

CSR Associations and Market Value: The Moderating Role of Market Competition

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Abstract

While brands are increasingly adopting CSR as a branding strategy, there remains a notable research gap concerning the specific competitive conditions under which CSR differentiates a brand from another. To fill this gap, this study explores the impact of consumers' CSR associations on firms' financial performance and the moderating role of market competition. The results of a random effects regression model reveal that consumers' CSR associations' have a positive, lagged, direct impact on firms' market value. Market competition moderates this relationship, such that the market value of firms facing high market competition benefits more from consumers' CSR associations than when firms face low market competition. This effect allows conclusions about CSR as a differentiation strategy: To stand out in a competitive market, brands should prioritize improving their CSR associations among consumers to differentiate themselves and increase firms' market value.

Subject Areas: *Branding, Marketing Strategy*

Track: Social Responsibility & Ethics