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A resource-based view of stakeholder marketing

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ABSTRACT

Despite the stakeholder view's growing popularity among marketing academics and managers, stakeholder marketing is still in its infancy. This research invigorates stakeholder marketing by integrating stakeholder theory and the resource-based view (RBV) of the firm to propose that the network of stakeholder relationships (i.e., a key component of stakeholder marketing) is, in essence, a strategic resource with the inherent potential to contribute substantively to a firm's competitive advantage and superior performance. Based on this fundamental premise, the article explores the causal chain by which the firm's network of stakeholder relationships converts into superior performance, while paying particular attention to the role of competitive advantage in this linkage. The aim of the proposed RBV of stakeholder marketing is to provide a theoretical basis to stimulate further research and, in turn, direct marketers to actions that can benefit their exchange relationships with the stakeholder network.
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1. Introduction

Stakeholder marketing is beginning to take shape. Drawing on stakeholder theory as its theoretical foundation (Donaldson & Preston, 1995; Freeman, 1984) and on the recent conceptual expansion of marketing's scope (Keefe, 2008), stakeholder marketing refers to "activities within a system of social institutions and processes for facilitating and maintaining value through exchange relationships with multiple stakeholders" (Hult, Mena, Ferrell, & Ferrell, 2011, p. 57). This concept recognizes the potential of stakeholders (e.g., employees, suppliers, regulators, communities) to influence marketing actions (e.g., Bhattacharya & Korschun, 2008; Ferrell, Gonzalez-Padron, Hult, & Maignan, 2010; Hult et al., 2011; Korschun, 2015).

Practitioners are also starting to realize that a simple input–process–output model is no longer sufficient to satisfy customers. Companies such as Allianz, Citigroup, Hyatt, Pfizer, Unilever, and Vodafone have communicated that a cornerstone of their business missions and strategies is to establish and maintain strong stakeholder relationships (e.g., Browne & Nuttall, 2013; Corbat, 2014). Another example of a company that views relationships with all stakeholders as essential is the online shoe and clothing retailer Zappos. Its success is largely attributed to its ability to empower and incentivize a range of company actors to exceed customer expectations and, in turn, strengthen customer–firm bonds (Warrick, Milliman, & Ferguson, 2016). As Zappos CEO Tony Hsieh (2010) puts it, "Customer service shouldn't be just a department, it should be the entire company" (p. 152). Such developments across different industries illustrate the pressing need for companies to shift from a customer-focused market orientation to a stakeholder orientation (e.g., Ferrell et al., 2010; Maignan & Ferrell, 2004) by recognizing a wider "scope of the 'actors' connected to the marketing organization in the marketplace" (Hult, 2011b, p. 528).

Unfortunately, a lack of order and structure remains in advancing stakeholder theory (Laplume, Sonpar, & Litz, 2008) and, more specifically, stakeholder marketing. Current research is somewhat limited in its ability to approach stakeholder relationships holistically (see Hillebrand, Driessen, & Koll, 2015). In part, this difficulty results from a misinterpretation of customer centricity (Fader, 2012) as a one-sided, single-minded customer focus. Consequently, the important contribution of other stakeholders to marketing outcomes tends to be overlooked, especially by managers. Researchers have called such widespread disregard for stakeholders other than customers the "new marketing myopia" (Smith, Drumwright, & Gentile, 2010).

The present article seeks to tackle stakeholder marketing's conceptual and practical challenges by bringing to bear the resource-based view (RBV) of the firm (e.g., Barney, 1991) on stakeholder theory (e.g., Jones, 1995). The RBV provides a useful avenue to understand stakeholder marketing because it sheds light on the value generated by the firm's network of stakeholder relationships (i.e., a key component of stakeholder marketing). As argued in this article, these relationships represent a strategic resource with the potential to contribute substantively to a firm's performance through its ability to provide a sustainable competitive advantage (Verbeke & Tung, 2013). The aim of the proposed RBV of stakeholder marketing is to provide a theoretical basis to stimulate further research and, in

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turn, direct marketers to actions that can end up benefiting their exchange relationships with the various stakeholders.

This conceptual research makes contributions to (1) the stakeholder marketing stream and (2) the RBV. First, it advances the burgeoning stakeholder marketing literature by responding to recent calls for more integrative research that can address the limitations of the stakeholder perspective (e.g., Laplume et al., 2008). Specifically, whereas prior research has criticized stakeholder approaches for insufficiently connecting the value of stakeholder relationships to firm performance (e.g., Jensen, 2002; Sundaram & Inkpen, 2004), this article draws on the logic of the RBV to examine the link between a network of stakeholder relationships and superior business performance. At the same time, the approach espoused here leads to propositions that direct scholars and managers to central issues that can deepen the understanding of a value delivery system that has been central to the marketing literature.

Second, this study contributes to the RBV (e.g., Barney, 1991) by identifying the network of stakeholder relationships as a strategic resource that enables the firm to respond to stakeholders more effectively. Advocates of the RBV contend that its usefulness does not lie in predicting a simple resources–performance relationship, as is often done in the literature, but in incorporating an "action" element into the framework to discover what firms do with their resources that lead to a competitive advantage and superior performance (Ketchen, Hult, & Slater, 2007). The current study captures this essential action component by examining the firm's responsiveness to stakeholders to gain a better understanding of how the firm's network of stakeholder relationships facilitates the implementation of value-creating strategic actions that address the stakeholders' demands. Furthermore, prior work in marketing generally treats competitive advantage and performance—though conceptually different—as equivalent constructs (see Kozlenkova, Samaha, & Palmatier, 2014). By conceptualizing competitive advantage as the attainment of a differentiation advantage and/or a cost advantage (Newbert, 2008), this paper explains, from a resource-based logic, the process by which stakeholder marketing provides the firm with a competitive edge over its rivals and how this, in turn, results in superior performance.

2. Theoretical background

Researchers around the world have paid considerable attention to stakeholder theory and the RBV, albeit separately from each other. Research that has attempted to examine the intersection of these two theoretical bases is scarce (Verbeke & Tung, 2013). In order to study how the RBV relates to stakeholder theory and to identify ways by which stakeholder marketing can benefit from a resource-based perspective, this section provides a brief conceptual overview of the stakeholder and resource-based views of the firm as well as an integrative framework of these complementary perspectives.

2.1. Stakeholder theory

Stakeholder theory focuses on the importance of taking into account the interests of groups of influence for the effective management of the firm (e.g., Freeman, 1984). It assumes that the firm has relationships with numerous stakeholders who have the capacity to influence the direction of the firm and/or who have a stake in the actions of the firm (Freeman, 1984; Jones, 1995). Thus, it views the firm as a complex set of stakeholder relationships (Clarkson, 1995). According to Donaldson and Preston (1995), stakeholder theory has developed along three traditions: descriptive, normative, and instrumental. The descriptive view of stakeholder theory aims to describe and explain how firms behave with respect to their stakeholders. The normative view identifies a set of moral guidelines that prescribe how firms should interact with their stakeholders. Lastly, the instrumental view of stakeholder theory establishes a connection between the management of stakeholder relationships and the attainment of a firm's performance objectives. Specifically, it asserts that developing and maintaining mutually trusting relationships with the firm's stakeholders is essential for the success of the firm because it provides a competitive advantage (Jones, 1995). Being primarily interested in the linkage between stakeholder relationships and firm performance, this study adopts an instrumental perspective.

A stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984, p. 46). Based on their degree of immediate and ongoing influence on the firm and their contractual responsibilities, stakeholders can be either primary or secondary to the firm (Clarkson, 1995). Primary stakeholders are those who are essential to the firm's survival and long-term performance. They include customers, employees, suppliers, shareholders, regulators, and communities. Secondary stakeholders, who are neither contractually obliged to the firm nor provided with legal authority, consist of special interest groups and trade associations, as well as mass media and social media (Eesley & Lenox, 2006; Hult et al., 2011).

Researchers have approached the stakeholder concept in a broad or narrow manner. The broad definition of a stakeholder as any group or individual who can impact or is impacted by the achievement of the firm's goals (Freeman, 1984) has the benefit of being comprehensive but the limitation of being difficult to implement. Some researchers have argued that, given resource and time constraints, a narrower perspective is required for managers to prioritize among stakeholders and to channel their attention more efficiently (e.g., Mitchell, Agle, & Wood, 1997). Specifically, Mitchell et al. (1997) recommend that firms identify stakeholders by examining if they possess at least one of three relationship attributes: power, legitimacy, and/or urgency. Power stands for a stakeholder's capability to influence other stakeholders and to impose its interests on others. Legitimacy is the belief that the actions of a stakeholder or stakeholder group are desirable or appropriate within the firm's accepted norms and values. Urgency depends on both criticality and time sensitivity, with a stakeholder claim considered urgent when it is important and when a managerial delay is unacceptable to the stakeholder. By examining the number of attributes a stakeholder possesses, this framework enables managers to prioritize the claims of a stakeholder.

2.2. Resource-based view of the firm

The RBV proposes that the internal resources of the firm primarily drive its sustainable competitive advantage (Barney, 1991; Rumelt, 1984). Thus, this perspective adopts an internally driven approach, as opposed to the externally driven perspective according to which a firm's competitive advantage stems from external market forces and a firm's ideal positioning in a market (Porter, 1985). The RBV argument relies on two key assumptions. First, firms within an industry are heterogeneous with regard to the resources they possess (Barney, 1991; Conner, 1991). This means that each firm has a unique portfolio of resources. A second assumption is that of imperfect resource mobility (Barney, 1991). As such, firm resources are difficult to obtain in the marketplace. This could be because of their high transaction costs, because they must be used in combination with other resources, or because they are simply more valuable to the firm that currently controls them than they would be otherwise (e.g., Peteraf, 1993).

Firm resources have been defined broadly as anything that could be "a strength or weakness of a given firm" (Wernerfelt, 1984, p. 172) and, more specifically, as assets (e.g., brand name) and capabilities (e.g., innovation) that can enable and facilitate the development of core competencies (Day, 1994; Hunt & Morgan, 1995). For resources to be potential sources of competitive advantage, they must be valuable, rare, inimitable, and nonsubstitutable, jointly representing the VRIN framework (Barney, 1991). Arguing that nonsubstitutability is merely a form of inimitability, Barney (1997) later replaced this fourth resource

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