Corporate Social Responsibility and Market Orientation in an Emerging Economy: Relationships and Outcomes

Reto Felix

Abstract Corporate social responsibility (CSR) can elicit favorable responses from stakeholders toward the company and may positively influence market share and profits. However, it is not clear if a CSR-based stakeholder approach may affect the focus on customers and competitors (i.e., a market orientation) in a negative way, or if companies can maintain high levels of CSR and market orientation simultaneously. This research tests the relationship between CSR and market orientation based on a sample from marketing managers of Mexican companies and embeds it into a larger managerial framework. The results from structural equation modeling based on partial least squares (PLS) suggest that those companies with advanced CSR programs are also the strongest on market orientation. That is, the relationship between CSR and market orientation seems to be synergistic rather than detrimental. Further, this research tests the relationship of CSR and market orientation with other relevant variables, such as innovation, company reputation, and employee commitment. Implications for marketing theory and practice are discussed.

References: Available upon request