practices and boosting operational efficiency, or product and marketing innovation, enhancing product quality resulting in increased number of clients and sales (Idris, Saridakis & Khan, 2022).

Additionally, inward and outward activities lead to upgraded employees' capabilities, competences and expertise that can be used to develop new products or improve existing ones and bring changes in the business environment (Bagheri et al., 2019).

Conclusion

Based on the very limited evidence to date, we theorize a model of inward-outward connections in

internationalization, illustrating potential organizational change and performance outcomes.

References

- Agndal, H. (2006). The purchasing market entry process – A study of 10 Swedish industrial small and medium-sized enterprises. *Journal of Purchasing and Supply Management*, 12(4), 182–196
- Andersen, P. H., & Christensen, P. R. (2005). Bridges over troubled water: suppliers as connective nodes in global supply networks. *Journal of Business Research*, 58(9), 1261–1273.
- Atkin, D., Khandelwal, A. K. & Osman. A. (2017). Exporting and firm performance: evidence from a randomized experiment. *Quarterly Journal of Economics*, 132 (2), 551–615.
- Bagheri, M., Mitchelmore, S., Bamiatzi, V., & Nikolopoulos, K. (2019). Internationalization orientation in SMEs: the mediating role of technological innovation. *Journal of International Management*, 25, 121-139.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77-101.
- Bernard, A. B., Jensen, J. B., Redding, S. J., & Schott, P. K. (2007). Firms in international trade. *Journal of Economic Perspectives*, 21(3), 105-130.
- Bertrand, O. (2011). What goes around, comes around: Effects of offshore outsourcing on the export performance of firms. *Journal of International Business Studies*, 42(2), 334–344.
- Brouthers, K. D., Chen, L., Li, S., & Shaheer, N. (2022). Charting new courses to enter foreign markets: Conceptualization, theoretical framework, and research directions on non-traditional entry modes. *Journal of International Business Studies*.
- Child, J., & Rodrigues, S. B. (2005). The Internationalization of Chinese firms: a case for theoretical extension? *Management & Organization Review*, 1, 381-410.
- Coviello, N., & Munro, H. (1997). Network relationships and the internationalisation process of small software firms. *International Business Review*, 6(4), 361-386.
- Dimitratos, P., Johnson, J. E., Plakoyiannaki, E., & Young, S. (2016). SME internationalization: how does the opportunity-based international entrepreneurial culture matter? *International Business Review*, 25(6), 1211-1222.
- Emako, E., Nuru, S., & Menza, M. (2023). The effect of foreign direct investment on capital accumulation in developing countries. *Development studies research*, 10(1).
- Fariborz, D., & Deepa, A. (2012). Managerial innovation: Conceptions, Processes, and antecedents. *Management and Organization Review*, 8(2), 423-454.
- Fletcher, R. (2001). A holistic approach to internationalisation. *International Business Review*, 10, 25-49.
- Golovko, E., Lopes-Bento, C., & Sofka, W. (2023). Learning by exporting for marketing innovation. *Industry and Innovation*, 30(5), 607-635.
- Hätönen, J. (2009). Making the locational choice: a case approach to the development of a theory of offshore outsourcing and internationalization. *Journal of International Management*, 15, 61-76.
- Hagen, B., & Zucchella, A. (2012). The international growth of e-commerce ventures. *International Business: New challenges, new forms, new perspectives*, 137-153

- Hagen, B., & Zucchella, A. (2014). Born global or born to run? The long-term growth of born global firms. *Management International Review*, 54(4), 497-525.
- Hagen, B., Zucchella, A., & Ghauri, P. N. (2019). From fragile to agile: marketing as a key driver of entrepreneurial internationalization. *International Marketing Review*, 36(2), 260-288.
- Hagen, B., Ghauri, P. N., & Macovei, V. (2024). The balancing act: Organizational agility in fast-growing international ventures. *Industrial Marketing Management*, 123, 119-132.
- Hennart, J. F., Majocchi, A., & Hagen, B. (2021). What's so special about born globals, their entrepreneurs or their business model?. *Journal of International Business Studies*, 52(9), 1665-1694.
- Hernandez, V., & Nieto, M. J. (2016). Inward–outward connections and their impact on firm growth. *International Business Review*, 25, 296-306.
- Idris, B., Saridakis, G., & Khan, Z. (2022). The effect of outward and inward internationalisation on different types of innovation: evidence from UK SMEs. *Journal of International Management*, 28.
- Johanson, J., & Vahlne, J.E. (1977). The internationalization process of the firm: a model of knowledge development and increasing foreign market commitments. *Journal of International Business Studies*, 8(1), 23-32.
- Jones, M. V. (1999). The internationalization of small high-technology firms. *Journal of International Marketing*, 7(4), 15-41.
- Kabbara, D., & Hagen, B. (2023). A life cycle view on unicorn start-ups: divers of long-term high-growth. *Journal of Small Business and Enterprise Development*, 30 (6), 1210-1240
- Karlsen, T., Silseth, P. R., Benito, G. R. G., & Welch, L. S. (2003). Knowledge, internationalization of the firm, and inward– outward connections. *Industrial Marketing Management*, 32, 385-396.
- Korhonen, H., Luostarinen, R., & Welch, L. (1996). Internationalization of SMEs: inward-outward patterns and government policy. *Management International Review*, 36(4), 315-329.
- Korhonen, H. (1999). Inward-outward internationalization of small and medium enterprises. *Book Helsinki School of economics and business administration*.
- Král, P., & Králová, V. (2016). Approaches to changing organizational structure: the effect of drivers and communication. *Journal of Business Research*, 69(11), 5169-5174.
- Knudsen, M., & Servais, P. (2007). Analyzing internationalization configurations of SMEs: The purchaser's perspective. *Journal of Purchasing and Supply Management*, 13(2), 137–151.
- Lam, L. W., & White L. P. (1999). An adaptive choice model of the internationalization process. *International Journal of Organizational Analysis*, 7(2), 105-134.
- Lichtenthaler, U. (2009). Absorptive capacity, environmental turbulence, and the complementarity of organizational learning processes. *Academy of Management Journal*, 52(4), 822–846.
- Liu H., Islam, M. A., Khan, M. A., Hossain, M. I., & Pervaiz, K. (2020). Does financial deepening attract foreign direct investment? Fresh evidence from panel threshold analysis. *Research in International Business and Finance*, 53.
- Love, J. H., & Ganotakis, P. (2013). Learning by exporting: Lessons from high-technology SMEs. *International Business Review*, 22(1), 1-17.
- Lewin, A. Y., Massini, S., & Peeters, C. 2009. Why are companies offshoring innovation? The emerging global race for talent. *Journal of International Business Studies*, 40(6), 901-925.

- Maskell, P., Pedersen, T., Petersen, B. & Dick-Nielsen, J. (2007). Learning paths to offshore outsourcing: from cost reduction to knowledge seeking. *Industry and Innovation*, 14 (3), 239-257.
- Nieto, M. J. & Rodríguez, A. (2011). Offshoring of R&D: looking abroad to improve innovation performance. *Journal of International Business Studies*, 42(3), 345-361
- Nowell, L. S., Norris, J. M., White, D. E., & Moules N. J. (2017). Thematic analysis: striving to meet the trustworthiness criteria. *International Journal of Qualitative Methods*, 16, 1-13.
- Pangarkar, N. (2008). Internationalization and performance of small- and medium-sized enterprises. *Journal of World Business*, 43(4), 475–485.
- Peng, M. W. (2001). The resource-based view and international business. *Journal of Management*, 27(6), 803-829
- Pettigrew, A. M. (2013). The conduct of qualitative research in organizational settings. *Corporate Governance: An International Review*, 21(2), 123–126.
- Pettigrew, A. M., Woodman, R. W., & Cameron, K. S. (2001). Studying Organizational Change and Development: Challenges for Future Research. *Academy of Management Journal*, 44(4), 697-713.
- Quélin, B., & Duhamel, F., (2003). Bringing together strategic outsourcing and corporate strategy: outsourcing motives and risks. *European Management Journal*, 21 (5),647–661
- Reuber, A. R., & Fischer, E. (2009). Signalling reputation in international online markets. *Strategic Entrepreneurship Journal*, 3(4), 369-386.
- Salomon, R., & Shaver, J. M. (2005). Learning by exporting: new insights from examining firm innovation. *Journal of Economics and Management Strategy*, 14, 431 460.
- Szymura-Tyc, M. (2021). Learning by outward and inward internationalization and the outward/inward innovativeness of firms in Poland. *International Journal of Management and Economics*, 57(1), 44-68.
- Tallman, S., & Fladmoe-Lindquist, K. (2002). Internationalization, globalization, and capability-based strategy. *California Management Review*, 45 (1), 116-135.
- Welch, C., & Paavilainen-Mäntymäki, E. (2014). Putting process (back) in: research on the internationalization process of the firm. *International Journal of Management Review*, 16, 2-23.
- Welch, L. S., Benito, G. R. G., Silseth, P. R., & Karlsen, T. (2002). Exploring inward-outward linkages in firms' internationalisation: a knowledge and network perspective. *Book Network Knowledge in International Business*, 216- 231.
- Welch, L. S., & Luostarinen, R. (1988). Internationalization: evolution of a concept. *Journal of General Management*, 14(2), 34-55.
- Welch, L. S., & Luostarinen, R. (1993). Inward-Outward connections in internationalization. *Journal of International Marketing*, 1(1), 44-56.
- Wiesner, R., Banham, H. C. & Poole, N. (2004). Organizational change in Small and Medium Enterprises (SMEs). In: 21st CCSBE-CCPME Conference: Entrepreneurship and Economic Development: Innovation, Opportunity and Capacity, 12- 13 Nov 2004, Regina, Saskatchewan.
- Zahra, S. A., Ireland, R. D., & Hitt, M. A. (2000). International expansion by new venture firms: International diversity, mode of market entry, technological learning, and performance. *Academy of Management Journal*, 43(5), 925–950.

The importance of materiality analysis and stakeholder engagement in determining corporate purpose: A case study from the aviation industry

Michela Iesu¹, Antonio Usai¹, Daniele Porcheddu¹, Masud Rana¹

University of Sassari, Italy¹

Abstract

The conventional emphasis on shareholder value has given way to a more expansive understanding of corporate purpose in recent years, encompassing social and environmental responsibilities. A new approach to management, known as the stakeholder view, prioritises a balance between the interests of all stakeholders and challenges Friedman's shareholder-centric model, which places shareholders at the centre of corporate strategy. Despite growing support for this broader perspective, certain critics advise that the business's identity and competitiveness may be weakened by the lack of a clear purpose, making it more susceptible to pressure from external actors and power groups like top management. Moreover, the increasing importance of sustainability has made companies need to incorporate social and environmental goals into their governance, frequently expressed as corporate purpose. This business purpose is not always explicitly defined, and done so leads to the notion of an implicit business purpose, which can be inferred from sustainability actions, strategies, and practices. Using Geasar S.p.A., an operator of an airport management company based in Olbia (Sardinia, Italy), as a case study, our contribution investigates how materiality analysis and stakeholder interaction may be used to identify and strengthen the implicit corporate purpose. The case study demonstrates how the Company, through an implicit statement of purpose, can manifest a solid commitment to environmental and social sustainability and the improvement of the territory in which it operates. The analysis reveals how Geasar S.p.A. has integrated the values of social responsibility into corporate governance and strategies, evolving from a traditional CSR approach to a more sophisticated ESG model based on a solid corporate purpose actively promoting the economic and social development of Sardinia through a strong link with the territory.

Keywords: materiality analysis, corporate purpose, aviation industry, stakeholder engagement

Purpose

This research investigates how an organisation's implicit business purpose can be identified and reinforced through materiality analysis and stakeholder engagement practices. While explicit statements of business purpose are common, many organisations operate with an implicit purpose reflected in their governance structures and day-to-day practices. The research also tends to exclude that purpose is confused with mission and vision (Fitzsimmons et al., 2022). In particular, the following research questions are addressed:

RQ1: Can the implicit purpose be deduced from the materiality analysis?

RQ2: Is there a link between solid corporate purpose and competitiveness?

Focusing on the Geasar S.p.A case study, this research highlights the importance of materiality analysis in identifying and aligning business purposes in the air transport industry, which is currently under significant pressure to address sustainability and social responsibility.

Methodology

The research adopts a qualitative approach to the single case study. The methodology involves the analysis of key corporate documents such as Voluntary reporting (since 2018), Materiality Analysis, Stakeholder Engagement Plan, 2022-2026 Sustainability Plan, and ESG Policy (since 2023). The analysis was conducted in three main steps:

1. Identification of declared purpose, mission and vision.
2. Stakeholder identification and engagement
3. Materiality analysis

Materiality analysis is the central framework for assessing issues relevant to the Company's and stakeholders' long-term goals. In particular, it helps identify the intersection between what the Company considers important and what is meaningful to its stakeholders, revealing insights into the underlying business purpose.

Findings

Identification of declared purpose, mission and vision.

An implicit purpose emerges from the Company documents and public statements of Geasar S.p.A. Sustainability reports and materiality matrices indicate an orientation towards sustainability, stakeholder involvement, and responsible governance. The Company seems to be pursuing sustainable growth, balancing operational efficiency, respect for the environment, and the socio-economic development of Sardinia (the Italian Region in which Geasar operates). The mission is oriented towards the satisfaction of passengers and airlines, while the vision aims at sustainable development. The evolution from CSR to ESG reflects the integration of these values into governance.

Stakeholder identification and engagement

Identifying the stakeholders with whom to do the materiality analysis was essential. This was done by examining their business operations and their regional impact.

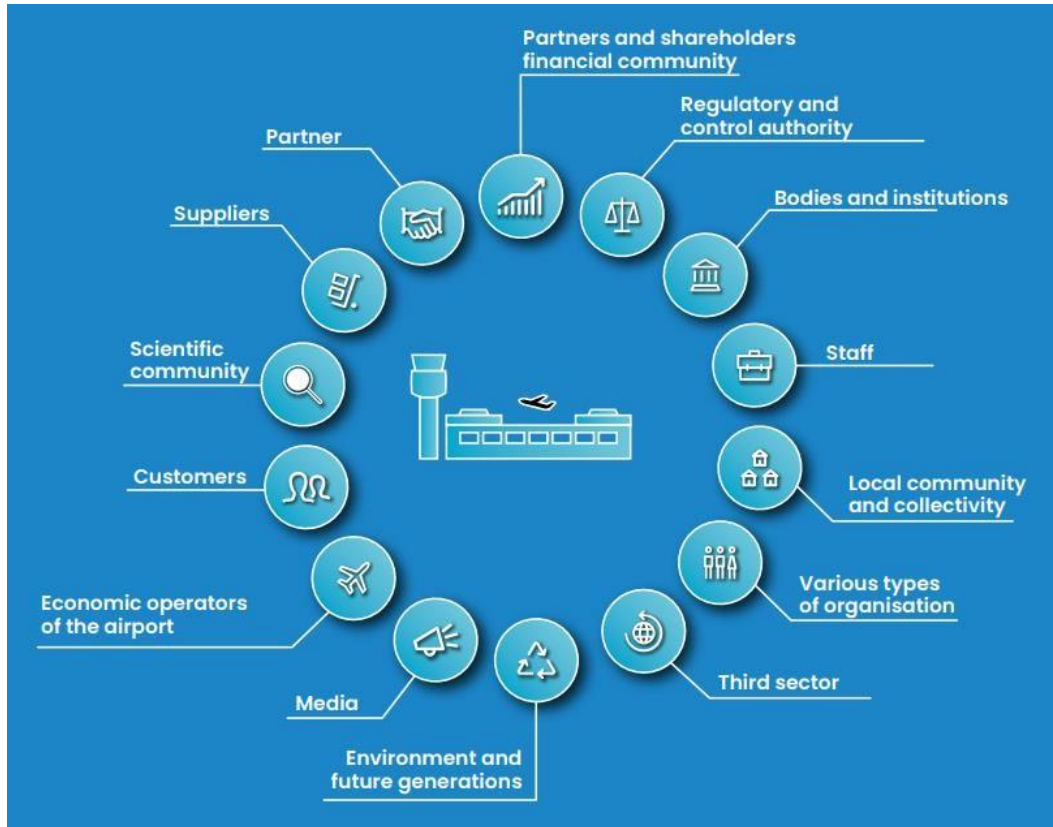


Figure 1. Stakeholder Identification. Source: Geasar’s Sustainability Report 2023

The Company adopts a structured approach and stakeholder engagement methods to understand and align with each interest group’s expectations by integrating stakeholder requests into its operational strategies and reporting. The materiality matrix reflects the importance of the relevant issues for the Company and its stakeholders; the results are approved by the Board of Directors, demonstrating the central role of stakeholder involvement in corporate governance and sustainability.

Materiality Analysis

Since 2018, Geasar has conducted materiality analyses to identify relevant economic, social, and environmental issues that align with GRI standards (International Guidelines for Sustainability Reporting). The 2023 analysis highlighted crucial issues on governance, the environment, the economy, and social aspects, as reported in the Sustainability Report.



Figure 2. Materiality Matrix. Geasar’s Sustainability Report 2023

The analysis followed three steps:

1. Identification of relevant issues: Topics of interest were identified through consultations with management and analysis of internal documents (Code of Ethics) and external documents (sector studies and international best practices).

2. Evaluation of topics: A multi-stakeholder workshop with over 70 participants set priorities, supplemented by surveys and the CEO’s opinion, using a relevance scale of 1 to 5.

3. Elaboration of the materiality matrix: The results (scores above 3) led to creating a matrix with 21 key themes oriented towards sustainability, focusing on reducing environmental impact, ethics, supporting communities, and improving the customer experience.

This commitment to sustainability reflects a corporate purpose oriented towards social and environmental well-being.

Theoretical Implications

This study contributes to the literature on corporate purpose by emphasising the concept of implicit purpose, implied by a company's objectives and activities but not explicitly expressed. The findings challenge the traditional view that corporate purpose must be explicitly stated and suggest that companies may have a powerful and implicit purpose embedded in their governance, sustainability practices, and stakeholder engagement efforts, as is the case with the Company being analysed. In addition, our research highlights the role of stakeholder theory in shaping corporate governance. Businesses prioritising stakeholder expectations in their decision-making processes, such as Geasar S.p.A., demonstrate that purpose and value creation go beyond shareholders' interests. This aligns with the expanding body of research on sustainable capitalism, which holds that a company's financial returns and social and environmental benefits are the best indicators of its success (Gartenberg et al., 2019).

Practical Implications

The results of this study have several practical implications for companies seeking to define or enhance their corporate purpose:

1. **Materiality analysis to define purpose:** This tool reveals critical priorities and values for companies without an explicit purpose, aligning operations with social and environmental goals.
2. **Integrating purpose into governance:** Governance and leadership structures must align with implicit or explicit business purpose, promoting sustainability and stakeholder engagement at all decision-making levels.
3. **Communication of purpose:** Declaring purpose, even implicit, through sustainability reports and strategic leadership communications reinforces commitment to social and environmental goals.
4. **Adapting to stakeholder expectations:** Adapting business strategies to the evolving needs of stakeholders and involving them in the materiality process ensures alignment with their expectations and concerns.

Originality

Our study identifies implicit business purpose through materiality analysis and stakeholder engagement, distinguishing itself from approaches favouring explicit statements. The case of Geasar S.p.A. shows how, under pressure on environmental and social issues, air transport companies can implicitly define their purpose through sustainable practices and stakeholder involvement. Future research could also explore the link between financial performance and sustainable guidance, highlighting a business purpose that evolves towards an inclusive model. The innovative approach is based on three key aspects:

1. Investigation of implicit purpose: A topic less explored than explicit mission and vision statements, the implicit purpose is particularly relevant in regulated sectors such as air transport, where the alignment between operating practices and strategic objectives is not always formalised and communicated.
2. Materiality analysis: Typically used to define strategic priorities, materiality analysis's use to deduce the business purpose opens up new perspectives in an area that is still little studied.
3. Application in the air transport sector: Materiality analysis suggests how this sector can integrate social and environmental aspects into its strategic objectives by contributing to business practices and sectoral policies.

Using an innovative approach with consolidated tools significantly contributes to management and corporate sustainability studies. The study's evidence underlines the importance of identifying implicit business purposes through tools such as materiality analysis and stakeholder engagement.

The Company's commitment is not limited to meeting the needs of

its customers and stakeholders, it actively promotes Sardinia's economic and social development, highlighting a solid link with the territory. This implicit purpose is evident in its role as a catalyst for local tourism, balancing economic growth, environmental protection, and social innovation.

The connection between purpose, mission, and vision is another crucial element that emerged from the analysis. The strategic consistency resulting from alignment allows the Company to strengthen

its reputation and competitive advantage, ensuring lasting value for stakeholders. In particular, adopting ESG practices enhances customer trust and promotes a positive brand image, thus consolidating Geasar's position as a central player in responsible tourism development.

These results open up new perspectives for future research, particularly regarding the role of brand identity and related brand image in sustainability-oriented corporate strategies and the construction of a lasting relationship with stakeholders with potential benefits on a competitive and financial level (Gartenberg et al., 2019).

References

- Donna, G. (2021). Milton Friedman e la buona causa (purpose) dell'impresa. *Impresa Progetto - Electronic Journal of Management*, 18(2), 1–14.
- Ellsworth, R. R. (2002). *Leading with Purpose: The New Corporate Realities*. Stanford: Stanford University Press. <https://doi.org/10.1515/9780804765992>
- Fitzsimmons, A. B., Qin, Y. S., & Heffron, E. R. (2022). Purpose vs mission vs vision: Persuasive appeals and components in corporate statements. *Journal of Communication Management*, 26(2), 207–219. <https://doi.org/10.1108/JCOM-09-2021-0108>
- Gartenberg, C., Prat, A., & Serafeim, G. (2019). Corporate Purpose and Financial Performance. *Organization Science*, 30(1), 1–18. <https://doi.org/10.1287/orsc.2018.1230>
- Harrison, J. S., Phillips, R. A., & Freeman, R. E. (2020). On the 2019 Business Roundtable 'Statement on the Purpose of a Corporation'. *Journal of Management*, 46(7), 1223–1237. <https://doi.org/10.1177/0149206319892669>

The evolving literature on R&D internationalization: State of the art and new challenges.

Simone Guercini¹, Gerta Luga¹, Matilde Milanese¹

University of Florence, Italy¹

Abstract

The internationalization of research and development (R&D) emerged in the 1980s and 1990s as a topic of growing interest with particular reference to the issue of geographic decentralization of enterprise laboratories (MNEs). Previously, enterprise R&D had been seen as a limitedly internationalized activity, being kept mainly in the domestic base of the enterprise. Subsequently, while some authors emphasized the growing importance of laboratories abroad and an increasing geographical decentralization of R&D activities, others pointed out that most R&D continued to be carried out in the country where the firm maintained its domestic base. In the globalization of the 1990s and 2000s, many R&D activities were decentralized to emerging countries where resource cost conditions were more convenient and where there was greater proximity to manufacturing activities and for adaptation to newly important outlet markets. This article seeks to take stock of the evolution of the literature on internationalization of R&D in more recent years (2000 to the present) with particular reference to the challenges posed by geopolitical tensions and decoupling processes in recent years. The paper aims to contribute to questions about the prospects and challenges of internationalization of business R&D in the changing international environment by proposing a research agenda.

Keywords: International R&D; multinational companies; decoupling; research agenda; literature review.

Introduction

The internationalization of research and development (R&D) has become a crucial strategy for multinational enterprises (MNEs) aiming to enhance their innovation capabilities and meet the demands of global markets. Initially, R&D activities were largely confined to home countries (Patel & Pavitt, 1991), but they have increasingly expanded abroad. This shift is driven by globalization, the growing significance of knowledge as a competitive asset, and the opportunity to access advanced technologies, cost-effective labor, and localized innovation ecosystems. This evolution, supported by rising global R&D expenditures, reflects a dynamic process influenced by changing economic and strategic priorities. The literature on R&D internationalization identifies three main evolutionary phases. In its early stages, the focus was on centralized innovation and local adaptation. Beginning in the mid-1980s, this approach transitioned to transnational strategies that integrated global resources

(Papanastassiou, Pearce, & Zanfei, 2020). Since 2000, we have observed a convergence of disciplines, the rise of data-driven research, and the growing influence of emerging market players (Vrontis & Christo, 2021). This evolutionary process has shaped the opportunities and challenges associated with R&D internationalization, which vary across these phases. The benefits of internationalizing R&D are well-documented, including improved innovation performance, access to diverse resources, and strengthened competitive positioning (Hsu, Lien, & Chen, 2015). However, significant challenges remain, such as managing intellectual property, the risks of knowledge spillovers, and navigating complex regulatory frameworks. In recent years, advancements in artificial intelligence and digital technologies have further increased the strategic importance of global R&D networks, adding new layers of complexity to these dynamics (Dachs B. A. et al., 2024). The advantages and disadvantages of R&D internationalization do not merely counterbalance; they represent a complex trade-off that requires careful analysis. Effectively navigating this trade-off is essential for firms aiming to sustain long-term competitive advantages in an increasingly interconnected world. Through strategic and informed management, companies can maximize the benefits of international R&D while minimizing its downsides.

This work underscores the need for ongoing exploration of the dynamic interaction between R&D internationalization and innovation, providing valuable insights into its implications for both academic research and corporate strategies.

Methodology

A Systematic Literature Review (SLR) was conducted using the Scopus database. SLR represents an established methodological approach in academic research aimed at conducting a comprehensive and objective review of existing literature on a specific topic (Cook, 1997) (Tranfield, 2003); furthermore, (Tranfield, 2003) (Zhang, 2019) highlighted the importance of SLR in providing a solid foundation for conclusions and recommendations by ensuring objectivity and completeness in collecting and analyzing evidence.

To address the research questions:

RQ1: *What is the present state of research about the processes of internationalization of corporate research and development (R&D)?*

RQ2: *Which potential areas of inquiry merit exploration in future research endeavors?*

The search string applied was "*R&D Internation**", with the Boolean operator (*) in "Internation" allowing the inclusion of words with various suffixes (e.g., internationalization, internationalizing). The search was restricted to *articles* and *reviews* written in *English* and published in *peer-reviewed journals*, ensuring high-quality and relevant sources. The searches were limited to the *title*, *keywords*, and *abstract* fields to focus on studies explicitly related to the research topic. To provide a comprehensive perspective on the topic and its evolution, no specific chronological limitations were applied, allowing the inclusion of research spanning various time periods. This approach ensured a broad understanding of the development of literature on the internationalization of corporate R&D. Based on our search strategy, we identified a total of 158 articles for further screening and evaluation. This process laid a strong foundation for analyzing the current state of research and pinpointing potential future areas of inquiry within the field.

Analysis of literature

This paper is still a work in progress. In this section, we briefly present preliminary results with descriptive statistics and a thematic analysis that will be further developed.

The analysis reveals a growing interest in various areas related to the internationalization of R&D, as shown by the results of this research reported in Figure 1 -3.

Figure 1 illustrates the evolution of literature on this topic over the years. We deliberately chose not to impose a time limit on the analysis, allowing us to highlight the growth of academic interest. The graph clearly shows that the topic has become increasingly relevant over time.

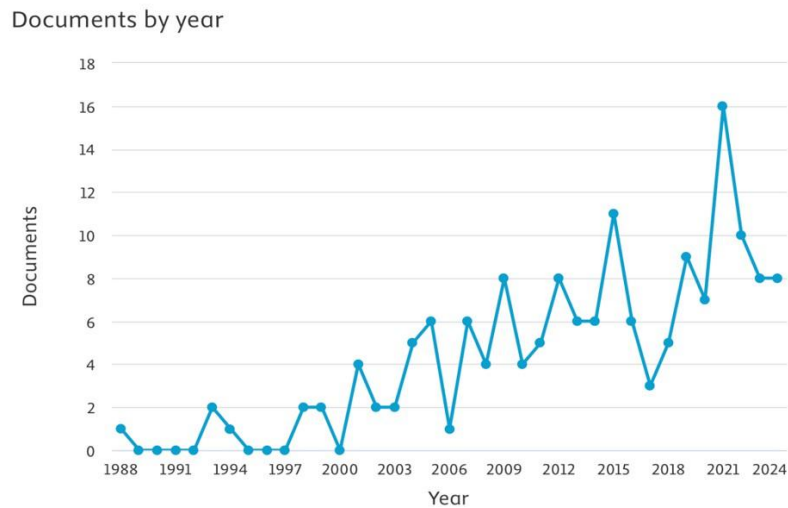


Figure 1: The temporal evolution of the 158 papers on the internationalization of R&D, obtained through the Scopus database.

Figure 2: The pie chart displays the percentage distribution of academic papers on R&D internationalization from articles published before 2000. and Figure 3 illustrate the percentage distribution of academic papers and areas of interest related to the internationalization of R&D, based on articles published before and after the year 2000. The subdivisions highlight a growing interest in multidisciplinary approaches, indicating an increasing diversification of subject areas connected to the phenomenon of internationalization in R&D.

Documents by subject area

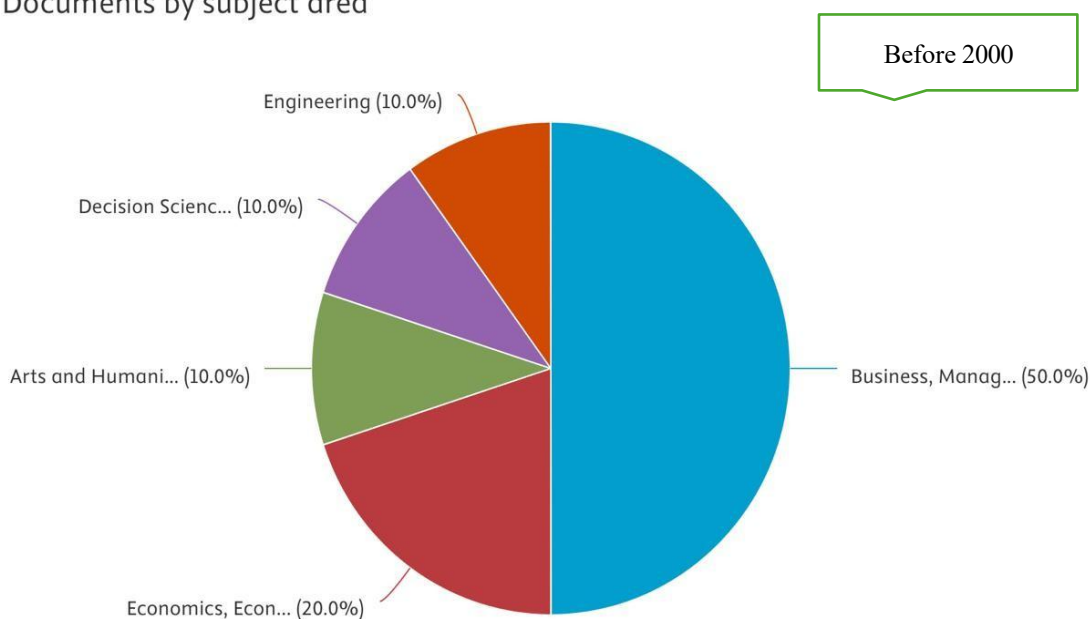


Figure 2: The pie chart displays the percentage distribution of academic papers on R&D internationalization from articles published before 2000.

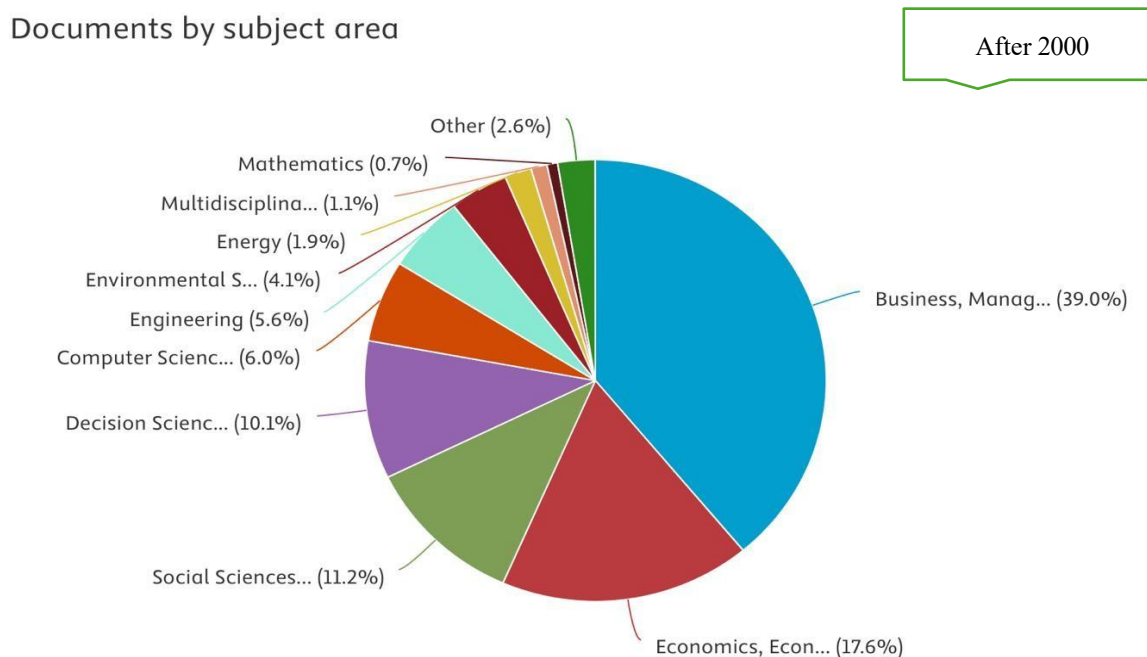


Figure 3: The pie chart illustrates the percentage distribution of academic papers and research areas concerning the internationalization of R&D based on articles published since 2000.

The literature on the internationalization of R&D has evolved significantly over the years, reflecting changing trends in global collaboration and innovation. From its early beginnings to today’s diverse and comprehensive discussions, this evolution demonstrates how researchers and organizations have adapted to the complexities of an interconnected world.

A first partial literature review

Over the past decades, R&D activities, once thought to be confined to the home countries of firms (Patel & Pavitt, 1991) have increasingly become a global phenomenon, evolving into a complex and dynamic process (Dachs B. , 2017) (OECD, 2019); (UNCTAD, 2018). This shift has been driven by the growing importance of knowledge as a primary source of competitiveness and innovation, as well as by globalization, which has expanded international economic interactions and created more intricate divisions of labor. Global data from the OECD and Eurostat reveal a significant increase in MNEs overseas R&D expenditures, rising from approximately €73 billion in 2003 to €124 billion in 2017, underscoring the evolution of this phenomenon (Dachs, B. & Zahradnik, G., 2022).

The internationalization of R&D offers numerous benefits, such as access to advanced technological resources (Papanastassiou & Pearce, 1994), reductions in human capital costs in less developed countries (Wang, 2018), and improvements in innovation performance (Belderbos, Lokshin, & Sadowski, 2015) (Hurtado-Torres N. E.-C.-d.-M., 2018). However, it also presents significant challenges, including intellectual property rights (IPR) management, risks of knowledge spillovers, and complex policy implications (Cheng & Bolon, 1993). Furthermore, the strategic evolution of MNEs—marked by the emergence of firms from transitioning and emerging economies—has rendered traditional R&D internationalization strategies less effective, highlighting the need for innovative approaches (Williamson, 2014).

For many years, the internationalization of firms' R&D activities was the subject of limited interest compared to the internationalization of activities related to other functional areas (production, sales and marketing). As late as the late 1980s, it was still pointed out that multinational companies were oriented to keep R&D mainly in the domestic base of the enterprise, mainly to maintain control over a strategic activity for corporate development (Rabino, 1989). Subsequently, while some authors emphasized the growing importance of overseas laboratories and an increasing geographic decentralization of R&D activities (Pearce & Papanastassiou, 1999), others pointed out that most R&D continued to be carried out in the country where the firm maintained its domestic base (Patel & Pavitt, 2000). Internationalization of R&D has been examined primarily as the geographic decentralization of R&D laboratories of multinationals, less as the development of internationally relevant capabilities within laboratories located in the home country, where even the ability to attract researchers from other countries and the ability to assert themselves on a global scale can be a factor in relevant internationalizations (Guercini, 1999). The international development of research and development activities has then resulted not always as the outcome of deliberate strategies, having been in some cases the effect of acquisition and merger processes between companies (for example, in the pharmaceutical sector) without these necessarily being determined by the intent to develop a geographical decentralization of the activities of research laboratories, on the contrary being these subsequently the subject of

rationalization and in some cases reduction or closure (Paoli & Guercini, 1997) (Guercini, 2004).

The literature on R&D internationalization can be divided into three main phases (Papanastassiou, Pearce, & Zanfei, 2020). The first, spanning from the 1970s to the mid-1980s, focuses on the early study of MNEs as horizontally integrated entities, where innovation occurred in home countries and was merely adapted in foreign markets (Ronstadt, 1978) (Behrman & Fischer, 1980) (Vernon, 1966). The second phase, emerging in the mid-1980s, recognizes a shift towards more sophisticated strategies, described as "heterarchies" (Hedlund, 1986) or "transnational corporations" (Bartlett & Ghoshal, 1989). These strategies emphasize the integration of local resources into global innovation processes. These strategies integrate local resources into global innovation processes, shifting from home-based exploiting to asset-seeking and augmenting R&D activities. They align with regional knowledge accumulation patterns, influencing technological specialization, product life cycles, and R&D localization, thereby strengthening the innovative capacity of MNEs.

The third phase, post-2000, is characterized by interdisciplinary integration and the inclusion of new actors and organizational models, particularly those from emerging markets (Papanastassiou, Pearce, & Zanfei, 2020).

Despite significant progress, the internationalization of R&D remains a complex challenge. While it is clear that it offers opportunities to enhance firms' innovation capacities, uncertainties persist regarding its long-term impacts on corporate innovation (Hurtado-Torres, Aragón-Correa, & Ortiz-de-Mandojana, 2018) (Michailova & Zhan, 2015). This topic continues to attract the attention of scholars and practitioners, aiming to deepen understanding of global innovation dynamics and their implications for corporate strategies.

Conclusions and future research directions

The internationalization of R&D is a strategic element for MNEs, offering significant advantages such as access to advanced technological resources, cost reduction, and improved innovation performance. However, the process also involves complex challenges, including intellectual property rights management and knowledge spillover risks. The phases identified in the literature

demonstrate an evolution toward increasingly sophisticated models but also highlight the need for new strategies to address a rapidly transforming competitive landscape. This analysis holds implications for both academic theory and business practice, suggesting more targeted and flexible approaches to maximize the benefits of R&D internationalization.

Several key areas warrant deeper investigation and offer exciting potential avenues for research. These include: (i) the role of emerging technologies: the transformative effects of artificial intelligence, big data, and digital technologies on the landscape of R&D internationalization must be examined, as these tools can redefine collaborative efforts globally; (ii) innovative organizational models: understanding the dynamics of collaboration and competition between global and local R&D units is crucial; (iii) sustainability: the environmental and social consequences of internationalizing R&D strategies cannot be overlooked; (iv) sectoral dynamics: it is important to explore how internationalization processes differ across various sectors, including pharmaceuticals, information and communication technology, and automotive industries, to cite a few, and this understanding can inform tailored approaches that enhance competitiveness and performance.

References

- Bartlett, C. A., & Ghoshal, S. (1989). *Managing across borders : the transnational solution*. Boston, Mass: Harvard Business School Press.
- Behrman, J. N., & Fischer, W. A. (1980). Overseas R&D activities of transnational companies. *The International Executive*, 22(3), 15-17.
- Belderbos, R., Lokshin, B., & Sadowski, B. (2015). The returns to foreign R&D. *Journal of International Business Studies*, 46, 491-504.
- Cheng, J. L., & Bolon, D. S. (1993). The management of multinational R&D: a neglected topic in international business research. *Journal of International Business Studies*, 24, 1-18.
- Cook, D. J. (1997). Systematic reviews: synthesis of best evidence for clinical decisions. *Annals of internal medicine*, 126(5), 376-380.
- Dachs, B. (2017). Internationalisation of R&D: A review of drivers, impacts, and new lines of research.
- Dachs, B. A. (2024). The internationalisation of R&D: Past, present and future. *International Business Review*, 33(1), 102191.
- Dachs, B., & Zahradnik, G. (2022). From few to many: main trends in the internationalization of business R&D. *Transnational Corporations Journal*, 29(1).
- Guercini, S. (1999). International Growth as Integration of R&D Activities. Evidence from Large

Multinational Companies. *LEM Working Paper Series*, (23), 51.

- Guercini, S. (2004). Developing capabilities for integration in multinational R&D approaches and models. *IEEE International Engineering Management Conference*, (IEEE Cat. No. 04CH37574) (Vol. 1, pp. 80-84). IEEE.
- Hedlund, G. (1986). The hypermodern MNC—A heterarchy? *Human Resource Management*, 25: 9-35.
- Hsu, C. W., Lien, Y. C., & Chen, H. (2015). R&D internationalization and innovation performance. *International Business Review*, 24(2), 187-195.
- Hurtado-Torres, N. E., Aragón-Correa, J. A., & Ortiz-de-Mandojana, N. (2018). How does R&D internationalization in multinational firms affect their innovative performance? The moderating role of international collaboration in the energy industry. *International Business Review*, 27(3), 514-527.
- Hurtado-Torres, N. E.-C.-d.-M. (2018). How does R&D internationalization in multinational firms affect their innovative performance? The moderating role of international collaboration in the energy industry. *International Business Review*, 27(3), 514-527.
- Michailova, S., & Zhan, W. (2015). Dynamic capabilities and innovation in MNC subsidiaries. *Journal of World Business*, 50(3), 576-583.
- OECD. (2019). “*Main science and technology indicators*”. Organisation for Economic Co-Operation and Development, Vol. 2018 No. 2.
- Paoli, M., & Guercini, S. (1997). R & D Internationalisation in the Strategic Behaviour of the Firm. *University of Sussex, Science Policy Research Unit*.
- Papanastassiou, M., & Pearce, R. (1994). The internationalisation of research and development by Japanese enterprises. *R&D Management*, 24(2), 155-165.
- Papanastassiou, M., Pearce, R., & Zanfei, A. (2020). Changing perspectives on the internationalization of R&D and innovation by multinational enterprises: A review of the literature. *Journal of International Business Studies*, 51, 623-664.
- Patel, P., & Pavitt, K. (1991). Large firms in the production of the world's technology: an important case of “non-globalisation”. *Journal of international business studies*, 22, 1-21.
- Patel, P., & Pavitt, K. (2000). National systems of innovation under strain: the internationalisation of corporate R&D. *Productivity, innovation and economic performance*, 217-235.
- Pearce, R., & Papanastassiou, M. (1999). Overseas R&D and the strategic evolution of MNEs: evidence from laboratories in the UK. *Research policy*, 28(1), 23-41.
- Rabino, S. (1989). High-technology firms and factors influencing transfer of R&D facilities. *Journal of Business Research*, 18(3), 195-205.
- Ronstadt, R. C. (1978). International R&D: the establishment and evolution of research and development abroad by seven US multinationals. *Journal of International Business Studies*, 9, 7-24.
- Tranfield, D. D. (2003). Towards a methodology for developing evidence-informed management knowledge by means of systematic review. *British journal of management*, 14(3), 207-222.
- UNCTAD. (2018). “*World Investment Report 2018: Investment and New Industrial Policies*”.
- Vernon, R. (1966). International Investment and International Trade in the Product Cycle. *The Quarterly Journal of Economics*, Volume 80, Issue 2, 190–207.
- Vrontis, D., & Christo, M. (2021). R&D internationalization and innovation: a systematic review,

integrative framework and future research directions. *Journal of Business Research*, Vol. 128, pp. 812-823.

Wang, e. a. (2018). What factors determine the subsidiary mode of overseas R&D by developing-country MNEs? Empirical evidence from Chinese subsidiaries abroad. *R&D Management*, 48(2), 253-265.

Williamson, P. J. (2014). The global expansion of EMNCs: paradoxes and directions for future research. *Understanding Multinationals from Emerging Markets*. Cambridge University Press, Cambridge, 155-169.

Zhang, Y. L. (2019). Comparative analysis of citation data from Web of Science and Scopus. *Journal of Informetrics*, 68-80.

Interrelations and Synergies Between Sustainable Supply Chain Management and Transformative Marketing

Michael H. Mayer¹

Vorarlberg University of Applied Sciences, Austria¹

The dynamic interplay between Sustainable Supply Chain Management (SSCM) and transformative marketing is increasingly recognized as a critical driver for sustainable business model transformation, especially among small and medium-sized enterprises (SME). However, the nuanced mechanisms and practical synergies connecting these domains - particularly in the context of digital transformation and regional industrial clusters remain underexplored. This study aims to bridge this gap by conceptualizing and empirically investigating the interrelations and synergies between SSCM and transformative marketing, with a specific focus on SME in Vorarlberg, Austria.

The power of integration: Two concepts, one mission

Building on recent advances in business model transformation literature (Carlborg et al. 2021; Wardhana et al. 2023), this research explores how SME can leverage adaptive organizational capabilities and learning systems to integrate SSCM and transformative marketing, thereby achieving both disruptive and incremental transformation.

Sustainable supply chain management: That is where the magic happens.

Supply chain management (SCM) itself is the heartbeat of every organisation managing the transformation process and adding value to products and services. Optimally managed supply chains (SC) increase customer benefit and at the same time optimise throughput times and costs, which helps companies to stand out from their competitors. With sustainable supply chain management though, environmental and social responsibility is integrated into the entire supply cycle – from the sourcing to recycling. For SME however, this presents unique challenges and opportunities compared to larger corporations, such as limited financial and human resources,

however SME also have the flexibility to adapt quickly to new sustainable practices.

These sustainable practices include measures such as reducing CO₂ emissions, promoting fair working conditions and introducing circular economy concepts. The Association for Supply Chain Management (ASCM) asserts that sustainability is a pivotal factor in transforming supply chains, emphasising collaboration with partners to optimise environmental and social standards (Bernardes et al. 2024). This approach seamlessly integrates efficiency gains, cost reductions, and ecological advantages, making it both sustainable and economically viable. Hence, it leads to competitive advantage and contributes to the transformation of supply chain practices which is supported by the World Economic Forum (Adhikari and Chanda 2024) stressing the need of aligning supply chains with sustainability. Furthermore, in line with other scholars, they discuss how technological innovations like the integration of blockchain technologies into supply chains can unlock the untapped potential within existing production capacities to cut CO₂ emissions and use resources more efficiently resulting in increased customer loyalty through transparent marketing strategies (Difrancesco et al. 2023; Adhikari and Chanda 2024).

Transformative marketing: sustainability as a core value

Transformative marketing focuses on positioning brands in such a way that they not only fulfil consumer needs over competition but also actively contribute to marketplace changes and future trends (Kumar 2018 p. 2) such as solving social and ecological challenges. This includes promoting sustainable consumer behaviour, transparency in supply chains and the integration of environmental awareness along the entire value chain (VC) (Fischer et al. 2020; Ghosh et al.2021). Digital technologies play a crucial role in enabling both SSCM and transformative marketing for SME by providing supply chain visibility, data analytics, and customer engagement.

Case Studies and Practical Examples

At the global level, companies like Patagonia and Unilever have already implemented this philosophy and linked sustainable business practices with their digital marketing strategies to attract consumers to sustainable products (Kumar 2018). At the national level, with a high density

of small and medium-sized enterprises across diverse industries (e.g., clothing, construction, food, logistics, mechanical engineering) companies like Unverschwendet.at, Karlinger- Racingbikes.at and Jonboy.at have successfully linked their sustainable supply chain practices with digital marketing strategies such as social media marketing via platforms such as YouTube or Instagram. The case of Karlinger-Racingbikes.at, established in 2021, specializes in restoring vintage racing bicycles and illustrates how SME agility and digital engagement can amplify the impact of SSCM and transformative marketing, strengthening competitiveness and fostering sustainable consumer behavior.

Interrelations and Synergies

Supply chain transparency promotes transformative marketing: communication of sustainability initiatives in the supply chain enables transformative marketing approaches by strengthening customer loyalty and increasing acceptance of more sustainable, sometimes more expensive products. Sustainable supply chain management serves as the basis for brand values by supporting marketing strategies, delivering credible environmental and social values that can be used in brand communication to promote reputation. As emphasised by Difrancesco et al. (2023), emphasizing that integrating digital technologies such as blockchain technologies in supply chains not only builds transparent supply chains, hence supports sustainable processes, it also contributes to building customer loyalty and leads to a competitive advantage. Furthermore, digitalisation and data analysis are both areas that benefit from technologies such as Big Data and Artificial Intelligence (AI) to make processes more efficient and sustainability goals measurable. Analysing how technologies such as blockchain can help to promote sustainability in supply chains Dubey et al. (2015) found that integrating sustainable practices with digitally supported supply chain management strengthens trust and resilience and creates a basis for transformative marketing strategies. Stroumpoulis and Kopanaki (2022) examined the role of digital transformation in promoting sustainable supply chains. They developed a conceptual framework showing how

technologies such as big data analytics and the Internet of Things (IoT) can help companies achieve sustainability goals and communicate them through strategic marketing.

These works emphasise that sustainable supply chain management enables transformative marketing strategies to promote sustainability along the value chain, and that technologies, innovation management and stakeholder engagement play a pivotal role in this context.

Research Approach for SME

The research approach outlined aims to foster knowledge transfer and innovation on the topic area by building a strong network between the Vorarlberg University of Applied Sciences and their stakeholders, the mainly small and medium-sized enterprises in Vorarlberg. A mixed methods research approach combining qualitative and quantitative research methods (Creswell and Plano Clark 2017, Grant et al. 2023) will provide a comprehensive understanding of the interrelations between transformative marketing and sustainable supply chain management in small and medium-sized enterprises, representing the majority of companies in Vorarlberg. Furthermore, it offers significant theoretical contribution to a discipline adopting mainly quantitative research approaches.

Qualitative Phase

In the qualitative phase, semi-structured interviews will be conducted with selected senior managers from supply chain management and marketing in Vorarlberg's small and medium-sized enterprises. This supports the validation of this preliminary literature analysis and the dissemination of these findings in a business context. Using an interview guideline with open-ended questions on specific aspects of sustainable supply chain management and transformative marketing, will help gaining deeper insights into the perceptions, experiences and strategies of small and medium-sized enterprises. The analysis of the interview transcripts to obtain qualitative

data using the Gioia method (Gioia et al. 2013) ensures a high level of scholarly rigor in the qualitative phase using a clear data structure, which further supports the high level of knowledge gained in this phase. A focus group discussion further refines emergent themes and hypotheses (Krueger and Casey 2015).

Quantitative Phase

An online survey will deepen the understanding of the qualitative insights, with a random sample of executives and senior managers from supply chain management and marketing of small and medium-sized enterprises in Vorarlberg. To validate hypotheses identified in the qualitative phase. This design aligns with best practices in empirical research and is well-suited to capturing the complexity of SSCM–marketing interrelations in a real-world SME context (Saunders et al. 2015).

Discussion and Contribution

The findings of this research clearly demonstrate how supply chain transparency supported by digital technologies (AI blockchain big data) enable sustainable supply chain management, that is foundational to transformative marketing, strengthening customer loyalty, brand reputation and stakeholder trust.

This research advances theoretical perspectives at the interface of sustainable supply chain management and transformative marketing by empirically validating and mediating roles of adopting business model transformation and provides actionable recommendations for SME managers and policymakers seeking to embed sustainability across the entire value chain. By integrating environmental and social responsibility into supply chains, sustainability will transform companies, emphasising collaboration with partners to optimise environmental and social standards.

Conclusion

This study offers original, empirically grounded insights into the interrelations between the two

interdependent concepts sustainable supply chain management and transformative marketing that together have the power to transform businesses and thereby actively address societal and environmental issues. To achieve this, transformative marketing needs to rely on a mature sustainable supply chain management that can implement the requirements of the marketing strategies. This extended abstract focuses on understanding the interrelationships and synergies between the two evolving frameworks in a real business context. It also serves as a tool for dissemination helping small and medium-sized enterprises in Vorarlberg to integrate the two concepts.

References

- Adhikari, R., & Chanda, R. (2024, September 2). *How digitalization can drive sustainable supply chains in the least developed countries*. <https://www.weforum.org/stories/2024/09/digitalization-sustainable-supply-chains-least-developed-countries/>
- Bernardes, E., Weinstein, T., & Debellian, F. (n.d.). *Embracing Sustainability in Supply Chains*. Retrieved 21 January 2025, from https://learn.ascm.org/s/learning/content-detail?vtui_mediaId=a5HR3000002VgseMAC&catalogId=a5WR30000000JSUMA2
- Carlborg, P. J., Hasche, N., & Kask, J. (2021). Overcoming the business model transformation dilemma: exploring market shaping and stabilizing strategies in incumbent firms. *Journal of Business & Industrial Marketing*, 36(13), 66–77. <https://doi.org/10.1108/JBIM-06-2020-0264>
- Creswell, J. W., & Plano Clark, V. L. (2017). *Designing and conducting mixed methods research* (3rd ed.). Sage.
- Difrancesco, R. M., Meena, P., & Kumar, G. (2023). How blockchain technology improves sustainable supply chain processes: a practical guide. *Operations Management Research*, 16(2), 620–641. <https://doi.org/10.1007/s12063-022-00343-y>
- Dubey, R., Gunasekaran, A., Papadopoulos, T., & Childe, S. J. (2015). Green supply chain management enablers: Mixed methods research. *Sustainable Production and Consumption in Emerging Economies*, 4, 72–88. <https://doi.org/10.1016/j.spc.2015.07.001>
- Fischer, D., Brettel, M., & Mauer, R. (2020). The Three Dimensions of Sustainability: A Delicate Balancing Act for Entrepreneurs Made More Complex by Stakeholder Expectations. *Journal of Business Ethics*, 163(1), 87–106. <https://doi.org/10.1007/s10551-018-4012-1>
- Ghosh, P. K., Manna, A. K., Dey, J. K., & Kar, S. (2021). Supply chain coordination model for green product with different payment strategies: A game theoretic approach. *Journal of Cleaner Production*, 290, 125734. <https://doi.org/10.1016/j.jclepro.2020.125734>

- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology. *Organizational Research Methods*, 16(1), 15–31. <https://doi.org/10.1177/1094428112452151>
- Grant, D. B., Shaw, S., Sweeney, E., Bahr, W., Chaisurayakarn, S., & Evangelista, P. (2023). Using mixed methods in logistics and supply chain management research: current state and future directions. *The International Journal of Logistics Management*, 34(7), 177–198. <https://doi.org/10.1108/IJLM-04-2023-0156>
- Kotler, P., Kartajaya, H., & Setiawan, I. (2021). *Marketing 5.0: Technologie für die Menschheit* (P. Pyka, Trans.). Campus Verlag.
- Krueger, R. A., & Casey, M. A. (2015). Focus Group Interviewing. In *Handbook of Practical Program Evaluation* (pp. 506–534). <https://doi.org/10.1002/9781119171386.ch20> Saunders, M., Lewis, P., & Thornhill, A. (2015). *Research methods for business students* (7. Auflage). Pearson.
- Stroumpoulis, A., & Kopanaki, E. (2022). Theoretical Perspectives on Sustainable Supply Chain Management and Digital Transformation: A Literature Review and a Conceptual Framework. *Sustainability*, 14(8), 1–30. <https://EconPapers.repec.org/RePEc:gam:jsusta:v:14:y:2022:i:8:p:4862-d:796598>
- Wardhana, V. D., Gautama So, I., Warganegara, D. L., & Hamsal, M. (2023). Mitigating disruption through adaptive organization and organization learning to create a transformation business model. *Journal of Business & Industrial Marketing*, 38(9), 1822–1836. <https://doi.org/10.1108/JBIM-05-2022-0208>

Brand Crisis Response Strategies: Managing Ambassador-Driven Reputation

Challenges in the Digital Age

Isabella Kühne¹, Margherita Milotta²

Voralberg University of Applied Science, Austria¹; University of Milan, Italy²

Abstract

In today's fast-paced digital landscape, brand ambassadors play a critical role in shaping consumer perceptions. However, whether ambassadors engage in behavior that conflicts with brand values, companies can face significant reputational risks. This paper examines crisis response strategies that international consumer goods companies employ to mitigate reputation damage caused by brand ambassadors. Through a comparative case study approach, both successful and failed corporate crisis responses are analyzed, providing a structured examination of key response mechanisms and their effectiveness in various crisis scenarios. The study synthesizes existing literature on crisis management, brand ambassadors, and digital reputation strategies. Qualitative expert interviews, alongside the case study analysis, further contextualize findings by offering additional perspectives on crisis response strategies and decision-making processes. Expected results will reveal elements that can help in dealing with crisis as swift communication, transparency, and alignment with corporate values to restore consumer trust.

This study aims to enhance understanding of brand crisis management by integrating theoretical insights with real-world applications, serving as a foundation for future research on strategic corporate responses in the digital age. We contribute to existing literature by offering actionable insights for companies dealing with brand ambassador crises in an era of heightened digital scrutiny. Additionally, the research argues the necessity of aligning corporate responses with evolving consumer expectations, emphasizing ethical responsibility and brand authenticity as key determinants of crisis resolution success.

Keywords: *Brand ambassadors, Crisis management, Reputation management, Digital Age*

1. Introduction

Reputation management has become a critical aspect of corporate communication, particularly in the consumer goods industry where brand image directly influences consumer trust and purchasing behavior (Coombs, 2019). Brand ambassadors serve as extensions of corporate identity, making their actions highly consequential for brand reputation (Knoll & Matthes, 2017). Digital platforms amplify these effects, enabling real-time consumer reactions that can escalate crises rapidly (Veil, Buehner, & Palenchar, 2011). A failure to address such crises can result in loss of customer trust and long-term brand damage (Dutta & Pullig, 2011). The increased reliance on digital marketing has made brand ambassador partnerships a crucial yet risky strategy for companies aiming to

maintain authenticity and consumer engagement (Kaplan & Haenlein, 2010). Understanding the mechanisms behind crisis management in this context is essential for developing proactive reputation protection strategies (Doorley & Garcia, 2020).

Recent crises, such as Nike's partnership with Colin Kaepernick and Adidas' termination of its collaboration with Kanye West, highlight the complexity of balancing corporate social responsibility, brand values, and financial considerations (Syed, 2022). Research suggests that companies that effectively manage such crises benefit from stronger brand loyalty, whereas poorly handled responses can lead to consumer backlash (Dean, 2004).

2. Theoretical Framework and Literature Review

2.1 Crisis Management and Brand Ambassadors

The effectiveness of brand ambassador marketing is well-documented (Knoll & Matthes, 2017), but its risks remain underexplored. De Veirman et al. (2017) highlights the impact of influencer credibility on brand attitudes, while Coombs (2019) emphasizes crisis communication strategies that mitigate reputational harm. Aula and Mantere (2020) argue that digital crisis response requires transparency and agility. The literature suggests that while brand ambassador crises are common, comparative studies on crisis resolution strategies are lacking.

Studies in crisis communication (Benoit, 1997; Coombs, 2019) have explored the effectiveness of different response strategies such as apology, justification, and corrective action. However, limited research addresses the specific implications of brand ambassador crises, particularly in the consumer goods sector. While traditional crisis management frameworks provide a foundation, the unique challenges posed by influencer-driven reputational damage require an adaptation of existing models.

2.2 The Role of Digital Media in Crisis Response

Social media accelerates crisis dynamics, making rapid responses essential (Veil, Buehner, & Palenchar, 2011). Kaplan and Haenlein (2010) stress the importance of strategic engagement on

digital platforms. Despite these insights, research lacks a systematic comparison of corporate approaches to managing ambassador-driven crises. Recent studies indicate that consumer reactions on social media play a decisive role in determining the effectiveness of crisis responses (Dean, 2004; Dutta & Pullig, 2011).

Empirical research on social media crises highlights the need for organizations to adopt proactive engagement strategies, leveraging digital sentiment analysis and real-time monitoring tools. The emergence of cancel culture has further intensified the potential risks associated with brand ambassadors, making it imperative for companies to develop crisis preparedness frameworks that integrate social media analytics.

3. Research Question and Methodology

This study addresses the research question: *What strategies are most effective for international consumer goods companies to manage and mitigate reputational damage caused by brand ambassadors in the digital age?* To address this overarching research question, the study also explores the following sub-questions:

- *What are the specific tactics and policies that international consumer goods companies implement to address reputational challenges caused by brand ambassadors in the digital age?*
- *How do speed and transparency in communication influence crisis management effectiveness and consumer trust restoration?*
- *What impact does consumer interaction on digital platforms have on the effectiveness of crisis resolution strategies?*

The methodology follows a qualitative approach, integrating case studies and expert interviews.

3.1 Methodological Approach

The paper employs a qualitative methodology to explore corporate strategies for managing reputation damage caused by brand ambassadors, combining a comparative case study analysis with

expert interviews to gain comprehensive insights.

We follow interpretivist paradigm, aiming to gain a deep understanding of the complex social phenomena associated with reputation damage caused by brand ambassadors. The interpretivist approach allows for an exploration of both corporate perspectives and consumer reactions, especially within the digital age, where information spreads quickly and crises are intensely discussed (Saunders et al., p.143-144). The research adopts an abductive approach, oscillating between theory and empirical observations. A qualitative mono-methodology is applied, focusing on the analysis of case studies and expert interviews. This approach enables the development of hypotheses from concrete case examples while simultaneously providing new insights into the dynamics of crisis management in cases of reputation damage involving brand ambassadors.

3.2 Case selection

We will select multiple case studies illustrating crises triggered by brand ambassador behavior, considering both successfully managed and unmanaged cases, acting as counterfactual cases. The ‘failed’ cases strengthen our analysis demonstrating challenges and ineffective strategies, thereby enhancing comprehension of the factors that differentiate successful from unsuccessful responses. Cases were selected based on geographic diversity, industry affiliation, and specific handling of the crises. These variables help to understand the effects of different contexts and approaches within the homogeneous group of ‘successfully resolved’ crises. By comparing these cases, insights can be gained into which strategies are effective in different environments and circumstances. The selection also reflects the timeliness and relevance of the topic and ensures that the research results are applicable and useful for current and future challenges in crisis management for brand ambassadors. This methodological approach ensures that the findings and recommendations are based on a solid and comparable empirical foundation.

3.3 Consumer Goods Sector

Unlike service industries, consumer goods companies rely on tangible products and digital branding.

Research suggests that brand reputation is particularly vulnerable when ambassador misconduct conflicts with consumer expectations (Doss, 2011). The nature of the consumer goods industry—where brand positioning and image drive purchasing decisions—makes reputation crises particularly challenging to manage. While companies may be tempted to distance themselves from a scandal-ridden ambassador, evidence suggests that an abrupt termination of partnerships can sometimes backfire (Syed, 2022).

Consumer goods companies face a unique intersection of product marketing and personal brand influence, making their reputational crises more visible and impactful compared to other sectors. The reliance on endorsements, sponsorships, and influencer marketing amplifies the stakes, as consumer trust is often directly tied to the perceived authenticity of these partnerships. This makes crisis management a strategic imperative rather than just a reactive necessity.

3.4 Data analysis

The initial phase of the research focuses on a detailed comparative analysis of selected case studies involving reputational crises triggered by brand ambassadors. The aim of this analysis is to identify patterns, best practices, and areas for improvement in corporate responses to such crises. According to Yin (2018), case studies are a valuable method for understanding complex phenomena in their real-world context, making them particularly suitable for analyzing corporate responses to reputational crises. Additionally, case study research provides an opportunity for building theory from real-world cases, which is especially useful in addressing unique or emerging challenges in crisis management (Eisenhardt & Graebner, 2007). The case studies are chosen based on specific criteria, including the type of reputational damage, industry diversity, crisis management strategies used, and the relative success or failure of the corporate responses. These criteria ensure a structured comparison, allowing for a nuanced understanding of the factors that contribute to effective crisis management. To systematically compare the case studies, a thematic cross-case analysis is conducted. Cross-case analysis involves identifying and comparing key themes across multiple

cases to uncover broader patterns and insights (Yin, 2018). Key themes, such as the speed and transparency of the response, the tone and content of communication, consumer and media reactions, and any long-term actions taken, are identified and coded. A comparative analysis matrix is then created, enabling the examination of data across cases side by side, thereby highlighting similarities, differences, and recurring patterns. The matrix-based analysis approach is highlighted as an effective method for drawing generalizable insights from individual cases (Creswell & Poth, 2018). This thematic coding and matrix comparison approach provides a structured method for deriving generalizable insights from the individual cases. Following the case study analysis, the research proceeds to semi-structured expert interviews. These interviews aim to validate and expand upon the findings from the case studies, gathering in-depth, industry-specific insights on reputation management strategies. The semi-structured approach allows for flexibility, enabling the interviewer to adapt questions based on the expert's responses and to delve deeper into relevant topics as they arise (Ritschl et al., 2016, p.122). This flexibility promotes a more personal and subjective capture of expert opinions, contributing to a nuanced understanding of practical challenges and considerations in man aging brand ambassador-related reputation crises. 8 The objective is to conduct a sufficient number of expert interviews to reach data saturation, ensuring no further significant new insights emerge. In qualitative research, reaching data saturation is essential to ensure comprehensive insights and is often used as a measure of data adequacy (Creswell & Poth, 2018). While the exact number of interviews cannot be predefined, it will align with the scope of the research project to maintain representativeness. Both the case study data and the interview responses will be analyzed using qualitative content analysis with computer support (Kuckartz, 2018, p.163-200). According to Mayring (2014) and Kuckartz (2018), qualitative content analysis, which involves systematic coding and thematization, is particularly suitable for handling large volumes of data. For the case studies, this involves systematic coding and the use of thematic matrices to identify patterns, while the expert interviews are analyzed to uncover recurring themes and insights specific to industry practices. The

tool MAXQDA will be used to facilitate this computer-assisted analysis, ensuring efficient processing and evaluation of large amounts of text data, and providing deeper insights into complex dynamics of crisis management. By combining case studies with expert interviews, this study establishes a solid foundation for identifying effective strategies to mitigate reputation damage and for offering actionable recommendations to companies facing similar challenges.

4. Discussion and Research Implications

This study aims to contribute to the existing literature on brand crisis management by exploring how companies navigate crises involving brand ambassadors. While the findings of this research are yet to be determined, the study will provide insights into the strategic considerations that influence corporate responses to reputational challenges. A key focus will be understanding how brands leverage transparency, crisis timing, and digital engagement to mitigate damage. to effectively mitigate reputational damage. Companies that proactively reinforce their corporate values and communicate clearly tend to recover from crises more successfully than those that remain silent or issue delayed responses (Coombs, 2019). Companies that proactively reinforce their corporate values and communicate clearly tend to recover from crises more successfully than those that remain silent or issue delayed responses (Coombs, 2019). The Nike-Kaepernick case illustrates how purpose-driven branding can transform reputational risk into brand loyalty, whereas Pepsi's failure with Kendall Jenner's campaign shows how misaligned crisis responses can lead to consumer distrust.

The impact of social media in crisis escalation was evident across all cases. Companies that actively monitored and engaged with consumer sentiment, such as Adidas, managed to retain consumer trust, whereas those that attempted to ignore backlash suffered prolonged reputational harm (Dutta & Pullig, 2011).

The research will also examine the unique challenges faced by consumer goods companies, particularly the heightened scrutiny associated with brand ambassador partnerships. By analyzing

different case studies, this study aims to identify patterns in crisis communication strategies and their effectiveness across different brand scenarios, making it imperative for companies to implement more robust monitoring and engagement strategies.

5. Conclusion

Although the study has not yielded empirical results yet, it wants to offer a comprehensive framework for understanding how crisis response strategies shape consumer perceptions and brand resilience. By integrating perspectives from crisis communication theory and digital marketing, this research aims to highlight best practices in crisis response. Firms that respond promptly, communicate consistently, and align with their core brand values recover more successfully from reputational crises than those that delay or issue vague responses.

Brand crises are not just PR challenges; they represent strategic business issues that require coordinated efforts across corporate communications, marketing, and executive leadership. Companies must adopt preemptive crisis management strategies, integrating digital monitoring tools and consumer sentiment analysis to predict and mitigate potential risks associated with brand ambassadors.

References

- Aula, P., & Mantere, S. (2020). *Strategic reputation management: Towards a company of good*. Routledge. <https://doi.org/10.4324/9781003064558>
- Balkam, J. (2021). *Nike & Colin Kaepernick—A case study on authentic cause marketing*. Medium. Retrieved from <https://medium.com/3-win-sponsorship/nike-colin-kaepernick-a-case-study-on-authentic-cause-marketing-1f8d2af02211>
- Benoit, W. L. (1997). Image repair discourse and crisis communication. *Public Relations Review*, 23(2), 177-186. [https://doi.org/10.1016/S0363-8111\(97\)90023-0](https://doi.org/10.1016/S0363-8111(97)90023-0)
- Cain, S. (2024, October 30). *Kanye West and Adidas reach legal settlement over Yeezy range and brand*. The Guardian. Retrieved from <https://www.theguardian.com/music/2024/oct/30/kanye-west-ye-adidas-legal-settlement-yeezy-range-brand>
- Coombs, W. T. (2019). *Ongoing crisis communication: Planning, managing, and responding* (5th ed.). Sage Publications.
- Cox, K., Dao, J., Seo, A., & Schechter, S. (2023). *Case study: Pepsi's 2017 Kendall Jenner commercial*. BCcampus Open Publishing. Retrieved from <https://pressbooks.bccampus.ca/prcasestudies/chapter/case-study-16/>

- Creswell, J. W., & Poth, C. N. (2018). *Qualitative inquiry and research design: Choosing among five approaches* (4th ed.). Sage Publications. Retrieved from <https://us.sagepub.com/en-us/nam/research-design/book270550>
- Dean, D. H. (2004). Consumer reaction to negative publicity: Effects of corporate reputation, response, and responsibility for a crisis event. *Journal of Business Communication*, 41(2), 192-211. <https://doi.org/10.1177/0021943603261748>
- De Veirman, M., Cauberghe, V., & Hudders, L. (2017). Marketing through Instagram influencers: The impact of number of followers and product divergence on brand attitude. *International Journal of Advertising*, 36(5), 798- 828. <https://doi.org/10.1080/02650487.2017.1348035>
- Doorley, J., & Garcia, H. F. (2020). *Reputation Management: The key to successful public relations and corporate communication*. Routledge. Retrieved from https://www.researchgate.net/publication/342821236_Reputation_Management_The_Key_t_o_Successful_Public_Relations_and_Corporate_Communication
- Doss, S. K. (2011). The transference of brand attitude: The effect on the celebrity endorser. *Journal of Management and Marketing Research*, 7, 1-11.
- Dutta, S., & Pullig, C. (2011). Effectiveness of corporate responses to brand crises: The role of crisis type and response strategies. *Journal of Business Research*, 64(12), 1281-1287. <https://doi.org/10.1016/j.jbusres.2011.01.013>
- Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. *Academy of Management Journal*, 50(1), 25-32. <https://doi.org/10.5465/amj.2007.24160888>
- Flyvbjerg, B. (2006). Five misunderstandings about case-study research. *Qualitative Inquiry*, 12(2), 219-245. <https://doi.org/10.1177/1077800405284363>
- Hersel, M. C., & Mowery, D. C. (2019). The corrective actions organizations pursue following misconduct: A review and research agenda. *Academy of Management Annals*, 13(2), 547-585.
- Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of social media. *Business Horizons*, 53(1), 59-68. <https://doi.org/10.1016/j.bushor.2009.09.003>
- Knoll, J., & Matthes, J. (2017). The effectiveness of celebrity endorsements: A meta-analysis. *Journal of the Academy of Marketing Science*, 45(1), 55-75. <https://doi.org/10.1007/s11747-016-0503-8>
- Kuckartz, U. (2018). *Qualitative Inhaltsanalyse: Methoden, Praxis, Computerunterstützung* (4th edition). Beltz Verlagsgruppe.
- Mayring, P. (2014). *Qualitative content analysis: Theoretical foundation, basic procedures and software solution*. Beltz. Retrieved from <https://www.ssoar.info/ssoar/handle/document/39517>
- Ritschl, V., Weigl, R. & Stamm, T. (2016). *Wissenschaftliches Arbeiten und Schreiben*. Springer Berlin Heidelberg. <https://doi.org/10.1007/978-3-662-49908-5>
- Saunders, M., Lewis, P., & Thornhill, A. (2016). *Research methods for business students*. (seventh edition). Pearson.
- Syed, A. (2022, August 10). *Johnny Depp signs deal with Dior for Sauvage fragrance after defamation lawsuit*. Business Insider. Retrieved from <https://www.businessinsider.com/johnny-depp-signs-deal-dior-sauvage-after-defamation->

lawsuit-2022-8

- Tillman, L. (2019, June 17). *Pepsi's Kendall Jenner commercial: A lesson in tone-deaf marketing*. Astute Communications. Retrieved from <https://astute.co/pepsi-kendall-jenner-commercial/>
- Törn, F., & Dahlén, M. (2008). Effects of brand incongruent advertising in competitive versus non-competitive settings. In B. H. Schmitt & D. L. Rogers (Eds.), *Handbook on brand and experience management* (pp. 103-120). Edward Elgar Publishing. Retrieved from <https://research.hhs.se/esploro/outputs/bookChapter/Effects-of-brand-incongruent-advertising-in/991001480291606056>
- Twohey, M. (2023, October 27). *Kanye West's fall from Adidas: The unraveling of a billion-dollar partnership*. The New York Times. Retrieved from <https://www.nytimes.com/2023/10/27/business/kanye-west-adidas-yeezy.html>
- Urvater, B., & Vandegrift, C. (2021, September 28). *Case study: Nike - Colin Kaepernick "Just Do It" campaign*. Pennsylvania State University. Retrieved from <https://sites.psu.edu/burv/case-study-nike-colin-kaepernick-just-do-it-campaign/>
- Veil, S. R., Buehner, T., & Palenchar, M. J. (2011). A work-in-process literature review: Incorporating social media in risk and crisis communication. *Journal of Contingencies and Crisis Management*, 19(2), 110-122. <https://doi.org/10.1111/j.1468-5973.2011.00639>.
- Wichert, S. (2023, May 17). *Johnny Depp und der umstrittene Parfumvertrag mit Dior*. Süddeutsche Zeitung Magazin. Retrieved from <https://sz-magazin.sueddeutsche.de/vorgeknoepft-die-modekolumne/johnny-depp-parfumvertrag-cannes-film-92759>
- Yin, R. K. (2018). *Case Study Research and Applications: Design and Methods*. Sage Publications. Retrieved from <https://us.sagepub.com/en-us/nam/case-study-research-and-applications/book25015>

International Customer Relationships, Sustainability and Global Value Chain

Dynamics: Evidence from the Plastic Industry

Francesco Mutignani¹, Nuo Wang¹, Antonella Zucchella¹

University of Pavia, Italy¹

1. Introduction

Global Value Chains (GVCs) are undergoing profound changes (Zhan, 2021) due to an evolving global scenario characterized by uncertainty (Casson, 2021), disruptive technologies (Hannibal & Knight, 2018), and the great environmental crisis (Ghauri et al., 2018). Concerning the latter, the direct link between MNEs' activities and the deterioration of the global environment (Ghauri et al., 2021; Kolk & van Tulder, 2010) is now acknowledged and companies are increasingly confronted with the imperative to adopt sustainable practices (Carminé & De Marchi, 2023) to reduce their environmental footprint all along the GVC. However, their approach to sustainability is strongly influenced by their ability to integrate strategies and resources into their business models (Arevalo et al., 2011) and by the network relationships they are part of (Castaldi et al., 2023).

Recent studies have posed increasing attention toward ongoing GVCs' trends and dynamics (e.g. Lee & Gereffi, 2015; Strange & Zucchella, 2017), often taking leading corporations' perspective (e.g. Barford & Ahmad, 2023; Burritt et al., 2020; Magnani et al., 2019), while small and medium-sized companies (SMEs) that compose the extended network of supplying and supporting activities have been overlooked, with very few articles taking this perspective (e.g. Amal & Rocha Freitag

This study was funded by the European Union - NextGenerationEU, Mission 4, Component 2, in the framework of the GRINS -Growing Resilient, INclusive and Sustainable project (GRINS PE00000018 – CUP F13C24000170007). The views and opinions expressed are solely those of the authors and do not necessarily reflect those of the European Union, nor can the European Union be held responsible for them.

Filho, 2010; Denicolai et al., 2021; Sinkovics et al., 2021). An additional gap is represented by the predominance of studies about the suppliers' side of the GVC, while less has been researched about the downward side of these chains, particularly how sustainability interplays in the relationship with international customers and which tensions and paradoxes arise.

This study aims to contribute to International Business (IB) research by answering the following research question: *What are the main trends and dynamics of GVCs?* Specifically, our objective is to investigate GVCs' evolutionary trends in response to environmental sustainability (ES) pressures and, by taking an SMEs' perspective, highlight drivers and barriers to strategies' adaptation.

To analyze these evolutionary processes, this study adopts a multiple case studies methodology (Edmondson & McManus, 2007; Sinkovics et al., 2008; Aaboen et al., 2012), chosen in light of the exploratory nature of this research (Halinen and Törnroos, 2005). Specifically, we conduct an in-depth longitudinal analysis of four Italian companies operating in the plastic industry, a highly regulated and socially pressured sector (European Commission, 2018) that is experiencing radical changes in terms of innovative technologies and organizational configurations in the GVC (Barford & Ahmad, 2023; Zucchella et al. 2022). Interviews are codified and analyzed using a reflexive thematic analysis (RTA) approach (Braun & Clarke, 2019; 2021).

Early results show how sustainability is influencing GVC configurations, leading SMEs to adapt their business model to the evolving context, implementing new technologies, and strengthening their international positions by establishing key foreign relationships or subsidiaries in key locations. The next steps of development will provide us with more data to extend our knowledge of the investigated issue.

2. Theoretical Background

According to Zhan (2021), sustainability endeavors, technological innovations, economic governance, firm accountability, and resilience restructuring are the five key factors driving GVCs

transformations. Among these, sustainability stands out as both a driver and an outcome, intricately interconnected with the other four elements. For instance, technological advancements such as energy-efficient systems and green technologies not only enable sustainability but are also propelled by the demand for sustainable solutions (Nižetić et al., 2019). Similarly, economic governance frameworks are increasingly embedding sustainability metrics, influencing firm accountability, and fostering resilience strategies (Negri et al., 2021). This feedback loop underscores the centrality of sustainability as a dynamic element within GVCs, highlighting its role in shaping and being shaped by technological, economic, and organizational dimensions.

Digital technologies like blockchain, IoT, and AI are lauded as transformative for enhancing sustainability in GVCs. These technologies facilitate a shift from centralized to decentralized value-creation activities, emphasizing localized production enabled by automated processes (Bogers et al., 2016; Kagermann et al., 2013). For SMEs, this decentralization drives specialization and strategic repositioning through functional upgrading and downgrading (Scuotto et al., 2020). However, studies caution that such advancements risk widening digital divides, potentially marginalizing smaller firms and developing economies (Shirazi & Hajli, 2021).

GVCs are undergoing structural shifts driven by changes in production processes, trade networks, and technological innovations (De Backer & Flaig, 2017). Relational dynamics, including networks, partnerships, and industrial clusters, have also evolved significantly (Gereffi and Lee, 2016; Magnani et al., 2019). Sustainability imperatives increasingly focus on integrating marginalized actors into GVCs to promote equitable development. The evolving value chain emerges as a key element in driving transformative innovation and change. This evolution also significantly impacts customer relationships, raising questions about the reasons and mechanisms behind these shifts. Addressing these dynamics can enrich our understanding of transformative marketing and extend the conversation on its role within evolving value chains.

Similar tensions are observed within the governance of GVCs (Ryan et al., 2022). Power dynamics

along the chain have shifted, leading to contention between suppliers, orchestrators, and customers. Orchestrators, traditionally central in coordinating GVC activities, face challenges as suppliers and customers implement strategic moves to increase their autonomy and reduce power asymmetries (Kano, 2018). This has sparked debates over whether GVC governance is becoming more decentralized and whether this shift enhances or undermines overall value chain efficiency and sustainability. The debates on how the changes of governance offer a critical lens for understanding the way GVC stakeholders negotiate control, influence, and responsibility in an era of transformative change.

Sustainability has often been depicted as a "sweet spot" at the intersection of environmental, social, and economic objectives. However, there is growing evidence that companies increasingly face trade-offs between these dimensions rather than synergies. This raises critical questions about how firms navigate these trade-offs and whether necessary organizational capabilities or governance structures enable them to manage conflicting objectives effectively. Furthermore, debates persist regarding which dimensions - environmental, social, or economic - tend to dominate decision-making processes, particularly under financial or operational constraints. The relationship with international customers may represent a main field in which these tensions and paradoxes emerge, inviting scholars to look both upstream and downstream in GVC dynamics research.

3. Methodology

3.1. Research context and method

This paper adopts a multiple case study methodology (Edmondson & McManus, 2007; Sinkovics et al., 2008; Aaboen et al., 2012). The qualitative approach has been chosen in light of this research's exploratory nature (Halinen and Törnroos, 2005). Specifically, we conduct an in-depth longitudinal retrospective analysis of four Italian SMEs operating in the plastic industry.

The plastic sector is integral to industries such as packaging, automotive, and construction, making

its production and consumption patterns vital to GVCs. However, it also faces significant environmental challenges, including pollution, waste management, and reliance on fossil fuels, highlighting the need for sustainability and circular economy initiatives. At the same time, the sector presents opportunities for innovation, with advancements in biodegradable plastics, recycling technologies, and alternative materials addressing societal and environmental pressures. Moreover, stringent regulations and international agreements targeting plastic use and waste management drive organizational adaptation, providing valuable insights into corporate responses to evolving policy.

We aim to catch the transition toward ES in the GVCs, highlighting the key factors that enter into play. Dyer & Wilkins (1991) justify the small number of cases as it allows for a more accurate analysis of the entities under investigation. Purposeful sampling (Patton, 1990; 2014; Dubois and Araujo, 2007) was used to select the cases, relying on authors' contact networks to engage with companies in the industry. The adopted selection criteria aim to identify Italian SMEs in the mentioned sector and operate internationally through direct investments and business networks so that we can identify and analyze GVCs dynamics from their point of view. These criteria are in line with the NextGenerationEU research program PE GRINS - Growing Resilient, Inclusive and Sustainable - by which this study is funded.

Currently, the analysis has focused on two companies operating in the packaging production sector.

Company A is a family-owned business established in Northern Italy in 1965. The core products are plastic bags for waste collection made from recycled polyethylene, sourced primarily from post-consumer packaging waste. Thanks to this specialization, the company has always been ahead of its time in its commitment to ES and circular economy practices, building a robust reputation that is recognized in its long-standing efforts to minimize environmental impact. Today, the company remains a family-owned business with a significant international footprint. Its export-to-sales ratio stands at 80%, with stable markets in France and Germany, alongside newer expansions into Scandinavian markets, notably Denmark and Finland.

Company B is a medium-sized family-owned business established in 1969, now led by the founder's son, which is a key player in expanded polystyrene (EPS) packaging solutions for household apparel and furniture but has expanded its capabilities to serve also the pharmaceutical, food, and construction industries. Company B has developed its technological capabilities to meet large MNEs' demand for high-quality and sustainable packaging solutions and increased the sourcing of materials to provide different combinations of wood, cardboard, and recycled EPS. The company is highly internationalized, with three production plants and a warehouse in northern Italy, one in the UK, and another in southwestern Turkey. In recent years, due to the evolution of household apparel's GVC, the company is preparing to close its local manufacturing plant in the UK, empowering its presence in Turkey and establishing new assets in Thailand.

3.2 Data collection

At now, primary data have been collected through 2 semi-structured interviews (Aaboen et al., 2012) for each case study, conducted with key informants involved in the organizations and lasting between 60 – 90 minutes each. The data collection was conducted through both face-to-face meetings and video calls. We adopted an interview guide with multiple open-ended questions (Granot et al., 2012) covering companies' evolution, internationalization processes, and sustainability strategies. Each interview has been recorded and then transcribed in English. In both cases, we triangulated (Patton, 1999) our evidence with secondary data gathered from websites, corporate sustainability reports, social media activities, and previous research articles. Clarifications and further details were also requested from some informants.

3.3 Data analysis

Data Analysis adopted the RTA six-phase approach (Braun & Clarke, 2019, 2021; Byrne, 2022), selected for its flexibility and ability to uncover nuanced insights into complex phenomena. Currently, the researchers immersed themselves in the data during and after collection, repeatedly reading the interviews to gain initial insights. Codes were collaboratively and reflexively generated

from the data, forming the foundational building blocks for themes. In the next steps, initial themes will be actively developed through iterative engagement with the codes and further refined and combined to ensure coherence and relevance. Themes will then be renamed and defined to accurately reflect their essence. Finally, the findings are synthesized into a conceptual model that integrates the key themes, providing a comprehensive understanding of sustainability within GVCs.

4. Early results

4.1. Location dynamics

The two companies are quite different despite being both micro-multinationals operating in a B2B context of the plastic industry. Company A reflects the classical SME's configuration with vertically-integrated production activities localized into a single place, embedded into a network of suppliers and customers. The economy's green transition

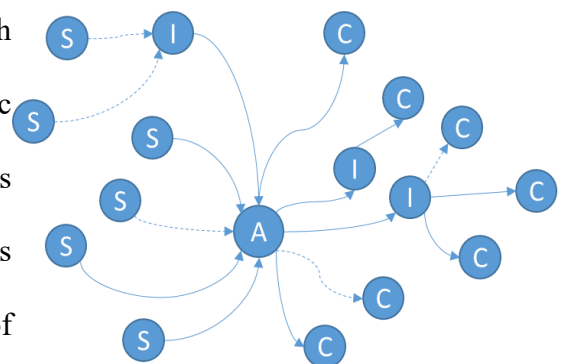


Figure 1: Company A network map. Source: Our elaboration.

enabled a significant increase in market opportunities. In addition to the traditional markets such as France and Germany, Company A is diversifying its market by also entering the Scandinavian market, again through exports. Although ES does not affect Company A's location strategy, its GVC appears like a network of flexible market relationships, both upstream and downstream, with few strong ties with long-term stakeholders and other weaker ties with occasional customers or suppliers that take enter for a brief time in the market.

On the other hand, Company B operates with the “shop-in-shop” strategy that strategically locates plants close to main customers around the world, minimizing transportation costs and providing advantages in supply sourcing. From this point of view, Company B's location strategy is affected by external events other than ES as it is chained to

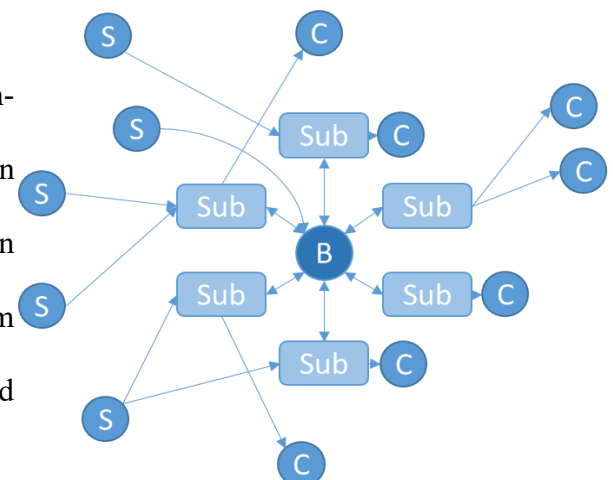


Figure 2: Company B network map. Source: Our elaboration.

customers' location choices. As a matter of fact, Company B is now moving the plants from the UK to Thailand on the way of household apparel companies that changed their strategies to penetrate South-east Asian and Chinese markets, also benefiting from less stringent environmental policies.

4.2. Governance dynamics

The interviews also reveal how ES is significantly influencing GVC governance.

Company A was already ahead of its time with its circular business model and today it continues to improve its product quality to maintain a competitive advantage and compensate for SMEs traditional weaknesses. In particular, Company A pointed out that the increasing number of competitors attracted by the fast-growing market has led to a real fight for raw materials, in this case, industrial packaging waste, resulting in higher prices and, in some cases, even the risk of production shutdown. For this reason, the company also tries to cultivate its relationships with intermediaries as well as with long-standing partners, to have a wide range of possibilities to draw on.

Company B has also engaged in multiple sustainability practices in the light of Sustainable Development Goals (SDGs) but, as its main suppliers are large petrochemical MNEs, it also highlighted the difficulties of adopting sustainable raw materials. Notably, EPS derived from oil is still much cheaper than present substitute solutions, such as organic plastic or recycled plastic, which require expensive technologies and production processes. Moreover, the company pointed out that recycled plastic is not suitable for every packaging solution, like for food products, due to health standards.

4.3. Control dynamics

From a GVC's control point of view, both companies highlighted how ES standards are customer-driven and have evolved from differentiating elements to indispensable prerequisites to enter the market.

Company A's customers, mainly public institutions and utilities, require ES standards above the

average and country-specific product customization. From this point of view, compliance is costly but leads to continuous quality improvements and impact reduction.

Company B's customers are large multinationals that, on the one hand, show a high commitment to sustainability, but on the other hand, are very sensitive to supplier prices. This paradox leads MNEs to outsource ES costs to suppliers.

Therefore, both companies have to adapt their strategies, implement their ES communication activities, and diversify their customers to reduce dependency and increase power and margins.

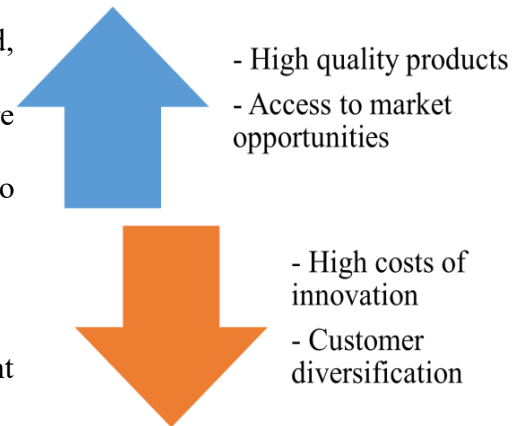


Figure 3: Highlighted pros and cons of ES transition for SMEs. Source: Our elaboration.

5. Preliminary conclusions

The in-depth analysis of the two cases is in progress, as well as the extension of the research area to new cases. From this preliminary evidence, we can draw some preliminary considerations, which pave the way for further investigation. Specifically, we can see how the ES transition of GVCs is mainly customer-driven, often by large MNEs. The SMEs that offer specific services or products along the supply chain can only adapt to these demands, restructuring their business models and relationships to meet the new standards and increase their competitiveness.

References

- Aaboen, L., Dubois, A., & Lind, F. (2012). Capturing processes in longitudinal multiple case studies. *Industrial Marketing Management*, 41(2), 235-246.
- Amal, M., & Rocha Freitag Filho, A. (2010). Internationalization of small-and medium-sized enterprises: a multi case study. *European Business Review*, 22(6), 608-623.
- Arevalo, J. A., Castelló, I., De Colle, S., Lenssen, G., Neumann, K., & Zollo, M. (2011). Introduction to the special issue: integrating sustainability in business models. *Journal of Management Development*, 30(10), 941-954.
- Barford, A., & Ahmad, S. R. (2023). Levers for a corporate transition to a plastics circular economy. *Business Strategy and the Environment*, 32(4), 1203-1217.
- Bogers, M., Hadar, R., & Bilberg, A. (2016). Additive manufacturing for consumer-centric business models: Implications for supply chains in consumer goods manufacturing. *Technological forecasting and social change*, 102, 225-239.

- Braun, V., & Clarke, V. (2019). Reflecting on reflexive thematic analysis. *Qualitative research in sport, exercise and health*, 11(4), 589-597.
- Braun, V., & Clarke, V. (2021). One size fits all? What counts as quality practice in (reflexive) thematic analysis?. *Qualitative research in psychology*, 18(3), 328-352.
- Burritt, R. L., Christ, K. L., Rammal, H. G., & Schaltegger, S. (2020). Multinational enterprise strategies for addressing sustainability: The need for consolidation. *Journal of Business Ethics*, 164, 389-410.
- Byrne, D. (2022). A worked example of Braun and Clarke's approach to reflexive thematic analysis. *Quality & quantity*, 56(3), 1391-1412.
- Carmine, S., & De Marchi, V. (2023). Reviewing paradox theory in corporate sustainability toward a systems perspective. *Journal of Business Ethics*, 184(1), 139-158.
- Casson, M. (2021). International business policy in an age of political turbulence. *Journal of World Business*, 56(6), 101263.
- Castaldi, S., Wilhelm, M. M., Beugelsdijk, S., & van der Vaart, T. (2023). Extending social sustainability to suppliers: The role of GVC governance strategies and supplier country institutions. *Journal of Business Ethics*, 183(1), 123-146.
- De Backer, K. & Flaig D. (2017). The future of global value chains: Business as usual or “a new normal”?, *OECD Science, Technology and Industry Policy Papers*, No. 41, OECD Publishing, Paris, <https://doi.org/10.1787/d8da8760-en>.
- Denicolai, S., Zucchella, A., & Magnani, G. (2021). Internationalization, digitalization, and sustainability: Are SMEs ready? A survey on synergies and substituting effects among growth paths. *Technological Forecasting and Social Change*, 166, 120650.
- Dubois, A., & Araujo, L. (2007). Case research in purchasing and supply management: Opportunities and challenges. *Journal of Purchasing and Supply Management*, 13(3), 170-181.
- Dyer Jr, W. G., & Wilkins, A. L. (1991). Better stories, not better constructs, to generate better theory: A rejoinder to Eisenhardt. *Academy of Management Review*, 16(3), 613-619.
- Edmondson, A. C., & McManus, S. E. (2007). Methodological fit in management field research. *Academy of management review*, 32(4), 1246-1264.
- European Commission (2018). *A European Strategy for Plastics in a Circular Economy*. European Commission, Brussels, Belgium. <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1516265440535&uri=COM:2018:28:FIN>
- Gereffi, G., & Lee, J. (2016). Economic and social upgrading in global value chains and industrial clusters: Why governance matters. *Journal of business ethics*, 133(1), 25-38.
- Ghauri, P., Fu, X., & Vaatanen, J. (Eds.). (2018). *Multinational enterprises and sustainable development*. Emerald, London, UK.
- Ghauri, P., Strange, R., & Cooke, F. L. (2021). Research on international business: The new realities. *International Business Review*, 30(2), 101794.
- Granot, E., Brashear, T. G., & Cesar Motta, P. (2012). A structural guide to in-depth interviewing in business and industrial marketing research. *Journal of Business & Industrial Marketing*, 27(7), 547-553.
- Halinen, A., & Törnroos, J. Å. (2005). Using case methods in the study of contemporary business networks. *Journal of Business Research*, 58(9), 1285-1297.

- Hannibal, M., & Knight, G. (2018). Additive manufacturing and the global factory: Disruptive technologies and the location of international business. *International Business Review*, 27(6), 1116-1127.
- Kagermann, H., Anderl, R., Gausemeier, J., Schuh, G., & Wahlster, W. (Eds.) (2016). *Industrie 4.0 in a Global Context: strategies for cooperating with international partners*. Herbert Utz Verlag.
- Kano, L. (2018). Global value chain governance: A relational perspective. *Journal of International Business Studies*, 49(6), 684-705.
- Kolk, A., & Van Tulder, R. (2010). International business, corporate social responsibility and sustainable development. *International Business Review*, 19(2), 119-125.
- Kolk, A., Kourula, A., & Pisani, N. (2017). Multinational enterprises and the sustainable development goals: what do we know and how to proceed? *Transnational Corporations*, 24(3), 9-32.
- Lee, J., & Gereffi, G. (2015). Global value chains, rising power firms and economic and social upgrading. *Critical perspectives on international business*, 11(3/4), 319-339.
- Magnani, G., Zucchella, A., & Strange, R. (2019). The dynamics of outsourcing relationships in global value chains: Perspectives from MNEs and their suppliers. *Journal of Business Research*, 103, 581-595.
- Negri, M., Cagno, E., Colicchia, C., & Sarkis, J. (2021). Integrating sustainability and resilience in the supply chain: A systematic literature review and a research agenda. *Business Strategy and the environment*, 30(7), 2858-2886.
- Nižetić, S., Djilali, N., Papadopoulos, A., & Rodrigues, J. J. (2019). Smart technologies for promotion of energy efficiency, utilization of sustainable resources and waste management. *Journal of cleaner production*, 231, 565-591.
- Patton, M. (1990). *Qualitative evaluation and research methods*. Sage, Beverly Hills, CA. Patton, M. (1999). Enhancing the quality and credibility of qualitative analysis. *Health Sciences Research*, 34, 1189-1208.
- Ryan, P., Buciuani, G., Giblin, M., & Andersson, U. (2022). Global value chain governance in the MNE: a dynamic hierarchy perspective. *California Management Review*, 64(2), 97-118.
- Scuotto, V., Beatrice, O., Valentina, C., Nicotra, M., Di Gioia, L., & Briamonte, M. F. (2020). Uncovering the micro-foundations of knowledge sharing in open innovation partnerships: An intention-based perspective of technology transfer. *Technological forecasting and social change*, 152, 119906.
- Shirazi, F., & Hajli, N. (2021). IT-enabled sustainable innovation and the global digital divides. *Sustainability*, 13(17), 9711.
- Sinkovics, N., Sinkovics, R. R., & Archie-Acheampong, J. (2021). Small-and medium-sized enterprises and sustainable development: In the shadows of large lead firms in global value chains. *Journal of International Business Policy*, 4(1), 80-101.
- Sinkovics, R. R., Penz, E., & Ghauri, P. N. (2008). Enhancing the trustworthiness of qualitative research in international business. *Management international review*, 48, 689-714.
- Strange, R., & Zucchella, A. (2017). Industry 4.0, global value chains and international business. *Multinational Business Review*, 25(3), 174-184.
- Zhan, J. X. (2021). GVC transformation and a new investment landscape in the 2020s: Driving forces, directions, and a forward-looking research and policy agenda. *Journal of*

International Business Policy, 4(2), 206-220.

Zucchella, A., Previtali, P., & Strange, R. (2022). Proactive and reactive views in the transition towards circular business models. A grounded study in the plastic packaging industry. *International Entrepreneurship and Management Journal*, 18(3), 1073-1102.

Develop employees' sustainable commitment in SMEs: an organizational context

Svitlana Plotnytska¹, Frédérique Chédotel¹, Anne Fablet¹, Daniella Fjellström², Aldona Glinska-newes³, Sihem Mammar el Hadj⁴, Aihie Osarenkhoe²

University of Angers, France¹; University of Gävle, Sweden²; Nicolaus Copernicus University, Poland³; Catholic University of the West

Abstract

Small and Medium-Sized Enterprises (SMEs) play a pivotal role in driving economic growth, innovation, and employment worldwide. We are witnessing an acceleration in the digital transformation of small and medium-sized enterprises, boosted by advances in artificial intelligence to remain competitive. In this context, the European commission supports this SMEs sustainable transformation (European Commission, 2017¹) with the aim to achieve a climate-neutral, resource-efficient, and agile digital economy. Indeed, as they have a snowballing contribution to economic growth, SMEs are widely recognized as significant catalysts for economic development (Raihan et al., 2023) and transitions. However, sustainable development in their activity is a real challenge for SMEs, especially considering that SMEs often face unique challenges, such as lack of awareness and commitment and appropriate skills. In this context, **this paper explores how organizational context encourages employees to make sustainable development commitment, to promote SMEs sustainable transformation.** This research fills a gap in literature by integrating the roles of digitalization and sustainability in the specific context of SMEs, offering valuable insights for both academic and practical application in management. The study aims to understand what influence employee sustainable commitment in the organizational context, identify potential barriers and facilitators to help SME managers to create a more sustainable working environment.

Keywords: Sustainable HRM, employee green behaviours, SMEs

Literature review

We consider that SMEs need to encourage individuals and groups in SMEs to become aware of the issue and develop eco-responsible behaviour - behaviour that causes as little damage as possible, or even benefits the environment (Steg and Vlek, 2009). Based on this employees' behaviour pivotal role in driving sustainable practices within an organization (Ahmad et al., 2021, Glinska-Newes et al., 2021), current research intends to study how to increase employees' commitment to sustainability (Isensee et al., 2020, Brenner and Hartl, 2021). Furthermore, the link between organizational context and commitment to sustainability has become a central topic in research, particularly within small and medium-sized enterprises (SMEs) (Osarenkhoe & Fjellström, 2021).

The literature review currently shows first enablers of sustainable digital commitment. To encourage SME employees to become aware of the issue and develop their eco-responsible behaviour can be achieved through training, communication or participative commitment (Deltour et al., 2025), or by mobilising employees who are already committed (Plotnytska et al., 2024). A supportive organizational culture, coupled with strong leadership and clear strategic goals, plays a pivotal role in driving employee engagement with sustainability initiatives (Linnenluecke and Griffiths, 2010, Isensee, Teuteberg, Griese, & Topi, 2020). In SMEs, where resources may be limited, understanding how cultural elements influence sustainability decisions is crucial for ensuring the success of sustainable development goals.

However, embedding sustainability initiatives into the organizational culture and daily organisational actions is difficult and to a large extent depends on employee awareness and willingness to engage in sustainability (Glinska-News, 2024, and to "anchor" sustainability through ecological embeddedness (Roquebert & Gond, 2024, Whiteman and Cooper, 2000).

Considering this literature review, our research aims to fill a gap, intending to deepen our understanding of sustainable commitment in SMEs.

To do so, this paper addresses 2 research questions:

1. How does the organizational context influence SME employees' commitment to sustainability practices?
2. What are the organizational barriers and levers to their responsible digital commitment?

Research methods

Our research methods are grounded on online interviews with employees involved in SMEs sustainable digitalization, lasting around 90 min per interview, which was conducted in France, Poland and Sweden in 2024. They included both SME managers and employees for deeper understanding of the situation. The interview involved 12 respondents in France, 15 in Poland and 3 in Sweden. In France, the 12 interviews were conducted with CEOs and employees from 7 different

SMEs. In Poland the interviews were conducted. In Sweden 3 interviews were conducted with CEOs from SMEs. The SMEs studied cover the digital, tourism and industry sectors. The interviews focused on such groups of questions: the respondent's ecological profile, organizational commitment factors organizational context, and effects of sustainable development commitment. The data were transcribed and then analyzed thanks to Nvivo software.

Preliminary findings

The results show that employees' commitment to sustainability in SMEs is highly dependent on employees' commitment profile. In particular, most committed CEOs anchor sustainability in their SMEs strategy, culture, and daily practices. In this context, employees report adopting voluntary behaviours.

We observe that there are many barriers to responsible digital behaviour in SMEs: tools that are not adapted, lack of knowledge, pressure to be profitable, customers who are not very acculturated in particular. However, sustainability has made some organizations more aware of long-term perspective. They link this to staff policies, awareness of environmental impact and don't let short-term goals jeopardize the long-term goals. Sustainability is about the staff feeling good, value relationships with stakeholders such as customers and staff. Sustainability is daily environmental awareness, continuity in staff and encourage curiosity.

Our research also shows that employees' commitment to responsible behavior increases if the SMEs support such behavior and enables the anchoring of this behaviour. In some cases, we also observe that significant employee engagement is based on their personal commitment to sustainability principles, even without any efforts from the company. These employees manifest responsible behavior at work only if the company is characterized by an organization context oriented towards sustainability. However, if employees are not aware of sustainability importance, the SMEs' efforts and policies will not be successfully implemented in most cases.

Preliminary conclusion

Drawing on these results, our research highlights how that the SMEs may promote or impair

employee green behavior, shedding a new light on sustainability commitment research. To develop employees' sustainable commitment, the SMEs should develop and implement a sustainable development promoting organisation culture by encouraging individuals and groups in SMEs to become aware of the issue and develop eco-responsible behavior. It enriches scientific contributions to SME sustainable digitalization, by providing an understanding of the dynamics of transformation and the environment that enables this.

The study has also considerable implications for different groups of stakeholders, including SMEs, policymakers, managers, and practitioners interested in promoting sustainable development. We provide public decision-makers and SME managers with proof that employee commitment to sustainability is an important factor in promoting sustainable practices in organizations. SMEs can also benefit from the findings of this study by gaining insights into the impact of organizational context on employee sustainable commitment. Defining the factors that facilitate employee sustainable development commitment can help managers and practitioners create an enabling environment for developing sustainability in SMEs.

References

- Ahmad, M.R.; Raja, R. (Vision 2021) Employee Job Satisfaction and Business Performance: The Mediating Role of Organizational Commitment. *Vision*, vol. 25(2), pages 168-179.
- Brenner, B., & Hartl, B. (2021). The perceived relationship between digitalization and ecological, economic, and social sustainability. *Journal of Cleaner Production*, 315, 128128.
- Cohen, A. (2007) Commitment before and after: An evaluation and reconceptualization of organizational commitment. *Human Resource Management Review*. Volume 17, Issue 3, 336-354.
- Deltour F, Hémon Hildgen A., Lairet G. Lethiais V. (2025) Transformation organisationnelle vers le SI décarboné. *Collective work under the aegis of the FNEGE*, sd. A. Clauzel, G. Biot-Paquerot, C. Riché, published by EMS.
- Glińska-Noweś, A., Brzustewicz, P., Escher, I., Fomina, Y., Józefowicz, B., Katunina, I., ... & Szostek, D. (2019, October). Company Involvement in Sustainable Development—Proposition of a Theoretical Framework. In *Contemporary Challenges in Cooperation and Coopetition in the Age of Industry 4.0: 10th Conference on Management of Organizations' Development (MOD)* (pp. 439-451). Cham: Springer International Publishing.
- Isensee, C., Teuteberg, F., Griese, K. M., & Topi, C. (2020). The relationship between organizational culture, sustainability, and digitalization in SMEs: A systematic review. *Journal of Cleaner Production*, 275, 122944.

- Linnenluecke, M. K., & Griffiths, A. (2010). Corporate sustainability and organizational culture. *Journal of world business*, 45(4), 357-366.
- Osarenkhoe, A. & Fjellström, D. (2021). The oxymoron of digitalization - a resource-based perspective. *IGI Global, Journal of Information Technology Research*, 14 (4), (122-138).
- Plotnytska, S., Chédotel, F., & Glińska-Noweś, A. (2024). Towards sustainable digital transformation for SMEs: an agenda for future studies. *CIMAR, June 10-13, 2024, Gävle, Sweden*.

Does Message Framing Influence Corporate Sustainability Reputation?

Rubina Romanello¹, Marco Balzano¹, Donata Vianelli¹, James Reardon²

University of Trieste, Italy²; University of Northern Colorado, Monfort College of Business²

Abstract

In an increasingly eco-conscious marketplace where sustainability has become a defining expectation, the ability of companies to effectively communicate their sustainable practices holds implications for corporate reputation and consumer trust. Although the relevance of communication is undisputed, the literature has not yet clarified how consumers react to different types of sustainability messages. We examine how message framing shapes perceptions of sustainability campaigns through a quantitative analysis of survey data from over 300 Italian consumers. This study has practical implications for companies, suggesting reflections on how companies should effectively frame communication messages in digital channels to highlight their sustainability-related efforts.

Keywords: sustainability communication; message framing; consumer perceptions; corporate sustainability reputation; Italy.

1. Introduction

Companies of all sizes and across industries have increasingly embraced sustainable business practices to meet the ESG requirements, responding to the increased interest of consumers, stakeholders, policymakers, and communities in products and businesses that serve current generations' needs while not harming opportunities for future generations (Beckmann, 2014; Kyrddoda et al., 2024). Corporate sustainability requires integrating environmental, social, and governance factors into main corporate strategies and decision-making processes (McKinsey & Company, 2023). Besides the actions, companies must clearly articulate and effectively communicate sustainable practices to maintain their competitive advantage and build corporate trust. This has become particularly relevant after famous greenwashing episodes, such as accusations against Volkswagen and Walmart, which have contributed to causing a global trust

ACKNOWLEDGMENTS: This research was supported by Piano Nazionale di Ripresa e Resilienza, Missione 4 – Componente C2 – Investimento 1.1 Fondo per il Programma Nazionale di Ricerca e Progetti di Rilevante Interesse Nazionale (PRIN), finanziato dall'Unione Europea – NextGenerationEU -Bando PRIN 2022 DD MUR n. 104 del 02-02-2022 -Progetto "COMMUNICATING COMPANIES' SUPPLY CHAIN SUSTAINABILITY PRACTICES IN A DIGITAL ENVIRONMENT" n. progetto PRIN 2022LHHLWM -CUP B53D23010060006.

crisis towards sustainability initiatives implemented by large and multinational companies (Chen & Chang, 2013). Greenwashing entails companies developing activities, including communication solutions, that make people believe that they are doing more to protect the environment than it truly is. Broken green promises raise consumers' suspicion and skepticism, undermining companies' credibility and reputation (Keilman & Koch, 2024). Moreover, greenwashing increases green consumer confusion and perceived risk, negatively affecting green trust (Chen & Chang, 2013). Consumer skepticism prompts consumers to search for detailed information (Leonidou & Skarmeas, 2017), and consumer confusion might undermine companies' credibility and efforts toward sustainability (Lyon & Montgomery, 2015). Sustainability communications imply that firms take responsibility for their statements, whereas erroneous or misleading communications can have severe repercussions on the credibility and reputation of the company.

In the Italian context, a landmark 2022 ruling by the Tribunale Ordinario di Gorizia in the case of *Alcantara v. Miko* underscored the dangers of greenwashing. The court emphasized that environmental claims must be clear, reliable, accurate, and supported by scientific evidence (Wired, 2022). This ruling, the first of its kind in Italy, highlights the potential for misleading sustainability communication to damage consumer trust and competitive fairness, while discouraging genuine corporate sustainability efforts. This sentence legally acknowledges the importance of prioritizing transparent, clear, and accurate communication to build trust and reduce skepticism, which enhances organizational legitimacy and fosters a sense of shared values among stakeholders (Chen, 2010; Hur et al., 2013). Although the relevance of transparent communication practices to building a robust reputation is undisputed (Brockhaus et al., 2017; Highhouse et al., 2009), understanding *how* to communicate sustainability effectively remains a clue for companies engaging in sustainability, especially considering digital channels.

Sustainable consumption communication currently presents some inconsistencies, mainly due to the weak conceptualizations of sustainable consumption spread in the literature and a prevalent focus on message design and transmission, mainly considering mass communication contexts and

specific audience targets (Fischer et al., 2021). When communicating in digital contexts (e.g., social media), though, social marketing research has widely acknowledged the existence of a framing effect, meaning that how messages are framed influences consumer behavior and the adoption of innovative, sustainable products (Anghelcev & Sar, 2014; Levin & Gaeth, 1988; Moon et al., 2016). Message framing considers specific features that characterize the message, such as positive or negative, abstract or concrete, and self-focused or others-focused (Florence et al., 2022). Positive frames include messages that emphasize the positive consequences of sustainable behaviors. In contrast, negative ones stimulate reflections on potential losses or negative outcomes due to unsustainable consumer behaviors. Concrete messages explicitly refer to specific contexts, whereas abstract ones are more ambiguous and generic. Self-focused messages focus on the consequences on individuals, whereas other-oriented frames stimulate reflections on societal consequences (Anghelcev & Sar, 2014; Florence et al., 2022). Although frames can include just a single feature or combine more features together (e.g., positive-concrete; negative-abstract), using two message frames is more consistently effective in supporting sustainable consumption (Florence et al., 2022). Building on past studies, our research question is: is there a framing effect when considering sustainability campaigns? We have developed quantitative analyses on online survey data gathered from 303 Italian consumers to investigate how message framing influences consumer perceptions, specifically considering the comparative effectiveness of proactive versus reactive, qualitative versus quantitative, and social versus environmental frames. Our study thus aims at contributing to sustainable communication literature, providing initial evidence on the framing effect in sustainable campaigns, a relevant but under-researched topic so far. Our work discusses preliminary results and some recommendations for refining corporate communication approaches, fostering trust, and strengthening corporate reputation in the context of sustainability.

2. Methodology

2.1. Data collection and measures

We collected data in October - December 2024 through an online platform, recruiting participants according to specific criteria such as age, gender, and urban or rural residency to ensure a good sample representation. The survey included Likert-scale items to measure perceptions of message framing features, such as positive or negative, proactive or reactive, and societal or individual focus, as well as open-ended responses to capture nuanced opinions. For the purpose of our analysis, we built different versions of the questionnaire with excerpts. The data collection process enabled us to collect a final sample of 303 consumers living in Italy.

2.2 Measure

Independent variables refer to specific message frame features, such as positive or negative, proactive or reactive, and societal or individual focus. Our dependent variable “perceived effectiveness of the advertising” was based on MacKenzie and Lutz (1989)’s scale, capturing individuals’ overall evaluation of an advertising campaign. This scale comprehensively assesses the campaign’s impact on viewers’ attitudes and perceptions. Items include, e.g., the degree to which consumers find the campaign likable, its ability to evoke positive feelings toward the brand, perceptions of its design quality, and the extent to which it is seen as visually and conceptually appealing. In addition, one item measures the campaign's effectiveness in communicating specific brand values, such as a commitment to sustainability. To assess the reliability of the 5-item construct, we relied on the CLC estimator, using EFA maximum likelihood and setting weighted average as the score estimation method (Marzi et al., 2023). The reliability analysis showed satisfactory values (Cronbach’s Alpha = 0.93; Composite reliability = 0.93, AVE = 0.74). As a second step, we carried out a two-tailed t-test via Stata/MP 18.0. Participants were ensured anonymity, with no personally identifiable information collected. All data were stored securely and analyzed in aggregated form to comply with GDPR and uphold ethical research standards.

2.3 Sample feature

The age distribution ensures representation across generational cohorts, with 49.83% of participants aged between 18 and 30, 26.40% between 31 and 40, 14.85% between 41 and 50, 6.60% between

51 and 60, and 2.31% over 60. Regarding gender, males are slightly more than females (62.71 vs 35.31%), while 1.98% prefer not to disclose. Income levels and educational backgrounds vary, capturing a wide range of economic conditions and educational paths, with participants having less than a high school diploma to those holding a doctorate degree. Educational attainment is distributed as follows: 1.98% below high school diploma, 23.76% high school diploma, 15.18% post-secondary non-tertiary, 32.01% bachelor's degree, 21.45% master's degree, 5.61% doctoral degree. Income levels are well distributed as well: more than 1/3 declare to be far (14.52%), moderately (12.21%), and slightly below the average (10.56%). 24.42% declare an average income, while the rest is spread among slightly (14.52%), moderately (17.16%) and far above the average (0.99%). Regarding marital status, 75.25% of the sample are unmarried, while 16.50% are married, and a small segment preferred not to disclose (8.25%). 80.53% of respondents live in urban areas, while 18.81% live in rural areas. We also asked respondents to prioritize sustainability dimensions to understand their attitudes toward sustainability. Most of them (37%) do not express a clear preference for one dimension over others, indicating a balanced perspective on sustainability. Among those who prioritize a specific dimension, 30% emphasize environmental concerns, mainly climate change and ecological preservation. Economic sustainability follows, with 20% of consumers viewing it as the most critical area. In comparison, only 13% prioritize the social dimension. This distribution highlights that in our sample, consumers prioritize environmental considerations.

2.4 Data analysis

To develop our analyses, we have built different versions of the questionnaire with excerpts. The framework includes five key determinants, which were systematically varied between the two versions. To this purpose, we designed distinct excerpts reflecting specific combinations of framing elements. Each excerpt represented one of the key dimensions within the framework, allowing us to explore the impact of framing on participant perceptions systematically. We developed separate excerpts for each dimension—Proactive versus Reactive, Qualitative versus Quantitative, and

Societal versus Environmental focus. For instance, one excerpt emphasized proactive action, focusing on future-oriented, anticipatory measures. Another excerpt was qualitative, employing descriptive and narrative language.

Similarly, individual excerpts addressed societal issues (e.g., community well-being) or environmental concerns (e.g., ecological preservation). In the contrasting set, excerpts highlighted reactive measures (responding to existing mandates), quantitative details (using precise metrics), and ethical rather than moral considerations. Some excerpts addressed societal issues, but a larger proportion focused on environmental issues. Through this approach, it is possible to disentangle the effects of each framing element and examine whether it influences consumers' responses to sustainability initiatives. For example, a proactive excerpt with an environmental focus describes forward-looking actions to mitigate ecological impacts, while a reactive excerpt with a societal focus details compliance with existing requirements to support community welfare. This systematic variation enables us to analyze the relative effectiveness of different framing strategies and their alignment with participant priorities.

3. Preliminary results

We ran four two-sample t-tests with unequal variances contrasting qualitative versus quantitative frames, proactive and reactive frames, social vs individual focus, and social and environmental issues respectively.

The t-test contrasting qualitative and quantitative frames did not show a significant difference (difference = -0.065; p-value = 0.562) in assessing the perceived effectiveness of the advertising between qualitative (n = 141; M = 5.519; SD = 0.964) and quantitative (n = 162; M = 5.454; SD = 0.976) framings. This result suggests that whether companies organize the content with qualitative or quantitative approaches has no impact on the credibility of the sustainable advertising campaign.

The second analysis contrasting proactive and reactive groups reveals a statistically significant difference (difference = -0.467; p-value = 0.0005) in assessing the perceived effectiveness of the

sustainable advertising campaign. Specifically, participants in the proactive group ($n = 141$; $M = 5.520$; $SD = 1.113$) report higher scores than reactive group participants ($n = 162$; $M = 5.053$; $SD = 1.200$). Our findings suggest that whether the message has a proactive frame emphasizing forward-looking actions to mitigate, e.g., negative ecological impacts, the credibility of the advertising campaign improves. This result suggests that companies creating messages underlining actions or initiatives that reduce the environmental impacts could communicate more effectively than organizing content simply stressing compliance with existing regulations.

Regarding societal and individual focus, the t-test with unequal variances reveals a statistically significant difference (difference = -0.306 ; p value = 0.043). Participants exposed to the societal focus ($n = 141$; $M = 5.250$; $SD = 1.261$) report higher scores than those exposed to the individual focus ($n = 162$; $M = 4.944$; $SD = 1.360$).

Regarding social versus environmental issues, the results of the two-sample t-test with unequal variances reveal a statistically significant difference (difference = 0.127 ; p -value = 0.050). Consumers are more sensitive to social issues ($n = 705$; $M = 5.058$; $SD = 1.345$) compared to environmental issues ($n = 810$; $M = 5.185$; $SD = 1.141$). Our findings indicate a greater perceived importance of social concerns among participants, which might stimulate companies to organize their messages emphasizing the social dimension more than the individual one.

4. Discussion and conclusions

Our analysis suggests that some framing types are more effective than others when communicating sustainability efforts. In particular, companies should adopt proactive frames communicating sustainability initiatives that mitigate negative outcomes and emphasize social impacts over individual benefits to obtain better campaign perceptions. In digital environments, properly framed narratives emerge to be relevant to influence the credibility of sustainability campaigns, which could capture consumer attention and help the company in building consumer trust. However, digital contexts also entail severe challenges, such as information and content overload and the

spreading of misinformation on websites and digital platforms, which must be addressed to maintain the clarity and credibility of messages. Both aspects might lead to public distrust and jeopardize the efficacy of companies' communication messages. Against this, companies must balance content quantity and quality while ensuring that digital communications remain clear, accurate, and compelling. Still, in our view, companies' communication must more effectively draw from different disciplines, e.g., environmental science, behavioral psychology, and digital design. For instance, companies that should organize advertising content stressing how the product contributes to reducing negative implications for the environment would be better recurring to accurate sources and data to increase message credibility. Transparent and accurate digital communication mitigates the risk of reputational damage, meeting a culture of accountability and continuous improvement. Our study shows consumers' shifting expectations, providing insights to managers on the more relevant features when framing content on sustainability initiatives. This is particularly relevant as strategic sustainable communication in digital environments also represents a transformative opportunity to engage stakeholders, drive collective action, and advance sustainable development. Moreover, our findings dialogue with studies stressing that communicating sustainability in digital environments requires integrating approaches to effectively disseminate knowledge, foster public awareness, and inspire actionable responses (Baskoro et al., 2024; Cardoni et al., 2023).

References

- Alcantara v. Miko, Ordinanza del 26 novembre 2021, Tribunale Ordinario di Gorizia. Available at <https://valori.it/wp-content/uploads/2022/01/greenwashing-Alcantara-vs-Miko-ordinanza-del-25-novembre-2021-del-Tribunale-di-Gorizia-R.G.-2021-712.pdf> (last accessed January 5, 2025).
- Anghelcev, G., & Sar, S. (2014). In the mood for [the right kind of] social marketing communication: How congruity between consumer mood and message framing influences intentions to recycle. *Journal of Social Marketing*, 4(1), 38-57.
- Baskoro, M. L., Tjahjono, B., Beltran, M., Bogush, A., & Wang, Y. (2024). The imperative of communication signals in boosting business strategies of the bioplastic packaging industry. *Business Strategy and the Environment*, 33(2), 307-334.
- BBC (2015). Volkswagen: The scandal explained. Available at <https://www.bbc.com/news/business-34324772> (last accessed January 5, 2025).
- Beckmann, M., Hielscher, S., & Pies, I. (2014). Commitment strategies for sustainability: How business firms can transform trade-offs into win-win outcomes. *Business Strategy and the*

Environment, 23(1), 18-37.

- Brockhaus S, Kersten W, Knemeyer AM (2017). Where do we go from here? Progressing sustainability implementation efforts across supply chains. *Journal of Business Logistics* 38(1): 45–67.
- Cambridge Dictionary. (2025). Greenwashing. Available at <https://dictionary.cambridge.org/dictionary/english/greenwashing> (last accessed January 5, 2025).
- Cardoni, A., Kiseleva, E., & Bellucci, A. (2023). The quality of SMEs stakeholder communication during strategic crises: The case of Italian unlisted SMEs. *Business Strategy and the Environment*, 32(6), 3292-3308.
- Chen, Y. S. (2010). The drivers of green brand equity: Green brand image, green satisfaction, and green trust. *Journal of Business Ethics*, 93, 307-319.
- Chen, Y. S., & Chang, C. H. (2013). Greenwash and green trust: The mediation effects of green consumer confusion and green perceived risk. *Journal of Business Ethics*, 114, 489-500.
- Fischer, D., Reinermann, J. L., Mandujano, G. G., DesRoches, C. T., Diddi, S., & Vergragt, P. J. (2021). Sustainable consumption communication: A review of an emerging field of research. *Journal of Cleaner Production*, 300, 126880.
- Florence, E. S., Fleischman, D., Mulcahy, R., & Wynder, M. (2022). Message framing effects on sustainable consumer behaviour: A systematic review and future research directions for social marketing. *Journal of Social Marketing*, 12(4), 623-652.
- Highhouse S, Brooks ME, Gregarus G (2009). An organizational impression management perspective on the formation of corporate reputations. *Journal of Management* 35(6): 1481–1493.
- Hur WM, Kim H, Park K (2013). Assessing the effects of perceived value and satisfaction on customer loyalty: A green perspective. *Corporate Social Responsibility and Environmental Management* 20(3): 146–156.
- Keilmann, J., & Koch, T. (2024). When environmental claims are empty promises: How greenwashing affects corporate reputation and credibility. *Environmental Communication*, 18(3), 266-284.
- Kyrdoda, Y., Balzano, M., & Vianelli, D. (2024). The formation of a sustainable organizational identity: Insights from Brazilian coffee producers. *Business Strategy and the Environment*. Ahead-of-Print. <https://doi.org/10.1002/bse.3975>
- Leonidou, C. N., & Skarmeas, D. (2017). Gray shades of green: Causes and consequences of green skepticism. *Journal of Business Ethics*, 144, 401-415.
- Levin, I. P., & Gaeth, G. J. (1988). How consumers are affected by the framing of attribute information before and after consuming the product. *Journal of Consumer Research*, 15(3), 374-378.
- Lyon, T. P., & Montgomery, A. W. (2015). The means and end of greenwash. *Organization & Environment*, 28(2), 223-249.
- MacKenzie, S. B., & Lutz, R. J. (1989). An empirical examination of the structural relationships between attitude toward the ad, attitude toward the brand, and brand purchase intention. *Journal of Marketing*, 53(2), 48-65.
- Marzi, G., Balzano, M., Egidi, L., & Magrini, A. (2023). CLC estimator: A tool for latent construct estimation via congeneric approaches in survey research. *Multivariate Behavioral Research*, 58(6), 1160-1164.

- McKinsey & Company (2023). Sustainability: A key driver of consumer preferences and business success. Available at <https://www.mckinsey.com/business-functions/sustainability/our-insights/sustainability-in-business> (last accessed January 5, 2025).
- Moon, S., Bergey, P. K., Bove, L. L., & Robinson, S. (2016). Message framing and individual traits in adopting innovative, sustainable products (ISPs): Evidence from biofuel adoption. *Journal of Business Research*, 69(9), 3553-3560.
- Tarabieh, S. M. Z. A. (2021). The impact of greenwash practices over green purchase intention: The mediating effects of green confusion, green perceived risk, and green trust. *Management Science Letters*, 11(2), 451-464.
- Wiczerzycki, M., & Deszczyński, B. (2022). Collective storytelling: Value co-creation in narrative-based goods. *Marketing Theory*, 22(3), 445-463.
- Wired (2022). Cosa cambia in Italia dopo la prima sentenza per greenwashing. Available at <https://www.wired.it/article/greenwashing-sentenza-italia-pubblicita> (last accessed January 5, 2025).

Formal institutional variables in relation to the determinants of entrepreneurial orientation of SMEs: contextualization of factors in the spotlight of a country and organization characteristics in international entry performance

Shorena Kurdadze¹, Kakhaber Kordzaia¹

Caucasus International University, Georgia¹

Achievements in internationalisation reflect the ability of the firm to overcome the uncertainty associated with entering new markets and to run the business in the conditions of different environments, institutions, resources, and levels of competition (Dai et al., 2013; Lumpkin C Dess, 1996). However, in recent periods, significant changes have been observed in business creation, international expansion and management. Business researchers, as well as practitioners, offer different explanations and approaches related to both global and local business management (Dai et al., 2013; Jafari Sadeghi et al., 2019; Schwens et al., 2018).

Entrepreneurial Orientation (EO) refers to the processes, practices, and decision-making activities that lead to a “new entry”. Key variables that reflect EO include a tendency to act autonomously, a readiness for innovations and taking risks, being aggressive toward competitors, and showing a proactive attitude towards new opportunities (Kalinic C Brouthers, 2022; Lumpkin C Dess, 1996). All of the above factors - autonomy, innovativeness, risk-taking, proactivity, and competitive aggressiveness come into present when a firm engages in a new entry. Existing theories on institutional differences indicate that the institutional environment affects how firms produce products, manage human resources, and interact with customers, partners, and the state. In addition, the difference between the institutional context between the home and foreign countries of the firm greatly influences the internationalisation strategy (Keig et al., 2019; Slangen C Beugelsdijk, 2010). According to institutional economics, institutions are categorised into formal and informal institutions that influence economic activity. Therefore, scholars distinguish between formal and informal institutional distances (Kostova, Beugelsdijk, Scott, Kunst, Chua, C Van Essen, 2020). In the planned research, we will focus on Formal Institutional Distance (FID), including the regulatory laws and rules that affect business strategy and international operations (Estrin et

al., 2009; Slangen C Beugelsdijk, 2010). The research project aims to study the influence of formal institutional distance (FID) and its individual factors on entrepreneurial orientation (EO) and its individual variables, taking into account the context of the country and organisation in the example of Georgian SMEs. The proposed research will outline the interaction of formal institutional variables and determinants of entrepreneurial orientation within the context of different business environments from the West, where country and organisational characteristics, as well as new entry performance on an international level, will be considered. Formal institutional factors across various contexts will be identified, and accordingly, the leading combination of entrepreneurial orientation variables, which act differently in diverse contexts, will be highlighted. In this way, we can contribute to the challenge of contextualising entrepreneurship, specifically regarding the identification of “theories of context” (Whetten, 2009, p. 36), a topic that is less frequently researched in post-Soviet countries. Our research will enable us to understand and analyse the effects that multiple contexts have on entrepreneurship, using Georgian SMEs as an example. Based on the above, we can determine which formal institutional factors are universal—those that exert a uniform effect on new international entry—and which are based on the country and organisational context, influencing international entrepreneurial performance. Therefore, we anticipate identifying latent variables derived from the context of organisations and transition economy countries that are significant for both entrepreneurial orientation and new entry.

In addition, the research will be conducted on the example of SMEs, which have both scientific and practical value. Formal regulations, norms, beliefs, or practices differ between countries and organisational cultures, so different contexts can be used to encourage international entrepreneurship (Gehman et al., 2022). The latter is particularly noteworthy when studying the international activities of small and medium enterprises (SMEs) since they have few managerial and financial resources, and at the same time, the internationalisation of SMEs is greatly influenced by seemingly insignificant but specific institutional characteristics, which in the future will determine their entrepreneurial orientation (EO) at the international level (Anderson et al., 2006; Jafari Sadeghi et al., 2019). Developed small and medium enterprises make a significant contribution to the country’s economic growth. SMEs employ around

100 million people, account for more than half of Europe's GDP and play a key role in adding value to every sector of the economy. However, unlike the developed countries, the share of SMEs in GDP in Georgia is small (19%), which proves that small and medium-sized entrepreneurship still does not play a significant role in the Georgian economy. Given the country's small market (3.7 million inhabitants), international business expansion and factors influencing this process are extremely important research topics. It should be noted that Georgia is a post-Soviet country that gained independence in 1991. Forming a Soviet economic system with market-based principles is very difficult in terms of economic, political, and cultural aspects. Over the last 20 years, Georgia has undergone significant socio-economic reforms to improve the overall business environment and attract foreign direct investment. However, this has not been done to the extent that would have contributed to the country's long-term economic growth and sustainable development. At the same time, it is essential to develop and diversify the country's export opportunities against the background of geopolitical tensions in the region and unstable trade partners. The results of the planned research project will highlight the formal institutional factors that are the main impediments to international entry performance. In addition, the research project highlights a research question on important trading partners from developed countries, the in-depth analysis of which will enable us to assess how Georgian SMEs discover international opportunities in more developed countries, as well as aside from meeting product market standards, which formal institutional differences hinder the international entry performance. The research results will help develop and implement the research results in Georgia, which will expand the country's export opportunities in the long run.

“This work was supported by Shota Rustaveli National Science Foundation of Georgia (SRNSFG) [grant number FR-23-1148].”

Sustainable international business and transparency: Transformative international Marketing and the fight against corruption

Sergio Ernesto Valentini¹, Antonella Zucchella²

Transparency International Italia, Italy¹; University of Pavia, Italy¹

Abstract

Corruption is a systemic challenge with profound economic and societal consequences. This paper explores the transformative role of international marketing in combating corruption and fostering transparent business practices. While corruption has traditionally been examined through legal and policy lenses, its intersection with international marketing remains underexplored. By analyzing corruption as both a business risk and an ethical dilemma, this study highlights how international marketing strategies can either perpetuate or mitigate corrupt practices. The Italian experience serves as a case study, demonstrating that while the country is often perceived as highly corrupt, its legal frameworks offer valuable lessons for global anti-corruption efforts.

The research also examines corruption's impact on firm competitiveness, governance, and corporate reputation, emphasizing the dual role of marketing in either enabling or preventing unethical behaviors. Certain industries—such as pharmaceuticals, defense, and public procurement—are particularly vulnerable, requiring targeted interventions. Additionally, digitalization and geopolitical shifts further complicate corruption detection and enforcement.

By integrating interdisciplinary perspectives from business ethics, compliance, and sustainability, this paper underscores the need for a paradigm shift in international marketing. Addressing corruption proactively enhances corporate integrity, improves market competitiveness, and contributes to a more equitable global business environment.

Keywords: Corruption, SDGs Millennium Goals, International Marketing, Compliance, Crisis Management

Introduction

International marketing operates at the nexus of global business strategies, societal impacts, and ethical imperatives. However, scandals and allegations of whitewashing have eroded public trust, calling for a fundamental transformation of marketing practices. This paper examines the transformative role of international marketing in addressing corruption—an often-overlooked but pervasive challenge with profound implications for societal and economic outcomes. The transformative nature of international marketing involves defining its contribution to making international business sustainable, from the point of view of fair and transparent business practices

across borders. Combating corruption must become a central focus for sustainable marketing strategies, highlighting its interdisciplinary nature and its inclusion as a critical agenda item in global forums like the G7 and G20. The Italian experience in this topic is peculiar, as Italy is often considered as a highly corrupted context, yet its legislation and practices are a model for many countries, but this is seldom recognized by international comparisons and passed on to companies as a strategic competitiveness tool.

This contributions rests on the very scarce academic literature about the topic, since most contributions pertain to legal studies and not to international business/marketing, and on the data collected by the most reputable international independent organization, Transparency International. The aim is to provide a picture of the problem worldwide, in order to achieve a deeper understanding of the geography of the corruption phenomenon, beyond stereotyped perceptions, and to outline the transformative role of international marketing in addressing the problem and contributing to fairer business practices and better societies.

Corruption in the Global Context: Gaps and Challenges

Corruption remains a systemic issue with far-reaching consequences. The United Nations' Millennium Development Goals (SDGs), while comprehensive, lack a specific target to eliminate corruption, mirroring the omission in the United Nations Global Compact during Kofi Annan's tenure. Recent OECD efforts to advocate for a Zero Corruption Target, as a possible 18th SDG, highlight the growing recognition of corruption's impact. Yet, corruption's extraterritorial nature complicates enforcement, with multinational companies facing legal and reputational risks across jurisdictions. Corruption benefits both the corruptor and the corrupted and it is difficult to break this pact.

A review of studies about corruption and international business (Bahoo, Alon & Paltrinieri, 2020) found 137 articles published in the period 1992-2019, mostly focused on the legislative framework. In recommending a stronger enforcement of regulations, they also address firm-level issues,

concluding that “Firms must also consider corruption when formulating strategies to increase operational efficiency and performance.” The Authors also discuss how “corruption challenges some key assumptions of existing theories of management. Scholars need to test and expand these existing theories by considering corruption as an important issue in international business.” (ibid. p.324). A study by Chen, Ding & Kim (2010) in analysing political connectedness in its links to corruption in MNEs, found that “political connections exacerbate the information asymmetry between investors and managers, and also that anti-corruption measures can curb the adverse effect of political connections on the corporate information environment. These findings bear the practical implication that MNEs must consider political issues when making resource allocation decisions.” (ibid, p. 1505).

The firm-level issues deserve particular attention both from researchers and practitioners.

A particularly challenging aspect of corruption lies within companies themselves, where departments focused on eradicating corruption often coexist with those that perpetuate it. For instance, compliance and legal divisions may work tirelessly to ensure adherence to anti-corruption policies, while certain managers or salespeople -hence the direct link to international marketing- engage in corrupt practices to secure contracts or other benefits.

This duality within organizations underscores the complexity of addressing corruption effectively. International marketing practice is thus at the forefront in dealing with corruption. The function and its key decision makers have direct contacts with international customers, they are subject to high pressures to sell and are rewarded proportionately to the volume of foreign business deals closed. In some cases, firms deliberately look for markets characterized by high corruption, in order to maximize sales, particularly in some industries. An empirical study by Chandler analysed three exporting countries (France, Japan, and the US), and found that that “the successes of French and Japanese exporters in international markets are in part determined by the levels of corruption in target countries.” (Chandler & Graham, 2010, p.251).

At the same time, fairness in international business provides a very relevant contribution to

corporate reputation, which is a key intangible asset. The international marketing function is thus sometimes thorn between conflicting objectives, as well in potential conflict with the compliance function. Some industries are disproportionately affected by corruption, such as pharmaceuticals, defense, infrastructures building & construction, and public procurement, but these are also strategic sectors for countries and sometimes the illegal actions of MNEs are ignored by governments. These sectors often involve high-stakes negotiations and substantial financial flows, creating fertile ground for unethical practices.

The lack of a universally accepted framework to measure corruption exacerbates the issue. Current tools, such as Transparency International's Corruption Perception Index (CPI), rely on subjective perceptions, which can reflect cognitive biases and cultural stereotypes. There is no common yardstick and it is highly unlikely there will ever be one, since there are conflicting interests among countries and trade blocks. For example, Southern Europe and the Balkans are often rated lower than Northern Europe and Anglo-Saxon countries.

Nevertheless, Italy's advanced legislation and recognized best practices in combating organized crime is set as an example at international level (like what happens with organized crime, regions forced to confront corruption directly can develop superior mechanisms for addressing it).

The digitization of business practices and the rise of the service economy have created new avenues for corruption to remain concealed. Electronic evidence can be faked and destroyed, cryptocurrencies like Bitcoin and other digital assets facilitate anonymous transactions, making it increasingly challenging to detect and trace corrupt activities.

These technological advancements, while offering efficiencies in some business activities, have also introduced complexities in monitoring and enforcing anti-corruption measures by authorities.

Interdisciplinary Dimensions of Corruption

In dealing with corruption issue, international business and marketing managers need to understand its multidisciplinary nature, which is at roots of the complexity of this issue.

1. Legal and Compliance Frameworks

Compliance departments face increasing demands to adhere to a “spaghetti bowl” of regulations across countries. Upcoming EU directives and the OECD Anti-Bribery Convention (still not ratified by some countries) underscore the legal complexities for multinational corporations and international marketers that are tasked with different rules from country to country.

2. Geopolitical and Geo-Economic Perspectives

State-backed enterprises – especially in non-democratic countries – often exploit corruption as a competitive tool, blurring the lines between economic and political interests. Agreements within G7 (a recent initiative taken at the Apulia G7 in Italy following Italian efforts) and G20 forums aim to harmonize anti-corruption measures, but disparities persist. Non-market strategy of multinational firms often muddle through the development of relationships with foreign governments and their institutions and the risk of corruption. Discuss how (Shridokar et al, 2024) “MNEs are often forced to engage in unethical nonmarket strategies in institutionally fragile contexts.” Suggesting that international business should aim at achieving “a sustainable balance between organizational goals and societal welfare”.

3. Governance and Law Enforcement

Effective governance and robust internal enforcement mechanisms are crucial to addressing corruption. This requires international cooperation and innovative strategies to detect and prevent corrupt practices, to the ultimate benefit of companies themselves to shield them from risks of non-compliance. Penalties for companies corrupting – or even not possessing sufficient prevention procedures and mechanisms – may even provoke a company’s bankruptcy or forbid them from working with public contracting authorities.

4. Business Ethics and Sustainability

Ethical marketing practices align with societal expectations, enhancing trust and long-term viability.

Companies embracing sustainability principles are better positioned to navigate the complexities of global markets. While business ethics courses abound, there is no formal anti corruption training in business schools and executive education.

The Hidden Costs and Competitive Dynamics of Corruption

Corruption is a crime that both the corrupter and the corrupted benefit from, leaving society and law-abiding companies as the primary victims. The society bears most of the negative consequences. Responsible companies face a double penalty—higher operational costs and competitive disadvantages. Multinational enterprises (MNEs), more so than small and medium sized enterprises (SMEs), often leverage ethical commitments as a marketing tool. State-owned enterprises, in particular, may use their adherence to anti-corruption norms to bolster international reputation, although this practice can sometimes mask underlying issues.

International Marketing Transformation and Transformative International Marketing

The transformation of international marketing necessitates addressing the tension between economic outcomes and societal responsibilities. Companies must shift from short-term profit maximization to long-term value creation, integrating ethical considerations into their marketing strategies. This shift aligns with emerging trends, such as incorporating sustainable development strategies in their activities, tackling the new challenge of the emergence of friendshoring and nearshoring, and the rise of benefit corporations that prioritize social and environmental goals alongside financial performance.

Possible avenues for Sustainable Value Creation in international business could be the following:

1. Restoring Trust

Transparency and accountability are vital for maintaining and rebuilding trust. The bad example of greenwashing, where companies have created an environment with so little credibility to make it

necessary for countries and trading blocs to legislate against marketing distortion of environmental efforts (both in the US and in the EU).

2. Unmasking Corruption

Companies benefit from exposing corruption within their ranks, fostering a culture of integrity and compliance. Internal whistleblowing is often unreliable, as hierarchical positions make it hard for whistleblowers to signal unfair practices carried out by their managers; external whistleblowing, however, is not yet customary in companies procedures.

3. Enhancing Competitiveness

Intangible assets, such as ethical reputation and talent attraction, are critical for sustaining competitive advantage. Ethical practices contribute to long-term survival and market differentiation, attract talent and Gen Z workers, much more attentive to societal issues than their preceding generations.

Conclusion

Addressing corruption is essential for aligning international marketing practices with societal goals and economic sustainability. By fostering ethical practices, embracing transparency, and championing sustainability, businesses can create lasting value, enhance their global standing, and contribute to a more equitable and trustworthy marketplace. The imperative for transformation is clear: companies that ignore these issues risk reputational damage, financial instability, and potential extinction. Conversely, those that proactively tackle corruption and align with societal expectations will secure their place in a rapidly evolving global economy.

References

- Bahoo, S., Alon, I., & Paltrinieri, A. (2020). Corruption in international business: A review and research agenda. *International Business Review*, 29(4), 101660.
- Chandler, J. D., & Graham, J. L. (2010). Relationship-oriented cultures, corruption, and international marketing success. *Journal of Business Ethics*, 92, 251-267.
- Chen, C. J., Ding, Y., & Kim, C. (2010). High-level politically connected firms, corruption, and analyst forecast accuracy around the world. *Journal of International Business Studies*, 41,

1505-1524.

Shirodkar, V., Liedong, T. A., Rajwani, T., & Lawton, T. C. (2024). MNE nonmarket strategy in a changing world: Complexities, varieties, and a values-based approach. *International business review*, 33(2), 102251.

Valentini, S., (2004) *Responsabilità Sociale d'Impresa e Globalizzazione – Verso una Internazionalizzazione Sostenibile*, Franco Angeli.

Valentini S. , (2004) “Verso un'internazionalizzazione sostenibile. Impegno sociale d'impresa nel contesto economico mondiale” in “Business Ethics and Corporate Social Responsibility in a Global Economy – Economic Performances and Ethical Values in Global Business”, *Notizie di Politeia*, Anno XX, n. 74

White III, G. O., Rajwani, T., & Lawton, T. C. (2021). Open for business in a closed world? Managing MNE nonmarket strategy in times of populism and geopolitical uncertainty. *Multinational business review*, 29(4), 441-450.

Transparency International, *Global corruption Index, Annual Report, 2025*

Transformative Marketing for Sustainable Value: Geothermal Energy Collaboration Between Indonesia, China, and Italy in Global Value Chains

Nuo Wang¹, Mohammad Ichsan², Gregorian Jerahmeel¹

University of Pavia, Italy¹; Bina Nusantara University, Indonesia²

1. Introduction

In today's rapidly changing global economy, businesses face the dual challenge of adapting to market shifts while contributing to the broader goal of sustainable development. Technological advancements and environmental sustainability are reshaping marketing strategies as companies adapt to global megatrends (Minina, 2023). Traditional marketing models, which primarily focus on economic gain, are being replaced by transformative marketing strategies that integrate social, environmental, and economic objectives (Hossain & Marinova, 2013). These strategies are emerging as critical tools for firms that wish to remain competitive while also addressing societal challenges, particularly in the context of sustainability.

Indonesia provides a compelling context for studying transformative marketing. As a country rich in natural resources, including vast geothermal energy reserves, Indonesia has the potential to become a global leader in renewable energy. Geothermal energy presents a significant opportunity for developing countries to enhance energy security and promote sustainable economic growth while reducing reliance on fossil fuels (Koerniawati et al., 2023; Naqash & Farooq, 2024). With one of the world's largest geothermal energy potentials, Indonesia's efforts to harness this resource align with global goals for reducing carbon emissions and transitioning to cleaner energy sources. Alongside its growing domestic market, Indonesia is undergoing a significant transformation, driven in part by younger generations—such as Gen Z and Gen Alpha—who are increasingly selecting environmentally friendly products driven by factors like price, brand, convenience, quality, and

perceived environmental impact (Sudirjo, Padila, & Auliya, 2024). This demand is presenting opportunities for small enterprises, which play a pivotal role in the Indonesian economy, to integrate sustainability into their operations.

At the same time, Indonesia's position in global value chains, particularly its relationships with China and Italy, offers an interesting lens through which to explore how cross-border collaborations can enhance sustainable practices. China's investments in renewable energy in Indonesia, including geothermal projects, demonstrate the potential for large-scale collaboration in advancing sustainability goals. Similarly, Italy's expertise in sustainable technologies and innovative solutions provides opportunities for knowledge exchange and technology transfer that can accelerate Indonesia's renewable energy transition, especially in the geothermal sector. These partnerships highlight the critical role of international collaboration in leveraging transformative marketing to bridge business goals with societal and environmental needs.

This study explores the intersection of transformative marketing and global value chains, specifically focusing on how Indonesia, China, and Italy can collaborate to create sustainable value. The research seeks to answer two main questions:

1. How can Indonesia, China, and Italy work together through transformative marketing to create sustainable value?
2. How do local factors, such as culture, technology, and institutions, affect transformative marketing in these countries?

To explore the formation of geothermal GVC and the unique characteristics of various geographic locations, this study adopts a qualitative approach. Data collection will involve leveraging personal networks and the ITPC (Indonesian Chamber in Milan) to identify Italian and Indonesian geothermal companies aligned with the research objectives. Then we plan to adopt semi-structured interviews for the data collection. The Gioia method (Gioia et al., 2012) will guide data analysis, progressing

from open coding to 1st- and 2nd-order themes and culminating in the development of a structured framework (Kraus et al., 2022). The contribution of this study lies in its potential to fill a gap in existing research, which has largely overlooked the unique interplay between the sustainability challenges and opportunities in Indonesia, China, and Italy. By combining insights from stakeholder theory and value chain theory, the study will offer practical insights for businesses and policymakers on how to design and implement effective transformative marketing strategies that can balance economic growth with environmental and social responsibilities. Geothermal energy serves as a focal point in this research, illustrating how natural resource management and international partnerships can drive transformative outcomes in global value chains.

2. Theoretical Background

This study is grounded in two key theories: **stakeholder theory** and **value chain theory**, both of which are central to understanding sustainable business practices and marketing strategies.

Stakeholder Theory

Introduced by Freeman in 1984, stakeholder theory posits that businesses must consider the interests of all stakeholders—not just shareholders—when making decisions (Laplume, Sonpar, & Litz, 2008). In recent years, this theory has evolved to incorporate sustainability, emphasizing the need for companies to balance profitability with social and environmental responsibilities (Bansal, Garg, & Singh, 2023). For developing countries like Indonesia, this theory highlights the importance of collaboration between businesses, governments, and local communities to achieve shared sustainability goals (Munir et al., 2022). This is especially important in sectors such as renewable energy, where local engagement is key to driving meaningful change.

Value Chain Theory

Porter's value chain theory (1985) focuses on how businesses create value at each step of their operations, from sourcing raw materials to delivering products. The theory has been adapted in

sustainability research to explore how companies can integrate environmental and social considerations into their value chains (Mcphee, 2014). For instance, companies can reduce their environmental footprint by using renewable energy or sourcing materials responsibly. This theory emphasizes the importance of global collaboration in building sustainable value chains, particularly between developed and developing countries. Recent studies highlight the need for better integration of value chains between the global North and South to enhance economic and social sustainability (Acquaye et al., 2023). In this study, value chain theory will be used to examine how Indonesia can leverage its global relationships with China and Italy to foster sustainable practices.

Transformative Marketing

Transformative marketing is the flexible and strategic use of marketing tools (like ideas, strategies, programs, actions, and measurements) to respond effectively to major changes and challenges (such as market trends, events, or external factors) (Lim, 2023). Unlike conventional models that focus solely on driving sales and profit, transformative marketing emphasizes the role of marketing as a driver of societal change and sustainable development (Hossain & Marinova, 2013). Transformative marketing can help businesses align their goals with broader societal needs by addressing global challenges like environmental degradation (Dekhili et al., 2023). For instance, promoting renewable energy solutions like geothermal energy through marketing not only supports environmental sustainability but also enhances consumer trust and engagement in markets increasingly driven by ethical considerations.

Transformative marketing serves as a critical framework for examining cross-border collaboration between Indonesia, China, and Italy, aligning business goals with societal needs to build sustainable global value chains. By leveraging Indonesia's natural resources, China's renewable energy investments, and Italy's expertise in sustainable technologies, transformative marketing fosters shared value creation. Supporting stakeholder theory, it emphasizes balancing diverse interests, while value chain theory highlights integrating sustainability at every stage, driving

economic growth and meaningful societal impact.

3. Methodology

a. Research context

Geothermal energy, recognized as a renewable and environmentally friendly resource, has emerged as a key component in achieving sustainable energy goals. According to the BCG report (2024), low-enthalpy geothermal could play an important role in the decarbonization of global energy systems, provided it can be made commercially viable in more locations. The 600 GW of estimated geothermal resources globally is almost equivalent to one-third of the current global coal-fired capacity today.

Indonesia, home to one of the world's largest geothermal reserves, offers significant potential for sustainable energy development. Indonesia is also acting actively within the GVC to leverage its geothermal advantages in order to promote sustainability initiatives. For example, Indonesia's Pertamina is exploring combining geothermal and carbon sequestration wells to reduce drilling expenses and create new potential sources of revenue (BCG, 2022). However, its utilization has been limited by infrastructural challenges and technological gaps. Conversely, China's robust technological capabilities and Italy's advanced expertise in geothermal energy are expected to provide complementary resources to support Indonesia's energy initiatives.

b. Method

Given the exploratory nature of this study, a qualitative approach will be adopted to examine the formation of geothermal GVCs and the distinctive characteristics of various geographic locations along the value chain.

For data collection, we plan to leverage personal networks in Indonesia, and China and connections through the ITPC (Indonesian Chamber in Milan) to engage with Italian, Chinese, and Indonesian companies in the geothermal sector. This will help us identify firms aligned with the research objectives.

The primary investigation will involve semi-structured interviews, designed to balance predefined questions with open-ended discussions. This method facilitates the extraction of in-depth insights while ensuring comparability across interviews (Campbell et al., 2013). The flexibility of this approach allows participants to provide novel insights for further exploration while enabling the identification of common themes. Secondary data from company websites, social media, and existing research will also be used to triangulate findings (Patton, 1999).

Post-data collection, the analysis will utilize the Gioia method (Gioia et al., 2012), a structured framework for inductive concept development in qualitative research. This involves three analytical levels: first, open coding to group related concepts into categories, yielding 1st-order themes based on informants' quotes. These themes are then refined into 2nd-order themes linked to theoretical constructs. Finally, themes are organized into overarching categories, forming the research's data structure and supporting the development of a comprehensive framework.

4. Next steps

To ensure the research aligns with the research objectives and provides insights into the intersection of transformative marketing, global value chains (GVCs), and geothermal energy collaboration between Indonesia, China, and Italy, the next steps will focus on four critical areas: refining the research framework, expanding data collection, analyzing preliminary findings, and enhancing stakeholder engagement.

Based on the initial literature review, we will define key concepts that emerged from interviews talking about such as organizational sustainability practices and policy incentives that influence geothermal energy initiatives in the three countries. That is fundamental to establish criteria for comparing the roles of Indonesia, China, and Italy in geothermal GVCs, focusing on their respective strengths, challenges, and contributions to sustainable value creation. Given the qualitative nature of this research, we are going to strengthen the Use of networks such as ITPC and Indonesian geothermal companies to map stakeholders across the three countries and map their GVC structures. After

scheduling and conducting semi-structured interviews with key stakeholders, key topics will emerge to explore the drivers of transformative marketing, the dynamics of cross-border collaboration, and the barriers to integrating sustainability into GVCs. Together with the Collection of reports, trade data, and policy documents from international organizations, we are going to contextualize and triangulate findings from primary data. If feasible, organize visits to geothermal energy sites in Indonesia and relevant facilities in China and Italy to observe operational practices and conduct on-site interviews. Compare findings from Indonesia, China, and Italy to understand cross-cultural and institutional differences in geothermal energy marketing strategies. We will further develop case studies highlighting successful geothermal collaborations and their impact on sustainability goals. These case studies will serve as illustrative examples of transformative marketing practices.

References

- Acquaye, A. A., Yamoah, F. A., Ibn-Mohammed, T., Quaye, E., & Yawson, D. E. (2023). Equitable Global Value Chain and Production Network as a Driver for Enhanced Sustainability in Developing Economies. *Sustainability (Switzerland)*, 15(19). <https://doi.org/10.3390/su151914550>
- Bansal, S., Garg, I., & Singh, S. (2023). Corporate social responsibility: Insights from COVID-19 and stakeholder theory. *Global Business and Organizational Excellence* (Vol. 42, Issue 6, pp. 154–169). John Wiley and Sons Inc. <https://doi.org/10.1002/joe.22222>
- Boston Consulting Group. (2022). *Accelerating Decarbonization with Next Generation Geothermal*. Boston Consulting Group.
- Boston Consulting Group. (2024). *What Today's Climate Tech Can Learn from Yesterday's Energy Transitions*. Boston Consulting Group.
- Campbell, J. L., Quincy, C., Osserman, J., & Pedersen, O. K. (2013). Coding in-depth semistructured interviews: Problems of unitization and intercoder reliability and agreement. *Sociological methods & research*, 42(3), 294-320.
- Dekhili, S., Durif, F., & Merle, A. (2023). Sustainable marketing: Let's Accelerate Transformations. *Recherche et Applications En Marketing (English Edition)*, 38(3), 2–4. <https://doi.org/10.1177/20515707231180395>
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational research methods*, 16(1), 15-31.
- Hossain, A., & Marinova, D. (2013). Transformational Marketing: Linking Marketing and Sustainability. *World Journal of Social Sciences*, 3(3), 189–196. <https://doi.org/http://hdl.handle.net/20.500.11937/36397>
- Naqash, M. T., & Farooq, Q. U. (2024). Geothermal and Wind Energy: Sustainable Solutions for Pakistan's Energy Economics. *Science and Technology for Energy Transition (STET)*, 79(17). <https://doi.org/10.2516/stet/2024016>

- Laplume, A. O., Sonpar, K., & Litz, R. A. (2008). Stakeholder theory: Reviewing a theory that moves us. *Journal of Management* (Vol. 34, Issue 6, pp. 1152–1189). <https://doi.org/10.1177/0149206308324322>
- Marc Lim, W. (2023). Transformative Marketing in the New Normal: A Novel Practice-scholarly Integrative Review of Business-to-Business Marketing Mix Challenges, Opportunities, and Solutions. *Journal of Business Research*, 160. <https://doi.org/10.1016/j.jbusres.2022.113638>
- McPhee, W. (2014). A new sustainability model: Engaging the entire firm. *Journal of Business Strategy*, 35(2), 4–12. <https://doi.org/10.1108/JBS-11-2013-0106>
- Minina, T. (2024). Understanding How Global Megatrends Affect Marketing Strategies (Focusing on Technological and Environmental Megatrends). *European Journal of Economics and Management Sciences*, 3–8. <https://doi.org/10.29013/ejems-24-1-3-8>
- Munir, M., Arief, A., Furinto, A., & Abdinogoro, B. (2021). Developing Collaborative Sustainability Performance by Stakeholder Management: Role of Stakeholder Value(S). *Journal of Positive Psychology & Wellbeing*, 6(1), 1899–1909. <http://journalppw.com>
- Naqash, M. T., & Farooq, Q. U. (2024). Geothermal and Wind Energy: Sustainable Solutions for Pakistan's Energy Economics. *Science and Technology for Energy Transition (STET)*, 79(17). <https://doi.org/10.2516/stet/2024016>
- Patton, M. Q. (1999). Enhancing the quality and credibility of qualitative analysis. *Health services research*, 34(5 Pt 2), 1189.
- Porter, M. E. (1985). *The Competitive Advantage: Creating and Sustaining Superior Performance*. Free Press.
- Sudirjo, F., Padila, D., & Auliya, S. (2024). Analysis of Environmentally Friendly Product Selection by Millennials and Gen Z in the Indonesian Market. *West Science Nature and Technology*, 2(01), 24–30. <https://doi.org/https://doi.org/10.58812/wsnt.v2i04.753>



UNIVERSITÀ
DI PAVIA



UNIVERSITÀ DI PAVIA
Dipartimento di
Scienze Economiche
e Aziendali

Dipartimento
di Eccellenza
MUR 2023-2027

CIMaR

Consortium for International Marketing Research

May 19-22 | 2025 | University of Pavia
Italy

Abstracts



INSTITUTE FOR
TRANSFORMATIVE
INNOVATION
RESEARCH



CIBER
CENTER FOR
INTERNATIONAL BUSINESS
EDUCATION & RESEARCH



Market Perceptions and Innovation Trends in the Coffee Machines and Grinders Industry: A Cross-Market Analysis

Alessio Travasi¹, Fabio Musso¹

Università degli Studi di Urbino Carlo Bo, Italy¹

Introduction

The Country-of-Origin Effect (COE) has long been recognized as a crucial factor shaping consumer perceptions and purchasing behaviour in international markets. In the coffee equipment industry, including both coffee machines and grinders, Italian brands have built a strong reputation by leveraging a unique combination of heritage, craftsmanship, and technological excellence. However, in an increasingly competitive global landscape – where countries like Germany, the United Kingdom, and the United States also play a dominant role in product innovation and engineering – technological expertise is no longer an exclusive advantage of Italian manufacturers. The present research aims to assess the extent to which Italian companies still retain a competitive edge in this field and how much of their historical advantage has now been disseminated among companies from other countries, including those mentioned above.

This study empirically examines the impact of the Country-of-Origin Effect (COE) on consumer decision-making in both professional and home-use coffee machine markets, with a specific focus on brand equity, consumer ethnocentrism, and competitive differentiation. Through semi-structured interviews with key industry stakeholders and a subsequent thematic analysis, the research seeks to identify the strategic levers that Italian brands can leverage to strengthen their market leadership. In particular, the study explores three core dimensions: i) the influence of COE on consumer perceptions; ii) competitive brand positioning in a globalized market; and iii) the role of product innovation in sustaining long-term differentiation.

Furthermore, this study explores how value co-creation through collaborations between coffee

machine producers and specialty coffee suppliers can strengthen brand positioning and foster product innovation. The findings will provide critical insights into how companies can balance tradition and innovation to sustain a competitive advantage in the evolving global marketplace.

The results aims to provide valuable insights into consumer preferences and industry trends, assisting manufacturers in making strategic decisions.

Theoretical Background

The concept of the Country-of-Origin Effect (COE) has been extensively studied in international marketing and consumer behaviour research (Schooler, 1965; Nagashima, 1970; Bilkey and Nes, 1982; Johansson et al., 1985; Han, 1989; Peterson and Jolibert, 1995; Heslop et al., 1998, Verlegh and Steenkamp, 1999; Usunier, 2006; Merabet, 2020; Tam et al., 2024). The COE is a concept that refers to the impact that a nation's manufacturing environment has on consumer perceptions and purchasing decisions. (Bilkey and Nes, 1982; Han, 1989; Peterson and Jolibert, 1995; Verlegh and Steenkamp, 1999). Various studies suggest that products from certain countries carry a reputation for quality, innovation, or prestige, which significantly influences buyer preferences (Nagashima, 1970; Bilkey and Nes, 1982; Papadopoulos and Heslop, 2014; Roth and Romeo, 1992; Verlegh and Steenkamp, 1999; Pharr, 2005; Merabet, 2020; Tam et al., 2024). COE is a multi-dimensional construct encompassing cognitive, affective, and normative components. The cognitive aspect relates to consumer knowledge and beliefs about a country's production capabilities (Verlegh and Steenkamp, 1999), while the affective dimension pertains to emotional attachment or aversion toward a country's products (Han, 1989). The normative component involves sociocultural expectations and perceived responsibilities in purchasing behaviour (Heslop et al., 1998).

In the context of the coffee machines and grinders industry, the "Made in Italy" label is widely associated with high-quality manufacturing, technological excellence, and aesthetically appealing design (Caiazza, 2016; Poltronieri and Rossi, 2016; Freitas et al., 2024). Italy has a longstanding heritage in coffee culture, being home to some of the most renowned espresso and coffee machine

brands globally. This historical and cultural association fosters strong consumer trust, reinforcing brand equity (Lanfranchi et al., 2016). The Italian label does not merely signify geographic origin but also communicates craftsmanship, tradition, and innovation (Freitas et al., 2024). Companies strategically integrate “Made in Italy” into their marketing to enhance product differentiation and brand positioning in competitive international markets (Caiazza, 2016; Poltronieri and Rossi, 2016; Piancazzo et al., 2024).

A significant body of research explores how country-of-origin perceptions affect brand equity. According to the Brand Equity Model theorised by Keller (2013), factors such as brand awareness, brand associations, perceived quality, and brand loyalty contribute to a company’s overall market positioning. In the case of Italian coffee machines, brand equity is reinforced by historical reputation, customer trust, and product performance (Dearing, 2007; Dube and Dube, 2023; Sestino and Amatulli, 2023). However, challenges arise when competing against brands from other leading manufacturing nations such as Germany, the UK, and the US, which are also known for engineering excellence and technological innovation. Italian brands must continuously innovate while maintaining the heritage-driven premium identity that differentiates them in the global marketplace.

Another key theoretical perspective is consumer ethnocentrism. The Consumer Ethnocentrism Scale (CETSCALE) proposed by Shimp and Sharma (1987), suggests that some consumers prefer domestically produced goods over foreign alternatives due to perceived economic or cultural loyalty. In contrast, cosmopolitan consumers tend to prioritize performance, design, and innovation regardless of origin (Makrides et al., 2022; Samuel and Haozhen, 2024). The present study investigates how these perspectives influence purchasing behaviours in the coffee equipment sector, distinguishing between professional users (e.g., coffee shops, restaurants) and home consumers.

Moreover, competitive brand positioning plays a critical role in shaping market success. The Resource-Based View (RBV) of the firm posits that sustainable competitive advantage arises from unique internal resources, such as superior product design, R&D capabilities, and strong brand image (Wernerfelt, 1984; Barney, 1991; Grant, 1991). The RBV framework underscores the

importance of valuable, rare, inimitable, and non-substitutable (VRIN) resources that allow firms to maintain a long-term advantage over competitors (Barney, 1991; Grant, 1991). Italian coffee machine manufacturers excel in leveraging design expertise, technological innovation, and artisanal craftsmanship as key differentiators (Cappetta et al., 2006; Verganti, 2009). These resources, coupled with strong intellectual property rights and extensive supplier networks, contribute to market dominance (Becattini, 2002). However, sustaining this advantage requires continuous investment in product development, customer experience, and sustainability initiatives (Verganti, 2009).

Finally, the importance of strategic collaborations between coffee machine producers and coffee suppliers is explored within the framework of value co-creation. The Service-Dominant Logic (S-D Logic) theory, proposed by Vargo and Lusch (2004), highlights how value is co-created through interactions between firms and consumers. Successful collaborations between Italian coffee machine brands and specialty coffee producers can enhance brand reputation, create synergies in marketing efforts, and drive product innovation (Caiazza, 2016; Poltronieri and Rossi, 2016; Piancazzo et al., 2024).

Methodology

Data collection was conducted through semi-structured interviews (Kallio et al., 2016), a method particularly suited to the exploration of complex issues in depth and the obtaining of detailed information on specific areas of interest, while maintaining flexibility to adapt to respondents' answers. This type of interview permits the examination of a range of elements pertaining to the structure of corporations. It strikes a balance between the rigidity of a predefined set of questions and the flexibility to pursue emerging themes during the course of the interview (Adams, 2015). The interviews are designed to gather insights into perceptions of the “Made in Italy” brand, competitive brand positioning, and product innovation trends. The questions are categorized based on priority levels to ensure a focused analysis of key themes.

The interviews, which lasted between 60 and 90 minutes on average, were recorded with the consent of the interviewees and subsequently transcribed. Furthermore, the data was augmented with secondary sources. This approach allowed for triangulation of the data and ensured the robustness of the conclusions (Bowen, 2009). The utilisation of secondary sources served to enhance the data collected through the interviews, offering a more comprehensive context and corroborating the information provided by the participants.

The data were subjected to thematic analysis in accordance with the guidelines set forth by Braun and Clarke (2006). This method was selected for its capacity to facilitate an in-depth examination of the qualitative data, enabling the identification of central themes and recurring patterns. Thematic analysis was conducted in accordance with a six-stage process.

In the initial stage of the process, the research team familiarised themselves with the data set by undertaking repeated readings of the interview transcripts in order to gain a comprehensive understanding of the content. In the initial phase, preliminary reflections were recorded in order to identify potential themes that might emerge.

Subsequently, the data was subjected to a systematic coding process, wherein the respondents' responses were segmented into discrete conceptual units and assigned codes based on the identification of recurrent themes, including those pertaining to the distribution of activities, brand visibility strategies, and collaboration networks.

In the third phase, the codes were organised into broader themes, with similar concepts grouped together. In the fourth stage, the identified themes were validated to ensure that they were consistent and distinct from each other. This process enabled the refinement of the themes, thereby enhancing their representativeness with respect to the data collected. In the fifth stage, the themes were defined and named in greater detail, thus ensuring an accurate description of their content and meaning in relation to the research questions.

In the sixth phase, a final report was produced which linked the themes that emerged to the

research questions and provided an interpretation of the location dynamics of fashion luxury companies. NVivo software was employed to facilitate the entire coding and thematic analysis process, thereby ensuring systematic data management and the timely identification of key themes (Zamawe, 2015). The utilisation of NVivo facilitated the organisation and coding of the data obtained from the interviews and secondary sources in an efficient manner, thereby enabling the identification of the relationships between the various themes that emerged from the analysis. This approach facilitated an in-depth examination of the interrelationship between the location of companies and their operations within the luxury fashion industry, enabling the identification of recurring patterns (Edhlund and McDougall, 2019).

Results

The research findings provide valuable insights into the strategic role of branding, competitive differentiation and technological innovation in the coffee machine and grinder industry. The results confirm that the Country-of-Origin Effect (COE) plays a pivotal role in shaping consumer perceptions and purchasing decisions, particularly in markets where heritage, craftsmanship and product reliability are key differentiators. Italian coffee machine manufacturers benefit from a strong brand reputation, with the “Made in Italy” label perceived as a mark of quality, innovation and design excellence. Nevertheless, the study also demonstrates that the COE alone is not sufficient to ensure sustained market leadership. Indeed, competing brands from Germany, the UK and the US have successfully used engineering precision and technological advances to attract global consumers.

In terms of consumer segmentation, the analysis highlights a clear distinction between ethnocentric and cosmopolitan consumers. Ethnocentric consumers exhibit a predilection for domestic products, associating Italian coffee machines with cultural authenticity and craftsmanship. Conversely, cosmopolitan consumers prioritise performance, innovation and design, irrespective of the product’s provenance. This dual consumer profile underscores the need for Italian brands to

adopt diversified marketing strategies that balance traditional brand heritage with modern technological enhancements.

An examination of competitive brand positioning reveals that Italian manufacturers have achieved a successful integration of COE-driven branding with resource-based strategic advantages, including high-end design expertise, substantial R&D investment, and robust supplier networks. Nevertheless, challenges persist in maintaining a premium identity while adapting to evolving market trends, particularly in emerging markets where price sensitivity and digital engagement are becoming increasingly salient.

The role of product innovation in maintaining long-term competitiveness is further emphasised. It is evident that companies that successfully embrace digital transformation, artificial intelligence and sustainability-oriented product design not only improve operational efficiency but also strengthen their brand equity. The strategic collaborations that have been forged between Italian coffee machine brands and speciality coffee producers are of particular significance in this regard, serving as a primary catalyst for value co-creation. These synergies have been shown to enhance market positioning and consumer engagement.

In conclusion, the findings suggest that a dynamic balance between tradition and innovation is essential for Italian coffee machine manufacturers to consolidate their global leadership. It is evident that companies which effectively leverage COE, invest in continuous product development and engage in strategic partnerships are better positioned to navigate the evolving competitive landscape and maintain a dominant presence in both domestic and international markets.

References

- Adams, W. C. (2015). Conducting Semi-Structured Interviews. In *Handbook of Practical Program Evaluation: Fourth Edition*.
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*.
- Becattini, G. (2002). From Marshall's to the Italian "Industrial districts". A brief critical reconstruction. In *Complexity and industrial clusters: dynamics and models in theory and practice* (pp. 83-106). Physica-Verlag HD.

- Bilkey, W. J., & Nes, E. (1982). Country-of-origin effects on product evaluations. *Journal of international business studies*, 13, 89-100.
- Bowen, G. A. (2009). Document analysis as a qualitative research method. *Qualitative Research Journal*, 9(2), 27–40.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101.
- Caiazza, R. (2016). Internationalization of SMEs in high potential markets. *Trends in Food Science & Technology*, 58, 127-132.
- Cappetta, R., Cillo, P., & Ponti, A. (2006). Convergent designs in fine fashion: An evolutionary model for stylistic innovation. *Research Policy*, 35(9), 1273-1290.
- Dearing, A. (2007). Enabling Europe to innovate. *Science*, 315(5810), 344-347.
- Dube, M., & Dube, S. (2023). Towards sustainable color cosmetics packaging. *Cosmetics*, 10(5), 139.
- Edlund, B., & McDougall, A. (2019). *NVivo 12 for Mac Essentials*. Lulu. com.
- Freitas, V. V., Borges, L. L. R., Vidigal, M. C. T. R., dos Santos, M. H., & Stringheta, P. C. (2024). Coffee: A comprehensive overview of origin, market, and the quality process. *Trends in Food Science & Technology*, 104411.
- Grant, R. M. (1991). The resource-based theory of competitive advantage: implications for strategy formulation. *California management review*, 33(3), 114-135.
- Han, C. M. (1989). Country image: halo or summary construct?. *Journal of marketing research*, 26(2), 222-229.
- Heslop, L. A., Papadopoulos, N., & Bourk, M. (1998). An interregional and intercultural perspective on subcultural differences in product evaluations. *Canadian Journal of Administrative Sciences/Revue Canadienne des Sciences de l'Administration*, 15(2), 113-127.
- Johansson, J. K., Douglas, S. P., & Nonaka, I. (1985). Assessing the impact of country of origin on product evaluations: a new methodological perspective. *Journal of Marketing Research*, 22(4), 388-396.
- Kallio, H., Pietilä, A.-M., Johnson, M., & Kangasniemi, M. (2016). Systematic methodological review: developing a framework for a qualitative semi-structured interview guide. *Journal of Advanced Nursing*, 72(12), 2954–2965.
- Lane Keller, K. (2013). *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*. UK: Pearson Education Limited.
- Lanfranchi, M., Giannetto, C., & Dimitrova, V. (2016). EVOLUTIONARY ASPECTS OF COFFEE CONSUMERS'BUYING HABITS: RESULTS OF A SAMPLE SURVEY. *Bulgarian Journal of*

Agricultural Science, 22(5).

- Makrides, A., Kvasova, O., Thrassou, A., Hadjielias, E., & Ferraris, A. (2022). Consumer cosmopolitanism in international marketing research: a systematic review and future research agenda. *International Marketing Review*, 39(5), 1151-1181.
- Merabet, A. (2020). The effect of country-of-origin image on purchase intention. The mediating role of perceived quality and perceived price. *European Journal of Business and Management Research*, 5(6).
- Nagashima, A. (1970). A comparison of Japanese and US attitudes toward foreign products. *Journal of marketing*, 34(1), 68-74.
- Papadopoulos, N., & Heslop, L. A. (2014). *Product-country images: Impact and role in international marketing*. Routledge.
- Peterson, R. A., & Jolibert, A. J. (1995). A meta-analysis of country-of-origin effects. *Journal of International business studies*, 26, 883-900.
- Pharr, J. M. (2005). Synthesizing country-of-origin research from the last decade: is the concept still salient in an era of global brands?. *Journal of Marketing Theory and Practice*, 13(4), 34-45.
- Piancazzo, F., Noris, A., Sabatini, N., & Cantoni, L. (2024). Italy, an Extraordinary Commonplace? Stereotypes and Imaginaries of Italianness in Online Communication by Fashion Brands. *Fashion Theory*, 28(5-6), 755-787.
- Poltronieri, P., & Rossi, F. (2016). Challenges in specialty coffee processing and quality assurance. *Challenges*, 7(2), 19.
- Roth, M. S., & Romeo, J. B. (1992). Matching product category and country image perceptions: A framework for managing country-of-origin effects. *Journal of international business studies*, 23, 477-497.
- Samuel, A., & Haozhen, Z. (2024). The Influence of Country of Origin on Consumer Perception and Purchase Decision: A Review.
- Schooler, R. D. (1965). Product bias in the Central American common market. *Journal of marketing research*, 2(4), 394-397.
- Sestino, A., & Amatulli, C. (2023). RETRACTED CHAPTER: The Issue of Integrating New Technologies in Luxury Marketing: A Literature Review. *New Technologies in Luxury Consumption*, 7-7.
- Shimp, T. A., & Sharma, S. (1987). Consumer ethnocentrism: Construction and validation of the CETSCALE. *Journal of marketing research*, 24(3), 280-289.
- Tam, L., Chon, M. G., & Kim, J. N. (2024). Country-of-origin relationship (CoOR): A relational approach to understanding the association between a multinational company in crisis and its

country of origin. *International Journal of Strategic Communication*, 1-19.

- Usunier, J. C. (2006). Relevance in business research: the case of country-of-origin research in marketing. *European Management Review*, 3(1), 60-73.
- Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for marketing. *Journal of marketing*, 68(1), 1-17.
- Verganti, R. (2009). *Design driven innovation: changing the rules of competition by radically innovating what things mean*. Harvard Business Press.
- Verlegh, P. W., & Steenkamp, J. B. E. (1999). A review and meta-analysis of country-of-origin research. *Journal of economic psychology*, 20(5), 521-546.
- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic management journal*, 5(2), 171-180.
- Zamawe, F. C. (2015). The implication of using NVivo software in qualitative data analysis: Evidence-based reflections. *Malawi Medical Journal*, 27(1), 13–15.

Does Beer consumption Culture differ between countries? A comparative study of Why, When, Where, and How much Beer is consumed in England, Poland, Germany, and China

Adnane Alaoui¹

Liverpool John Moores University, United Kingdom¹

Abstract

As venturing into international markets has become a necessity rather than a luxury for many companies nowadays, a question is whether companies should standardize or adapt their marketing strategies when targeting foreign markets. While previous research investigated why and how much alcohol in general people consumed in a specific country, little was said about the effect culture may have on Why, When, Where, and How much “Beer” specifically Is consumed in different countries. Explanatory variables were used to investigate Beer consumption habits in England, Poland, Germany, and China, and Factor- ‘Analysis was performed to reduce the number of dimensions to four factors. To scrutinize the impact of the consumer's background on these constructs, Structural Equations Modelling (SEM) was conducted, and it revealed that the Consumer's background had a significant Impact on each of these four constructs. Finally, Discriminant-Analysis classified the variables in descending order of their power to differentiate between consumers’ Beer consumption habits in each country. The paper concludes that companies must tailor their marketing strategies to foreign markets, as Beer consumption habits could differ significantly from one country to another.

Humane Entrepreneurship and International Competitiveness: A Multiple Case

Study Analysis

Maria Rosita Cagnina¹, Maria Chiarvesio¹, Fatima Dhab¹, Andrea Moretti¹, Raffaella Tabacco¹,

Martina Tomasetig¹

University of Udine, Italy¹

Abstract

In a rapidly evolving global landscape, businesses are increasingly expected to integrate ethical, sustainable, and human-centric values into their operations. This study explores the influence of Humane Entrepreneurship (HumEnt) on international competitiveness, focusing on its three foundational pillars – entrepreneurial orientation (EO), sustainability orientation (SO), and human resource orientation (HRO). Through a qualitative multiple-case study of five Italian manufacturing firms, the current research examines how these principles enhance firms’ global market positioning while addressing societal and environmental challenges. The findings suggest that firms embracing

HumEnt principles not only achieve competitive differentiation through innovation and sustainability but also build stronger relationships with stakeholders, fostering trust and loyalty in international markets. While adhering to ethical and sustainable practices presents challenges, such as increased operational costs, the integration of HumEnt enhances long-term competitiveness by driving innovation, reducing risks, and aligning with global demands for responsible business conduct. The paper contributes to the existing literature by addressing the gap in understanding the intersection of HumEnt and international competitiveness. From a managerial perspective, the study offers actionable insights into leveraging HumEnt as a strategic tool for fostering international success.

Driving Sustainable Value Creation in International SMEs: the impact of transformative Marketing

Miguel Torres¹, Diala Kabbara², Bruno Barreto de Goés³

University of Kent, UK¹; University of Pavia, Italy²; University of New Haven, USA³

Abstract

This paper develops a conceptual framework for better understanding the role of transformative marketing (TM) in driving sustainable value creation within internationalising small and medium enterprises (SMEs). The study explores how digital transformation, evolving consumer behaviour, and managerial strategies drive transformative marketing adoption by integrating exogenous and endogenous factors. We examine the interplay between external market forces and internal organisational capabilities, highlighting SMEs' need to adopt innovative, ethical, and customer-centric marketing strategies. Transformative marketing enables SMEs to enhance their international competitiveness while addressing social and environmental challenges. Our study also identifies key challenges, including resource constraints, technological adaptation, and market uncertainties, that SMEs must address to implement transformative marketing effectively. The proposed framework serves as a foundation for future studies, offering insights for academia and practice.

Social and technological drivers in transformative advertising: Exploring individual and collective impacts of femvertising campaigns

Michela Matarazzo¹, Charles Hofacker², Simone Guercini³, Silvia Ranfagni³, Surat Teerakapibal⁴

Guglielmo Marconi University, Italy¹; FSU College of Business, Florida²; University of Florence, Italy³; Thammasat Business School, Thailand⁴

Abstract

This research examined how an ad campaign invoking sustainability and femvertising, and utilizing celebrity endorsements, played out on the social media platform X (Twitter) through user generated comments. Utilizing a hierarchical Bayes model on a database of over 100,000 posts, the study

scrutinized viewer feedback to the “Prada Paradoxe” campaign with Emma Watson to understand the positive and negative consumer resonances with the campaign. We explored a conceptual model for the impact of both technological and social factors on viewer engagement and sentiment. Results revealed that smartphones play a subtle role, with brand name systems like iOS being connected to users expressing more positive emotions. Perversely, the number of followers of a user was connected to negative sentiment. Overall our goal was to provide insights beneficial for international marketers aiming to shape genuine connections and resonate authentically with global audiences.

Quantification of Cultural Practices: An Empirical Experiment with Generative Artificial Intelligence

Wolfgang Messner¹

University of South Carolina, United States of America¹

Abstract

Culture is often viewed as a value system that shapes cultural practices. Frameworks like Hofstede and GLOBE identify and quantify various cultural dimensions; however, these rely on surveys that are criticized for limited country coverage, lack of psychometric robustness, small sample sizes, and cultural biases. This article presents an empirical experiment designed to quantify cultural practices across 216 countries and territories by prompting large language models using a zero-shot learning strategy. This approach enables subnational and segment-specific analyses, equipping researchers with powerful tools for deeper cultural insights.

Purpose in internationalization: Towards a broader perspective

Susan Freeman¹, Simone Guercini², Mikael Hilmersson³, Matilde Milanesi², Andrea Runfola⁴

¹University of South Australia¹; ²University of Florence, Italy²; ³University of Gothenburg, Sweden³;

University of Perugia, Italy⁴

Abstract

Companies are increasingly urged or required to expand their focus beyond profitability, creating value by addressing pressing societal challenges. This broader perspective extends to business internationalization, where expansion efforts are driven by greater purposes beyond mere growth and profit. This conceptual paper aims to spark a discussion on the purposes behind firm internationalization and examines the connection between internationalization and purpose. Given current geopolitical tensions, trends of deglobalization and decoupling, and rising concerns about sustainability, companies face significant challenges and complexities when seeking to internationalize while pursuing objectives beyond growth and profitability.

Scaling Process of Digital Firm: An International Marketing Perspective.

Margherita Milotta¹, Giuseppe Pirrone², Birgit Hagen²

University of Milan, Italy¹; University of Pavia, Italy²

Abstract

This study explores (international marketing) strategies of digital platform-based scaleups focusing on critical factors that drive successful international scaling. Utilizing a longitudinal multiple case study design, we analyze two Western companies in the tourism and digital payment sectors, tracing their growth from 2006 to 2023, to understand how (marketing) strategies affect and influence international scaling. Our findings underscore the importance of identifying global unmet needs, the adoption of a hybrid strategy of global replication with local responsiveness, and the leverage of partnerships for rapid and sustainable growth. Strategic agility—rapidly responding to and anticipating market demands—emerges as critical for scaling. Finally, drawing on Ansoff's (1965) product-market matrix, we argue that it is important to adopt circumcentric growth, employing different combinations of growth strategy over time, to pursue and sustain international scaling. Our study also highlights tensions in international marketing strategies, suggesting avenues for future research. We contribute to the nascent literature on international scaling by detailing the unique processes and strategies that facilitate this challenging yet rewarding endeavor. Furthermore, we enhance international marketing literature by demonstrating how established paradigms can be adapted to the context of international scaleups.

The Influence of Country-of-Origin and Sustainability Cues on Willingness-to-Pay: Conceptual Model and Empirical Test

Chiara Scrimieri¹, Adamantios Diamantopoulos², Michela Matarazzo³, Alberto Pastore¹

Sapienza University of Rome, Italy¹; University of Vienna, Austria²; Marconi University of Rome,

Italy³

Abstract

The influence of country-of-origin (COO) and sustainability cues on consumers' willingness to-pay (WTP) for branded products has not been fully elucidated in international marketing literature, with extant findings painting a contradictory picture. Drawing on cue utilization theory, signaling theory, and attribution theory, we develop and test a conceptual model for understanding how WTP for a brand is affected by COO and sustainability cues. We find that these cues have both direct and indirect effects (through consumer perceptions of product sustainability) on WTP and that they should be considered in conjunction when developing brand strategies.

A co-creational perspective of corporate heritage branding in international markets: the case of Amaro Montenegro

Federica Sacco¹, Giovanna Magnani¹, Antonella Zucchella¹

University of Pavia, Italy¹

Abstract

Corporate heritage brands face unique challenges when managing their identity across diverse international markets, where cultural differences significantly influence the perception of their history and values. This study examines how the international reach of a heritage brand, using Amaro Montenegro as a case, impacts its brand heritage stewardship and co-creation processes. By focusing on the brand's marketing activities in both its home market, Italy, and a foreign market, the U.S.A., the research explores how cultural differences—especially in perceptions of time and symbolic meaning—shape the communication of heritage. Through a longitudinal, exploratory case study, combining primary interviews and secondary social media data, the study aims at revealing how a brand's heritage can be adapted to resonate with local cultural contexts while maintaining its core values. Findings will shed light on the delicate balance between safeguarding long-term brand equity and responding to global consumer demands, providing valuable insights for managing heritage in international markets.

From Scandals to Sustainability: Redefining International Marketing in the Fight Against Corruption

Sergio Ernesto Valentini¹, Antonella Zucchella²

Transparency International Italia, Italy¹; University of Pavia, Italy¹

Abstract

The interplay between international marketing, societal outcomes, and economic objectives is increasingly critical in a world grappling with sustainable development and ethical business practices. While international marketing strives to restore trust amid rising scandals and accusations of whitewashing, systemic corruption remains a major challenge, undermining both business credibility and societal well-being. Despite its pervasive impact, corruption is insufficiently addressed in literature. Current metrics are questioned or insufficient (Transparency's CPI and Bribe Payers Index, Eurispes, etc).. Remarkably, the United Nations Sustainable Development Goals (SDGs) omits a specific target to combat corruption! Nevertheless, the topic of corruption is high on the agenda of all the major international fora (G7, G20, UN, OECD, OCSE) and ranks high in government priorities and strategies: Xi Jinping reiterated China's commitment to eradicating corruption in January 2025, while Donald Trump issued on February 10th, 2025 a controversial executive order to review and suspend the US enforcement of the OECD Convention against bribery and corruption on the ground it hinder US companies ability to compete globally). Recent governmental and business efforts, such as discussions within the OECD and inclusion in G7 and G20 agendas, the inclusion of anti corruption policiess in governance activities etc, underscore its urgency. This paper explores the interdisciplinary dimensions of corruption, spanning legal, managerial, geopolitical, and ethical perspectives, and highlights its implications for international

marketing as companies use corruption as a competitive tool. The analysis emphasizes the need for compliance awareness raising and information in international marketing activities practices aligning with societal expectations, foster sustainable value creation, and address tensions between economic gains and societal responsibilities. Training in theory on why companies and management do not comply with the law is available but seldom taught at university or in companies, if not ignored altogether. By actively combating corruption and fostering ethical practices, companies can enhance their longevity, attract talent, and maintain competitiveness in a globalized economy.

Cooperation between business, institutions, academia and NGOs is still lacking but can lead to substantial improvements in this field.

Improving the Support Continuum for Firms Going Global

Sophie Veilleux¹

¹Laval University, Canada

Abstract

Business accelerators and incubators support the growth of businesses, but a lack of knowledge remains regarding their contribution to the performance of these businesses in the international market. This study explores the best practices in providing support for the development of knowledge and skills to foster the success of firms on the international scene. It combines a review of the recent literature and a qualitative study involving 17 case studies of Canadian business accelerators and incubators. The support practices are thus presented in detail and sequenced based on the knowledge and skills they can help develop: training, coaching, networking, financial support and events. The impact of these practices on the speed, intensity and diversification of the internationalization process is represented in an integrative conceptual framework.