

Market-Driven Management, Global Competition and Corporate Responsibility

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Abstract

The aim of the paper is to define the role of corporate responsibility in sustainable development of global firms. To be successful, global firms must be on the alert of emerging environmental trends and do their best to improve the corporate performance in line with key stakeholder expectations. In this respect, the management of corporate social responsibility highlights the criticality of the corporate intangible assets system and the need for overall assessment of corporate performance - not only financial performance but social too.

Keywords: Market-Driven Management; Corporate Responsibility; Corporate Social Responsibility; Intangible Assets; Global Markets

1. Global Markets and Corporate Responsibility

In global markets, companies adopt a competitive market-driven orientation¹. This requires, above all, constant attention to competitor moves and demand requirements, and secondly, conveys ‘the implication ... that a business is, to some extent, receptive and responsive to any stakeholder or issue that may affect its long-term performance’² or, in other words, a commitment to respond to the needs of any factor which may influence long-term corporate performance.

This strategy is therefore aimed at harmonising an internal efficient operational corporate aspect with an external aspect, given on one side its ability to acquire and renew, over time, sources of competitive advantage, and on the other side the target of maintaining the superiority gained over the competitors.

This requires continuous interaction by the company and involves a number of stakeholders with whom a network of relationships must be established³. The company is effectively continuously striving for approval and competitive, social and institutional establishment within its own reference environment. Its growth develops around a never-ending exchange with other players in the market and this

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exchange network is achieved in the context of relationships between the company and its stakeholders, which begin and then carry on through communications⁴. Therefore, the strategic role of communication as a fundamental tool in coordinating a company's relationships is clearly understood⁵. Communication acts both internally, within the company (by influencing organisational activities, restraining conflicts, developing cohesion and a sense of belonging to the company) and externally (as a tool to build a positive image and visibility within the market, to develop the company's identity, strengthen or change its positioning and create an approving attitude).

The company's development drivers can also be analysed from the point of view of managing competitive relations; in order to survive, firms focus on⁶:

- Reconfiguration of their value chain (*business relations*): a company's competitiveness and its distinctive capabilities⁷ are increasingly not only based on efficiency in combining productive factors but also depend on the assets which the company itself acquires through interactions with other companies (agreements, partnerships, alliances, etc.).
- New methods to approach the market (*market relations*): the company pays increasing attention to the market as a whole, establishing a trend which focuses on competitors, demand, environmental macro-trends and the other players on the market (market-driven management⁸).
- Development of organisational capacity (*internal relations*): innovative organisational paradigms emerge, with human resources at their very centre with all their skills, competencies, ideas and motivations⁹.
- Recognition of a company's social role (*social and institutional relations*): taking charge not only of economic-legal, but also social-environmental, responsibility.

As regards this last development driver is concerned, it must be emphasised how the role of companies in society has always been a subject of study and, particularly, *corporate responsibility* has always been analysed from a number of perspectives: economic, political, corporate, ethical, etc. And, possibly, due to the multiple keys of interpretation, a unanimous and shared definition has never been reached. From the viewpoint of management, a distinction is usually made between: economic responsibility, associated with the need to produce value and employment and closely linked to the economic function; legal responsibility, which is mandatorily envisaged by existing regulations and related sanctions; and finally, environmental, social, ethical, philanthropic or discretionary responsibility for the social effects of the company's activities. In particular, if in stable competitive environments, the company is mainly focussed on carrying on production and, as a result, economic responsibility is at the forefront of its attention, in more dynamic and competitive environments, it also becomes necessary to recognise and demonstrate social forms of responsibility, as it was the case for Unilever.

□ *Patrick Cescau, CEO of Unilever, states that social responsibility: 'Isn't philanthropy, it's business. For us, social responsibility is about*

*creating social benefits through our brands and through our interactions as a business with society. It's the business of doing business responsibly. The business case for corporate responsibility can be summarized in four ways: sustainable development, building reputation, growing markets, and fuelling innovation*¹⁰.

The primary objective of any company is to achieve its own mission by directing all its available resources towards pursuing profit and efficiency. These are both necessary conditions which are however not sufficient to survive and develop in the long term in the current competitive scenario. Without recognising its responsibilities, a company is unable to successfully carry on its own economic-social role. Corporate responsibility, or in other words, the commitment by a company to answer for its business and any associated economic and social effects, makes it possible to base the business-environment relationship on the cost effectiveness and sociability of its corporate actions. This does not mean simply carrying out sporadic efforts of corporate giving, sponsorship or cause-related marketing. It also means including the process of defining and taking on specific corporate responsibilities in the strategic decision-making process, so that - through its operational choices and conduct - the company aims to satisfy three conditions at the same time (i.e. *Triple Bottom Line*): the creation of financial-corporate revenues, a key condition for survival (*financial result*); limitation of the environmental impact of corporate decisions (*environmental result*); and satisfaction of the main corporate stakeholder expectations (*social result*).

As a result, the identification of specific corporate responsibilities, demonstrated and appreciated from all viewpoints (economic, social, environmental), becomes a corporate process (*corporate responsibility management*¹¹) through which the company can be run and coordinated, notwithstanding the difficulties represented by strong market dynamism and instability, the different stakeholders it comes into contact with, and the global geographical spread of its activities

2. Corporate Responsibility and the Corporate Intangible Assets System

In global markets, a company develops continuous interactions with stakeholders of different nationalities, languages and cultures. To achieve its own corporate mission and direct available resources towards pursuing profit and efficiency, a company tends to create stable and collaborative ties with the demand, suppliers, distribution and other key players within its environment. This might often even include its own direct competitors. As a matter of fact, learning activities have a central position in a market-driven company. Its acquisition is based specifically on the company's ability to maintain relationships which generate new knowledge and to dynamically encode and transmit this internally. Knowledge, learning and relationships represent a large slice of the intangible part of corporate assets. In particular, in current markets, corporate intangible assets play a key role¹² i.e. those sophisticated management factors represented by the entirety of the knowledge that the company has collected and the set of channels which allow the company to

acquire critical information. These intangible assets influence the success of corporate management, contributing to creating value for the company and the external environment and leading to develop corporate performance (understood as a positive result for a wide range of parties: customers, suppliers, shareholders, co-makers, etc.)¹³.

Within these corporate intangible assets it is possible to identify a system (the corporate intangible assets system) made up of three components, where each one gains value from the others. This corporate intangible assets system is based on:

- Spreading and sharing a solid corporate culture within the organisation¹⁴ based on a system of values in line with those present in the social environment.
- Having an effective information system capable of dynamically transferring, within the company itself, information flows concerning knowledge generated by a set of established relationships.
- Building brand equity¹⁵, whose relationship value is firstly vis-à-vis the market, but which is just as important in relations with other corporate partners¹⁶.

Every intangible asset contributes capabilities to the company it belongs to, not only autonomously but especially when it is related to others¹⁷. Thanks to the connections that exist between corporate culture, information system and brand equity, a company can be present in an enlarged competitive space in which the speed of processes and activities influences significantly corporate competitiveness.

Corporate responsibility integrates with the corporate intangible assets system to allow the goals of functional effectiveness and creation of an acceptable degree of profitability to be reconciled with the need for sustainable development, based on a solid system of relations with key stakeholders.

The coordinated management of a company's own corporate responsibilities (*corporate responsibility management*) and the corporate intangible assets system makes the development of corporate business possible in global markets that feature a range of players with different demographic, economic, religious, ethical and cultural backgrounds. Thus, we can talk of *cross-cultural corporate responsibility*, or the corporate responsibility system which unequivocally allows the nurturing of relationships with stakeholders of differing race, culture and values, based both on a clear definition of the corporate culture, brand equity and information system, as well as of procedures to spread and plan these resources at all levels of the organisation. Corporate intangible assets may actually be managed without any particular geographical operational limits¹⁸; a company may, for instance, develop an identical corporate culture in different countries and facilitate the diffusion of such a culture by introducing a policy of rotating trained managers¹⁹ in new branch offices.

2.1 Corporate Responsibility and Corporate Culture

Several definitions of corporate culture exist in literature²⁰. Most refer to a shared system of values, beliefs, customs and attitudes which develop within a company, whilst - in other cases - it is understood as a set of meanings which allow the members of a group to interpret their own environment and exert an effect upon it²¹. Schein described corporate culture as ‘... a set of basic assumptions – invented, discovered or developed by a group whilst learning to face its own problems of adapting to the external world and integrating with it – which have proven to be so functional to be considered valid and, hence, to be recommended to all those entering the organisation as the correct way to perceive, think and feel in relation to those problems’²². The author upholds that the concept of culture extends to various levels: the *tacit shared assumptions*, or basic thoughts which are unconscious yet permeate the entire organisation; the *stated values*, or strategies which steer the decisions and behaviour of individuals belonging to the organisation towards the achievement of corporate targets; and finally, the *artefacts* comprising the organisational framework and processes visible in a company. The distinction between these three levels of analysis allows us to understand the complexity implied by the very notion of corporate culture; culture which varies according to each transformation that occurs at any level of belonging, and consequently highlights its dynamic quality. If organisational culture can indeed be seen as the result of an internal learning process, shared by a group and linked to the set of solutions to particular problems which arose over a period of time and which have been shown to be the most suitable to ensure company survival and development (organisational routine²³), then corporate culture is the result of an exchange with the environment and assumes its own strategic importance according to how prepared its reference public is to be both aware of it and appreciate it.

A responsible corporate culture develops a common orientation within the company regarding its ability to deal with the problems of interacting with the outside world, and internal integration in order to build a specific strong corporate identity. In short, through the creation of a precise corporate identity, the declaration of a particular mission and the planning of a specific vision, corporate culture represents the decisive element behind the existence of a high degree of agreement with internal stakeholders who identify with it and external stakeholders who perceive it. A mission statement, as well as informing all stakeholders as to why the company exists and how it intends to develop relations with its surrounding environment, is also at the bulk of the corporate positioning. Its vision²⁴, on the other hand, represents the future planning of the company - where it wants to go in the long term, and its component parts are: the dream, i.e. the great goals to be achieved which are rarely revealed, the time horizon for these targets and, finally, their operational span.

A responsible company will choose guideline values on which to base its culture in relation to the strategic goals it pursues and the expectations of its key stakeholders. Therefore, in the first instance, a company defines its commitments and responsibilities towards its stakeholders through its mission statement and,

thereafter, promotes the principles and values previously established using tools, such as a code of ethics, a code of conduct²⁵ or other official documents that help raise awareness among collaborators of its recognised corporate responsibilities. Indeed, corporate culture provides the members of an organisation with a set of reference values which will guide their behaviour, giving tangible form to managerial processes which penetrate the corporate organisation at all levels and help to characterise the company in its global context²⁶.

Corporate culture is not simply the result of adapting to environmental conditions, i.e. a variable of adaptive nature, but rather the result of specific strategic choices aimed at making full use of the set of relationships that a company establishes with its stakeholders whilst also highlighting its related corporate responsibilities. Hence, numerous aspects²⁷ or areas can be identified within the corporate culture:

- *Internal*: concerning relations with employees and aimed at creating alignment in the pursued and uniformity in behaviour.
- *Integration*: aimed at recomposing the cultural diversity typical of the several local environments in which the company acts in order to map out a single line of development. This is a logical consequence of the outside-in management approach²⁸ typical of global markets which requires information and signals to be collected from outside the company and transferred inside, in order to facilitate ways of sharing knowledge about the market and steering future conduct²⁹.
- *Brand responsibility*: relating to the connection with intermediate and final demand and which can be traced to a set of obligations that the company must meet to acquire assets such as credibility, legitimacy and affection in the eyes of consumers³⁰.
- *Ethics*: aimed at creating a favourable attitude among institutions and the mass media. Clearly, the chances of cross-cultural conflicts arising as a result of ethical issues have increased following the growing geographical spread of corporate operations. Reasons for conflict may arise from different customs and habits among those stakeholders with whom the company deals and - above all - on the basis of which it is judged by public opinion. A global company tries to safeguard itself against these ethical conflicts by establishing and adopting a code of conduct³¹ which sets out the standards of behaviour for the members of organisation, irrespective of the country they are from. By clearly setting out the principles and regulations to be followed in specific corporate day-to-day situations, it will be easier for employees to know how to act and be able to recognise any behaviour which is inconsistent with standard conduct, regardless of the cultural environment they belong to. A code of conduct actually makes it possible to establish a system of corporate self-control.
- *Transparency*³²: aimed at shareholders and investors who would like to have a complete understanding of corporate management and conduct to better manage and safeguard their investments. A company often clearly asserts its commitment to transparency in procedures and economic-financial

communications and transparency is indeed a value frequently referred to in principles of governance, corporate social accounting and codes of ethics³³.

- *Networking*: linked to the relationships with co-makers and commercial partners and targeted at coordinating the numerous competitive relationships set up between themselves and the company.

Corporate responsibility acts on each one of these areas as it expresses the obligations which a company undertakes towards each key stakeholder. Similarly, it is influenced by these obligations as - within the corporate responsibility management process - corporate culture will drive the identification of 'competency responsibilities'³⁴ which must be aligned with the very values upon which it is based.

2.2 Corporate Responsibility and Information System

A corporate information system is an arrangement comprising people, processes, IT equipment and communications tools, aimed at collecting, selecting, analysing, evaluating and publishing data and information flows used as a support during decision-making processes³⁵.

In current competitive environments, the role of knowledge is becoming critical and consequently an effective and efficient information system, capable of rapidly transforming external data into internally useful information, is an absolute must. An IT system carries out its function not only in the process of acquiring and evaluating data and information, but also in the strategic coordination of information flows transmitted by the company into the surrounding environment, i.e. direct communications with the external world, including broadcasting of news concerning responsibilities undertaken by the company. Corporate communication, as a driving process aimed at gaining consensus and resources for the company's proposed project³⁶, is responsible for spreading a lot of useful information to raise company visibility among players in the competitive environment and convince them as to specific corporate behaviour. Hence, the purpose of the corporate information system is also to organise the flow and content of such communication in order to facilitate its transmission (in the most suitable way) to a company's reference public and avoid any potential risk of contradiction.

The management of the intelligence subsystem - or in other words, sources and techniques which allow management to understand their reference market by constantly analysing the evolution of the economic, social, political and technological environment in which the company operates - is of strategic importance within the corporate information system. In particular, the competitive intelligence activity is the systematic collection, transformation, interpretation, analysis and diffusion of precise and timely information about competitors and the external environment. The aims of competitive intelligence are linked to the reduction of corporate risk, the generation of new knowledge, the removal of useless or surplus information and data, and the protection of privacy and strategic information³⁷.

The information system plays an essential role in two instances during the corporate responsibility definition and management process. First of all, during the monitoring of social issues when environmental changes and developments, which could generate new expectations among the company's critical stakeholders, must be understood and seized by the company before the competitors. At this stage, both a precise identification of information sources and an in-depth knowledge of the company and the sector to which it belongs to are necessary elements. It is indeed proven how sectors are differentiated by the different levels of corporate responsibility perceived by public opinion.

□ *International research carried out into the subject of corporate social responsibility by CSR Monitor Eurisko in 21 countries over 5 continents, and promoted by the Canadian Institute GlobeScan, brought to light two trends. First of all, there has been growing criticism over the years towards the world of private business, and secondly, attention has been drawn to the existence of sectors marked by a high degree of perceived corporate irresponsibility - for instance, the oil and tobacco sectors worldwide and, in particular, in Italy the banking and pharmaceutical sectors³⁸.*

It is therefore crucial for a company to know the perception of the level of corporate responsibility attributed to the sector to which it belongs in order to be able to put in place policies of social responsibility able to counter these negative opinions. It may also be useful to find out about the activities carried out by competitors in the social field by analysing their annual reports and press releases or collecting news items distributed by the mass media.

Moreover, an information system allows a company to transmit information linked to communicating corporate actions of responsibility; stakeholder unawareness of these activities constitutes a big obstacle to their ability to react and may even make the effects of corporate responsibility management useless.

2.3 Corporate Responsibility and Brand Equity

Brand equity³⁹ is based on a set of elements which add or detract value from the brand itself, whether this is considered as being the company as a whole, or a single product which the company sells and which is purchased by consumers⁴⁰. It is of vital importance for the company to carefully analyse the brand equity formation and preservation process in order to identify the basic mechanisms that nourish the process⁴¹. The starting point of the brand equity creation process is the clear definition of brand identity⁴². This provides a reference framework for the actual brand itself and dictates product positioning in the minds of set target groups⁴³. Identity comprises a central part (*brand core*), which is strictly linked to the company's history, culture, personality of its founder and the people who have run it, and a much broader identity (*extended identity*) which adds elements which give the brand flexibility and adaptability to the trends of the economic-social context⁴⁴. This is the component which suffers the most from the existence of global markets with strong straits of multiculturalism and on which corporate responsibility plays a

direct effect. Indeed, a clear definition of corporate responsibility allows environmental values to be incorporated into a company's own brand identity, and those to be left aside, to be judged accordingly. It should be stressed, however, that the greatest impact of corporate responsibility is reflected at a corporate brand level. On this subject, there is evidence⁴⁵ of how social responsibility policies provide elements for a favourable overall judgement of the company, rather than describing or qualifying the attributes of a product.

There are a certain number of expectations linked to the brand from both stakeholders and, in particular, from the demand. As such, there is an inherent promise in it which, in turn, translates into a real system of responsibilities; structured as a series of obligations regarding consistency, continuity and social-cultural guarantees necessary to build and maintain lasting relationships with stakeholders⁴⁶. Every brand responsibility system is unique in the promise it bears and also in the loyalty structure it creates with its 'community'. If they have faith in the company, they will choose it when making their purchases⁴⁷. Loyalty can be assimilated within a cognitive scheme which allows us to forecast consumer behaviour and response and also helps the company to stabilize its relations with the consumer⁴⁸.

In current competitive environments, companies are aiming to create *global brands*⁴⁹, or relationships with reference markets that stretch beyond any existing space-time boundary or geographical, cultural or social barriers. As such, corporate responsibility management contributes to strengthening the sense of belonging to the company and raises awareness of the company - especially for stakeholders sensitive to social themes (the government, public administration, mass-media, consumers). Carrying out of responsible corporate conduct tends to positively influence how stakeholders evaluate the company. Corporate responsibility management preserves the value of brand equity built up over space and time and prevents doubts as to the company's inadequate attention to the social environment in which it grows and develops. Therefore, corporate responsibility contributes towards building or improving those relations that the company builds with its own stakeholders and has a positive effect on the corporate brand. Some researchers⁵⁰ even talk about the convergence of branding and corporate social responsibility. The reasons which drive companies towards this convergence are associated with the recognition of the promise inherent in the brand, the preservation of customer loyalty and the potential amplification in benefits resulting from the social responsibility programmes it has put in place. In particular, if the promise inherent in the brand does not correspond with corporate behaviour, critical corporate situations could emerge as a consequence. The stronger and more solid the brand, the greater will be the influence of any negative reaction by stakeholders and any claims or complaints they might have against the brand. Corporate responsibility management provides a valid support to avoid this from happening, by allowing the company to control present stakeholder expectations, predict future expectations and by favouring the economic-social legitimization of the company. By carefully managing its responsibilities, a company will be able to implement the most suitable policies in answer to identified social issues, by keeping the needs of key social groups under check and, obviously, by being aware of the urgency and importance of such needs. In doing so, the company

will be able to strengthen both relations with its stakeholders and its own corporate brand.

The tie between stakeholders, brand and corporate responsibility is explained in *'the branding law of corporate social responsibility'*⁵¹, according to which the importance of social responsibility in any company is directly connected to - and proportionally increases - with the value of its global brand. The stronger the ties a company has with the global market, the greater the strategic importance of responsible corporate conduct will be; behaviour capable of taking into consideration and managing to its advantage the cross-cultural differences that exist in the external environment.

The development and preservation of a global brand requires a dual analysis: both internal and external. In the first place, internal analysis is needed in order to define the brand strategy to be implemented, together with brand design, brand identity, its positioning and the planning required to decide the marketing tools and actions to be used. At the same time, external analysis is also needed to assess the cultural diversities present in the surrounding environment and potential variations in brand perception that may arise from them⁵². Both analyses are carried out with reference to the recognised corporate responsibilities which, in turn, are strictly connected to the global brand. For this reason, it may be appropriate to create a role within the organisation (a CSR officer or CSR manager) whose job is to implement corporate responsibility management by interfacing with the CEO.

In the process of identifying and coordinating corporate responsibilities, brand equity is the main output as is the result of the alignment of corporate performance and stakeholder expectations and acts as a catalyst for other competitive advantages⁵³. Obviously though, brand equity is also an element which initiates this process, as the expectations of groups related to the company will be tailored to the perception (corporate image) of the company that they had in the past.

3. Market-Driven Management, Corporate Responsibility and Global Competition

In the global market economy, relationships between companies and society are characterised on the one hand by how they manage the diversity of the social and environmental systems with which they deal and, on the other, by the competitive pressures linked to the stakeholder system⁵⁴. A criticism often made to globalisation claims that the overriding attention given to targeting profit has led global businesses to set up in countries in which they can gain advantage by exploiting 'questionable' local conditions such as, for example, lax environmental legislation, corruption of public authorities, child labour, etc. The different views of these ethical issues derive from social, cultural and economic factors which are heterogeneous to one another⁵⁵ and which create a series of problems in the management of global businesses. To answer to any cross-cultural, ethical conflicts, companies may adopt corporate strategies which go from adapting to local ethical standards to accompanying and defending universal ethical principles.

□ For instance, Levi Strauss decided to abandon China, putting an end to many trade agreements with local businesses, because of the problems linked to the lack of respect for human rights. On the contrary, Motorola has accepted the widespread local practice of gift giving in Asian countries, for the sake of being able to continue to work in those areas⁵⁶.

Moreover, recent scandals about companies that have acted irresponsibly have led to growing attention to the adoption of international standards of corporate conduct.

In global markets, the corporate responsibility management process is able to bring together the various tensions deriving from these claims and criticisms. In particular, on the one hand, it highlights the criticality of the corporate intangible assets system and, on the other, the need for overall assessment of corporate performance - not only financial performance but social too.

Social responsibility activities undertaken by companies actually allow them to define their corporate social performance⁵⁷ on the basis of the company's ability to know how to meet its stakeholder expectations by solving social issues. A company can decide to listen to the requests of the local communities where it is present in order to obtain the legitimacy and consent necessary to continue to operate in those environments. Furthermore, some studies⁵⁸ show how stakeholders sometimes also rely on the attributes of social performance to make an overall appraisal of a company. Excellent social performance creates intangible assets which are hard to copy and increase a company's competitive advantage.

Investing in socially-responsible activities can lead to the creation of 'moral capital', which improves the image of a global business compared to that of its competitors and may be seen as a company-specific asset. This stimulates the geographical expansion of the corporate business, facilitating the acquisition of country-specific assets, consumer loyalty and improved ability to attract skilled motivated human resources⁵⁹.

An understanding of the connection between corporate responsibility and the competitive environment allows companies to identify where to focus socially-responsible policies and optimise the return on these policies. The corporate intangible assets system makes it possible to coordinate corporate activities in a global competitive space, and a company's social responsibility management process reconciles the need to create revenue and sustainability, with the improvement of the social and environmental conditions of the different markets where it is present and where it interacts with its stakeholders.

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Notes

¹ See S.M. Brondoni, Market-Driven Management ed economia d'impresa globale, in S.M. Brondoni (ed.), *Market-Driven Management Concorrenza e Mercati Globali*, Giappichelli, Turin, 2007; J.J. Lambin, *Marketing strategico e operativo. Market-Driven Management*, McGraw-Hill, Milan, 2004; F.J. Webster, *Market-Driven Management – How To Define, Develop And Deliver Customer Value*, John Wiley & Sons, New York, 2002; G.S. Day, *Market Driven Strategy, Processes for Creating Value*, The Free Press, New York, 1999; B.J. Jaworski-A.K. Kohli, *Market Orientation: Antecedents And Consequences*, in *Journal of Marketing*, July, 1993.

² See J.C. Narver-S.F. Slater, *The Effect Of Market Orientation on Business Profitability*, in *Journal of Marketing*, October, 1990, p. 34.

³ See E. Gummesson, *After Relationship Marketing, CRM and One-To-One: Many-To-Many Networks*, EMAC 2005 Conference Proceedings.

⁴ See S.M. Brondoni, *Comunicazione, risorse invisibili e strategia competitiva d'impresa*, in *Sinergie*, n. 43/44, 1997.

⁵ See A Pastore.-M. Vernuccio, *Impresa e comunicazione. Principi e strumenti per il management*, Apogeo, 2008.

⁶ Ibidem.

⁷ See G.S. Day, *The Capabilities of Market-Driven Organizations*, in *Journal of Marketing*, vol. 58, 1994.

⁸ See S.M. Brondoni, *Market-Driven Management ed economia d'impresa globale*, cit.

⁹ This actually moves 'from 'Product Management' and from 'Country Management' to 'Resource-Based Management', which focuses key-resources on a reduced number of people, with profiles that very closely fit an international corporate mission.', See S.M. Brondoni, *Market-Driven Management ed economia d'impresa globale*, cit., p. 42.

¹⁰ See *Strategic Direction*, vol. 23, n. 9, 2007, pp. 21-24, p. 21.

¹¹ See E. Arrigo, *Responsabilità aziendale e performance economico-sociale*, Giappichelli, Turin, 2008.

¹² See S.M. Brondoni, *Prefazione*, in S.M. Brondoni (ed.), *Il sistema delle risorse immateriali d'impresa: cultura d'impresa, sistema informativo e patrimonio di marca*, Giappichelli, Turin, 2004.

¹³ Ibidem.

¹⁴ See S.M. Brondoni (ed.), *Cultura di network, performance e dinamiche competitive*, cit.

¹⁵ See S.M. Brondoni, *Patrimonio di marca e risorse immateriali d'impresa*, Giappichelli, Turin, 2004.

¹⁶ See S.M. Brondoni, *Market-Driven Management ed economia d'impresa globale*, cit.

¹⁷ See S.M. Brondoni (ed.), *Il sistema delle risorse immateriali d'impresa: cultura d'impresa, sistema informativo e patrimonio di marca*, cit.

¹⁸ Ibidem.

¹⁹ See E. Arrigo-F. Codignola, *Imprese globali e cross-cultural management* in S.M. Brondoni, (ed.), *Cultura di network, performance e dinamiche competitive*, Giappichelli, Turin, 2006.

²⁰ See S.M. Brondoni (ed.), *Il sistema delle risorse immateriali d'impresa: cultura d'impresa, sistema informativo e patrimonio di marca*, cit.; S.M. Brondoni, (ed.), *Cultura di network, performance e dinamiche competitive*, cit.

²¹ See M. Gatti, *Cultura d'impresa, innovazione e concorrenza*, in S.M. Brondoni, *Market-Driven Management, concorrenza e mercati globali*, cit.

²² See E.H. Schein, *Cultura d'azienda e leadership*, Guerini e Associati, Milan, 1990, p. 35.

²³ See S.M. Brondoni-M. Gatti-M. Corniani, *Competizione globale, risorse immateriali e responsabilità sociale d'impresa*, cit.

²⁴ See S.M. Brondoni (ed.), *Market-Driven Management Concorrenza e Mercati Globali*, cit.

²⁵ See E. Arrigo, *Il codice di condotta: uno strumento di corporate governance*, in *Symphonya. Emerging Issues in Management* (symphonya.unimib.it), n. 1, 2006.

²⁶ 'An organization with a healthy inside is one that is more likely to project a good image to outside stakeholder' See G.R. Dowling, *Corporate Reputation: Strategies For Developing The Corporate Brand*, Kogan Page Limited, London, 1994, p. 99.

²⁷ See S. M. Brondoni, *Market-Driven Management ed economia d'impresa globale*, cit.

²⁸ Ibidem.

²⁹ In some cases, persons exist within the company who are explicitly designated to carry out a specific organisational role such as facility managers; trust guardians or relationship managers. See P. De Vita-F. Testa, *Relazioni d'impresa e patrimonio di marca*, in S.M. Brondoni (ed.), *Il sistema delle risorse immateriali d'impresa: cultura d'impresa, sistema informativo e patrimonio di marca*, cit.

³⁰ See S.M. Brondoni, *Patrimonio di marca e risorse immateriali d'impresa*, cit.

³¹ See E. Arrigo, *Il codice di condotta: uno strumento di corporate governance*, in *Symphonya. Emerging Issues in Management* (symphonya.unimib.it), n. 1, 2006.

³² See D. Salvioni, *Cultura della trasparenza e comunicazione economico-finanziaria d'impresa*, in *Symphonya. Emerging Issues in Management* (symphonya.unimib.it), n. 2, 2002.

³³ See E. Arrigo-L. Bisio, *Market-Driven Management, Corporate Governance e Stati-Nazione*, in S.M. Brondoni (ed.), *Market-Driven Management e mercati globali*, Giappichelli, Turin, 2007.

³⁴ The definition of competency responsibilities is one of the stages in the corporate responsibility management process, i.e.: 'Once social issues have been defined, the problem consists in choosing the important ones from a corporate viewpoint, or rather in identifying the 'competency responsibilities'. In this case, the following criteria will be used: the urgency of the issues and their alignment with the corporate business. In particular, the financial-corporate principle of carrying out a 'cost versus forecast benefit' analysis will be adopted, or rather the company will respond to the pressures and undertake those activities where forecast benefits are higher than the relative costs of implementation and maintenance. Having defined the social competency responsibilities, which are suitable from a financial point of view, the company will plan the corresponding policies in response, i.e. its conduct and the projects it intends to implement.' See E. Arrigo, *Responsabilità aziendale e performance economico-sociale*, cit., pp. 63-64.

³⁵ See M. Corniani, *Sistema informativo e dinamiche competitive*, Giappichelli, Turin, 2000. For further details on the corporate information system, see Maggioni V., *Il sistema informativo aziendale*, Cedam, Padua, 1983.

³⁶ See D. Salvioni, *Cultura della trasparenza e comunicazione economico-finanziaria d'impresa*, cit.

³⁷ See S. Myburgh, *Competitive Intelligence Bridging Organizational Boundaries*, in *Information Management Journal*, vol. 38, n. 2, 2004.

³⁸ See CSR Monitor Eurisko Research, La responsabilità sociale d'impresa: le aspettative e le valutazioni dei cittadini di 21Paesi, 22 settembre 2005.

(www2.fabricaethica.it/documenti/366.2005%20-%20CSR%20MonitorEURISKO.ppt).

³⁹ See S.M. Brondoni, Patrimonio di marca e risorse immateriali d'impresa, cit.

⁴⁰ See D.A. Aaker, Brand Equity la gestione del valore della marca, Free Press, New York, 1991, pp. 36-37.

⁴¹ See P. Adams, La generazione della brand equity, in S. Vicari (ed.), Brand Equity. Il potenziale generativo della fiducia, Milan, Egea, 1995.

⁴² For more in-depth details on the concept of brand identity and its components, see: S.M. Brondoni, Patrimonio di marca e risorse immateriali d'impresa, cit.; W. Olins, The New Guide to Identity, 2nd Edition, The University Press, Cambridge, 1995; N. Ind, The Corporate Image. Strategies For Effective Identity Programmes, 2nd Edition, Kogan Page, London, 1992; J. Murphy, Branding: A Key Marketing Tool, The McMillan Press Ltd, Oxford, 1987; J.N. Kapferer, Les marques, capital de l'entreprise, créer et développer des marques fortes, Les Editions d'Organisation, Paris, 1998; D.A. Aaker, Building Strong Brands, The Free Press, New York, 1997.

⁴³ 'Corporate identity is a way of communicating the corporate ingredients to target groups and markets. It differentiates the company in a positive and memorable way; it projects the unique personality of the corporation; it positions in the market-place.' See J. Murphy, Branding: A Key Marketing Tool, cit, p. 156.

⁴⁴ See D. A. Aaker, Building Strong Brands, cit.

⁴⁵ See T.J. Brown-P.A. Dacin, The Company and the Product: Corporate Associations and Consumer Product Responses, in Journal of Marketing, vol. 61, 1997, pp. 68-84.

⁴⁶ See S.M. Brondoni, Patrimonio di marca e risorse immateriali d'impresa, cit.

⁴⁷ To create a positive image and sustain it over a long period, companies can implement a virtuous responsibility circle, divided into four phases: commitment to stakeholders, development of a tailor-made strategy, its application, and performance assessment. With each new 'phase' there is an increase in transparency, loyalty, brand image improves and consequently performance also increases. See A.K. O'Brady, How to Generate Sustainable Brand Value from Responsibility, in Journal of Brand Management, vol. 10, n. 4/5, 2003, pp. 279-289.

⁴⁸ See S. Vicari, Brand equity. Il potenziale generativo della fiducia, Egea, Milan, 1995.

⁴⁹ We refer to global corporation. See E. Arrigo-F. Codignola, *Imprese globali e cross-cultural management*, cit.

⁵⁰ See D. Blumenthal-A.J. Bergstrom, Brand Council that Care: towards the Convergence of Branding and Corporate Social Responsibility, in The Journal of Brand Management, vol. 10, n. 4-5, 2003, pp. 327-341.

⁵¹ See W.B. Werther-D. Chandler, Strategic Corporate Social Responsibility as Global Brand Insurance, in Business Horizons, vol. 48, 2005, pp. 317-324.

⁵² See E. Arrigo-F. Codignola, *Imprese globali e cross-cultural management*, cit.

⁵³ The main advantages to be obtained from responsible conduct, as empirically tested, are linked to effects on economic-financial performance and investment decisions; employee attraction & retention; and corporate image. See E. Arrigo, *Responsabilità aziendale e performance economico-sociale*, cit.

⁵⁴ See S.M. Brondoni, *Market-Driven Management ed economia d'impresa globale*, cit.

⁵⁵ See P.F. Buller-J.J. Kohls-K. S. Anderson, When Ethics Collide: Managing Conflicts Across Cultures, in *Organizational Dynamics*, vol. 28, n. 4, 2000, pp. 52-66.

⁵⁶ Ibidem.

⁵⁷ See B.M. Husted, A Contingency Theory of Corporate Social Performance, in *Business & Society*, vol. 39, n. 1, 2000, pp. 24-48.

⁵⁸ See R. Jones-A.J. Murrel, Signaling Positive Corporate Social Performance. An Event Study of Family-Friendly Companies, in *Business & Society*, vol. 40, n. 1, 2001, pp. 59-78.

⁵⁹ See C. Bouquet-Y. Deutsch, The Impact of Corporate Social Performance on a Company's Multinationality, in *Journal of Business Ethics*, vol. 80, 2008, pp. 755-769.