



Contents lists available at ScienceDirect

Journal of Business Research

journal homepage: [www.elsevier.com/locate/jbusres](http://www.elsevier.com/locate/jbusres)

## For-Benefit Company (fBComp): An innovative social-business model. The Italian case

Michael Czinkota<sup>a</sup>, Hans Rüdiger Kaufmann<sup>b</sup>, Gianpaolo Basile<sup>c,\*</sup>, Maria Antonella Ferri<sup>c</sup>

<sup>a</sup> McDonough School of Business Georgetown University, Washington, United States of America

<sup>b</sup> University of Applied Management Sciences, Mannheim, Germany

<sup>c</sup> Faculty of Economics, Universitas Mercatorum, Rome, RM, Italy

### ARTICLE INFO

#### Keywords:

Social legitimacy  
Stakeholder engagement  
For-Benefit Company  
Social value co-creation  
Curative marketing

### ABSTRACT

In 2015, a new kind of company was introduced by law in Italy: the for-Benefit Company (fBComp). Such firms are characterized by a relevant novelty: they are for-profit companies whose statute explicitly recognizes and intends the impact of managerial decisions on the wellbeing of society as well as of its shareholders. This study suggests on the fBComp as a new “social” business model (SBM) which integrates social and competitive behaviors. Thereby, the company achieves its objectives by creating and maintaining biunivocal relations with stakeholders, co-creating contextual sustainability conditions, increasing its reputation and positioning compared to its competitors. By conducting a desk analysis on the results of the Italian Report on fBComp, this paper designs a portrait of this innovative social business model's main features and explains its possibly far-reaching, trendsetting and curing influences on the transition of management practices towards mutual stakeholders' wellbeing and a sustainable society.

### 1. Introduction

In the last decades, both in the scientific and corporate realm, there is a marked upward trend of increased business involvement in Corporate Social Responsibility (CSR) activities. While mainstream literature arrays a great number of definitions and ways of realizing sustainable behaviors, in 2001, the European Commission in its Green Paper on “Promoting a European framework for Social Corporate Responsibility” provides a definition of CSR that is widely shared.

Hereby, CSR is defined as “... a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis....” Moreover, “... the company's socially responsible practices primarily involve employees and relate to issues such as investing in human capital, health and safety and managing change, while environmentally responsible practices relate mainly to the management of natural resources used in the production...” (europa.eu, 2001).

The extensive use of the concept across the various aspects results in numerous diverse attempts to create better sustainability conditions, carried out by both, public institutions, with specific rules and laws, and private companies adapting and re-inventing their business models accordingly, latter so far however, on a voluntary basis and without reference to specific company forms.

Transitioning to a sustainable society is a complex endeavor which requires extensive collaboration across different actors, disciplines and sectors (Loewenstein, 2013). Following Loewenstein's (2013) call for transcending the management discipline, the main research gap perceived is a lack of a coherent multidisciplinary theoretical body as an explanatory basis for a unifying and operational path creating a systematic basis for planning “curative” actions by sustainably co-creating social and economic actors in the sense of restoring and developing international economic health (Czinkota & Kaufmann, 2017; Czinkota, Kaufmann, & Basile, 2014; Kaufmann, Czinkota, & Zakrzewski, 2015; Porter, 2008).

The question arises, if, to satisfy these curative societal needs, it is useful that public institutions implement specific normative laws requesting the companies to claim and frame their missions, economic purposes and social engagements accordingly rather than randomize their corporate behavior (Czinkota, 2012).

To reply to this question, the paper analyses the first results of the Italian for benefit company (fBComp) law implementation deducing a specific or generic corporate engagement categories. Hence, the paper elicits scientific and practical reflections about governance's values and organizational behaviors and contributes to create a sustainable corporate business model informed by multidisciplinary knowledge (Rawhouser, Cummings, & Crane, 2015).

\* Corresponding author.

E-mail addresses: [czinkotm@georgetown.edu](mailto:czinkotm@georgetown.edu) (M. Czinkota), [hans-ruediger.kaufmann@hdwm.org](mailto:hans-ruediger.kaufmann@hdwm.org) (H.R. Kaufmann), [basilegianpaolo@gmail.com](mailto:basilegianpaolo@gmail.com) (G. Basile).

<https://doi.org/10.1016/j.jbusres.2018.12.022>

Received 27 February 2018; Received in revised form 5 December 2018; Accepted 6 December 2018

0148-2963/ © 2018 Elsevier Inc. All rights reserved.

The results of the analysis permit to hypothesize and categorize the firms' aims, based on their claimed purposes, in: a) purely commercial ones, such as to create more opportunities to sell; or b) to be authentically committed to reach a social legitimization by supporting social projects; or c) a combination of a) and b).

Moreover, the business case of sustainability is also about understanding how an increasingly sustainability-driven market, including policy measures, will evolve which implies innovation opportunities and possibilities for new or blue ocean markets, disruptive innovation, and new marketing roles and approaches.

Against this background, the authors, to give a contribution to the fledgling scientific knowledge stream, and raise the following research questions:

- 1) Could fBcomp purposes, claimed in their statute/mission statement, be considered a genetic code (path dependence) that will help to define a “curative” business model, considering both, social and profit purposes guiding their corporate strategies and behaviors?
- 2) Could the fBcomp law be considered as a means, according to a deterministic (functionalist) approach, used by the firm to increase its reputation and market shares?

To answer these questions, the authors argue that the organization and its environment must be conceived as a complex and unitary whole to co-design behaviors with mutual results (Senge, 1990; Starik & Rands, 1995; Waddock, 2008).

Systems and complexity theory aids in appreciating the tensions and complexity of sustainability issues, and helps managers bring seemingly disparate issues together to better understand the multi-faceted impacts on firms' and supply chains' activities (Czinkota et al., 2014; Porter, 2008).

Therefore, from the systems perspective, the history of an organized system is not merely the series of events, in which the system had been involved, but the series of transformations resulting from relationships within the firm-stakeholders-environment, by which the system was progressively formed (Stubbs, 2014).

In other words, the organizational level, its internal resources (i.e. corporate culture and values) as well as social capital are the primary vehicles and driving cells (Kaufmann et al., 2015) through which the Brundtland criteria (UN, 1987) of meeting current and future generations' needs will be met.

The remainder of the paper is organized into the following parts: firstly, the authors review the literature about legitimacy and reputation matters from a systems perspective; part two focuses on the relationship between the firm and its social and economic stakeholders and considers the evolution of the relations towards conditions of co-creation and reciprocal adaptation from the perspective of isomorphism; thirdly, the authors propose an innovative marketing role featuring curative ingredients. Finally, the limitations and conclusions of this work are presented.

## 2. For Benefit Company - an adaptive business model?

Referring to the relationship between the firm, its stakeholders and the environment, March and Simon (1958) argued that the concept of neighborhood search can be thought of as local “hill climbing”, where the height of the hill reflects the fitness value of the associated organizational form towards their context/environment and objectives.

In this metaphorical scenario, being a socially responsible company means not only fulfilling legal expectations, but rather going voluntarily beyond compliance and investing “more proactively” into human capital, the environment and the relations with stakeholders.

Therefore, the authors' aim is to highlight, by means of this Italian law application study, the scientific need to better understand the complex interactions between economic and social forces suggesting that processes, techniques and theories which do not embrace all these

facets will fail to describe and predict the reality of the modern business world (Freeman, 2010).

This part of the paper begins with the following question: “could a for-Benefit Company, in a complexity condition/state, be viewed as a new business model for the social and economic sustainability achievement?”

The term business model has become widely used in board rooms, by managers in organizations, by consultants, by commentators on business to describe both a reflection of firm's realized strategy and the firm capabilities to capture value by new components and/or behaviors (Bettis & Prahalad, 1995; Gatignon, Lecocq, Pauwels, & Sorescu, 2017). Indeed, it is more widely used nowadays than almost any other concept or strategy: when people are asked “what is strategy?” most give an answer that includes the words business model (Casadesus-Masanell & Ricart, 2010).

The ubiquity of the term and the plethora of its uses suggest that business models are profoundly important to the corporate world, yet management academics rarely put the concept center stage, preferring instead their established emphasis on such concepts as competitive advantage, core capabilities, routines and resources. Public perception of its usefulness seems to challenge this academic reluctance (in mainstream journals and texts) to acknowledge the term, its uses and its consequences (Freeman & Robert, 2015).

One role of business models is to provide a set of generic level descriptors, the logic of how a firm creates, organizes itself to create and distribute social and economic value adapting itself to relevant contexts going beyond business as usual (Arend, 2013; Chesbrough & Rosenbloom, 2002; Spiess-Knafl, Mast, & Jansen, 2015).

In this vein, the authors argue that the company, to reach the economic and social survival condition, must create and maintain biunivocal relationships with heterogeneous and numerous stakeholders, components of the specific environment, constantly adapting both its organization and internal resources and behaviors within these relations.

In this respect, Freeman (2010) argued that the stakeholder understanding is useful for organizations' configuration and for aligning themselves with the external environment. To better reach this fundamental aim the business model evolution, above all in retail field, considers, also, the integration of smart technologies (Pantano, Priporas, & Dennis, 2018).

The internal resources, the stakeholder heterogeneity and the interactive and dynamic adaptation highlight a scientific and empirical difficulty to individuate “one best way” or a conventional business model to make companies sustainable and competitive (Barney, 1991, 2001; Chesbrough, 2010). Therefore, Nyström and Mustonen (2017) argued that the business models are based on a dynamic approach that implies a state of always becoming confirming that the perfect and unique business model is not the goal per se.

Table 1 surveys a few examples of how scholars are approaching business model definition. The table also provides a column showing how these writers make use of the different notions of ‘model’ we discuss and analyze in this article. These (and, of course, many other) articles share a common feature and they describe typical kinds of organizations and behaviors by firms (or perhaps units within multi-business firms) in such a way that we can label different kinds of behavior and then classify individual firms accordingly. Thus, the general idea of business models is intimately linked with notions of taxonomies and ‘kinds’.

Business models have different characteristics and fulfil the roles of ideal types: they are based on both observation and theorizing. But if so, what kind of scientific work - empirical and/or conceptual - goes into establishing business models? They are certainly not isolated by inference from any large statistical study: instead we argue that business models are produced by *model work* (Agafonow & Donaldson, 2015; Baden-Fuller & Morgan, 2010), that is, scholars investigate, with some considerable depth of scientific research, examples that form our set of

**Table 1**  
Business model approach.

Authors	Definition	Focus of analysis
Casadesus-Masanell and Ricart (2010, 2011)	The logic of the firm, the way it operates and how it creates value for its stakeholders	Interfaces between business model, strategy and tactics; i.e. Rynair
Czinkota and Ronkainen (2013); Kaufmann et al. (2015); Czinkota et al. (2014)	In the business model, marketing behaviors must be designed to restore and develop economic and social health	Curative Marketing, i.e. supply chain relationships in the food industry
Demil and Lecocq (2010)	The way activities and resources are used to ensure sustainability and growth	Dynamics of business model changing over time
Gambardella and McGahan (2010)	Business model is a mechanism for turning ideas into revenue at reasonable cost	Business model innovation in high technology sectors that allows small firms to capitalize on their ideas. Examples: Google, Apple, Ideo, Yogitech + biotech start-ups
Kaufmann et al. (2016); Kaufmann and Manarioti (2017) (relating to several sources)	Consumer engagement and co-creation via digitalization	Designing new business models based on behavioral branding and consumer engagement via digital marketing, big data, industry 4.0 and data analytics
Sabatier, Mangematin, and Rouselle (2010) Teece (2007)	Cross roads of competence and consumer needs How a firm delivers value to customers and converts payment into profits	Portfolios of business models, i.e. French biotech firms Situates the business model concept. Relates business model innovation to technical innovation. Examples: Netflix on line DVD rental; Sea Land Container
Williamson (1979)	... cost innovation business model offers advantages in radically new ways meaning more for less.	The functioning of low cost business models from China (and India). Examples: Shanghai Zhenhua Port Machinery, Haier refrigeration, Nano car- Tata
Yunus, Moingeon, and Lehmann-Ortega (2010)	A value system plus a value constellation	A social business model that lies between for-profit and charity. Grameen Bank + Telenor, Veoila and Danone collaborations
Zott and Amit (2013)	<i>A system of interdependencies and activities that transcends the focal firm and span its boundaries</i>	Emphasizes interdependencies beyond firm boundaries. Good design requires: Content (what), Structure (links) and Governance (who does what). Examples: Ebay, Zara

business model exemplary cases. These scientific enquiries of management scholars provide an *empirically and conceptually* grounded account of each case to establish the full portraits associated with their ideal types.

If we use the notion of ‘model work’, the fBComp is a business model aimed at achieving the company's objectives by both fulfilling the economic value production condition and contributing, by means of co-participative activities carried out with the communities, to its social and environmental contextualization.

### 3. Contextualizing the fBComp model regarding legitimacy

According to an early and widely known formulation, Smith (1904:16) argues: it is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own self-interest (Casadesus-Masanell & Ricart, 2010; Itami and Nishino, 2010).

In the last decades, the change from a more self-centered company that produces profit for shareholders to the company as an actor that contributes to the social community dynamics and wellbeing is marked by scientific streams grouped in two main areas interrelated between them.

Firstly, by stakeholder theory, system thinking and complexity theory (Checkland, 1981, 2000; Freeman, 2010; Hannan & Freeman, 1977); secondly, by the social legitimization principle, CSR and ethics in business studies (Czinkota et al., 2014; Honeyman, 2014).

A basic tenet of system thinking is that a system that serves another system can be defined only after prior conceptualization of the system served (Checkland, 1981). This is so because the form of a serving system, if it is truly to serve, will be influenced by the nature of the system served. The regular interaction between systems and their context is a complex system property that highlights the contextual adaptation condition (Levinthal, 1997).

At this regard, according to stakeholder theory, legitimacy is linked to the “stake” concept, that individuates the stakeholder ability to affect or be affected by the direction of the firm (Thompson, 1967). Therefore, legitimacy can be understood in a managerial sense implying that it is “legitimate to spend time and resources” on stakeholders, regardless of

their demands (Freeman, 2010:45; Freeman & Reed, 1983).

In the present work, the authors consider sustainable adaptation between social and natural environments and firm-company as the basis to reach social and economic legitimization and, then, the company survival. The term legitimacy was defined by Parsons (1956, 1960) and later Weber (1978) as a state of environmental congruence towards laws, rules and social values. Scholars of social theory, organization, and the Resource-based View introduced the notion of legitimacy in their theories (Barney & Arian, 2001; Johnson, Smith, & Codling, 2006; Ruef & Scott, 1998; Salancik & Pfeffer, 1978; Suchman, 1995).

In the last 60 years, researchers on decision making in complex organizations, such as March and Simon (1958) and Thompson (1967) and pioneers of the neo-institutional approach, such as Meyer and Rowan (1977) and Zucker (1977), abandoned the notion that managers seek to optimize profits, replacing it with the idea to create satisfaction. Therefore, the scholars began to analyze the ability of an organization to achieve survival, stressing the importance to express behavioral capabilities and patterns to conform their efforts to environmental standards, rules and beliefs.

In this respect, the term “complexity”, to describe an open system made up of many heterogeneous parts that is interdependent with some larger social, natural and economic context composed by numerous and heterogeneous stakeholders, was introduced in organization studies (Simon, 1960; Thompson, 1967).

These scientific trends emphasized interdependency as a central conception in modern management and organization studies. Therefore, from the seminal work of Meyer and Rowan (1977) onwards, the neo-institutional school argues that organizations that shape their behavior to moral rules and regulations of their reference context can be defined as legitimate.

The meaning of legitimacy employed in this study is succinctly expressed by Scott (1995) and Suchman (1995). Scott (1995) argues, with respect to environments, that complexity is equated with the number of different elements that must be dealt with simultaneously by the organization. In terms of legitimacy, the author asserts that is not a commodity to be possessed or exchanged but a condition reflecting cultural alignment, normative support, consonance with relevant rules

or laws, the organization's capability to interact with their environmental context.

Pointing to a reputation aspect, Suchman (1995) considers legitimacy 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. The Suchman definition is the basis for this paper's main contention: legitimacy should be regarded the *conditio sine qua non* both to the social acceptance of the company and to a coherent implementation of reputation strategies useful for dialogue, creating trust links with relevant (social and economic) stakeholders to reach survival and sustainability.

Stressing a transition barrier, Hannan and Freeman (1977) argued that there are a number of obvious limitations on the ability of organizations to adapt themselves by means of a number of processes that generate structural inertia that can be characterized by a lower organization's adaptive flexibility and/or a more or less appropriate stakeholders selection (Basile, Kaufmann, & Savastano, 2018).

According to research by Van Riel and Fombrun (2007), the reputation that stakeholders develop as a result of corporate communication activities, refers to four domains (product, social, financial and employment) and is aimed to distinctly recognize and position the company among its many competitors (Brown, Dacin, Pratt, & Whetten, 2006; Davies, Chun, Da Silva, & Roper, 2001; Fombrun, 1996; Fombrun & Van Riel, 2003; Gioia, Schultz, & Corley, 2000; Illia & Lurati, 2006; Pruzan, 2001; Scott & Lane, 2000; Van Riel & Fombrun, 2007; Whetten & Mackey, 2002).

However, according to studies about legitimacy and reputation, we argue that fBComp's conformity to contextual rules, norms and cultural values could be supportive for both, developing the fBComp in a competitive context and positioning it in terms of cognitive legitimacy (Abratt & Kleyn, 2012; Suchman, 1995).

Importantly, the latter consideration calls for a dual company behavior approach towards the context of reference: a competitive/economic one and a social one requiring different mindsets of marketers (Czinkota et al., 2014). The first case considers company behavior as merely geared towards economic results aiming at reputation as the capacity to cause results related to competitiveness. The social approach, on the other hand, caters for the role the company plays within its reference context, and cares for how the company itself is socially perceived by the community with which it interacts either directly or indirectly (Rindova, Williamson, Petkova, & Sever, 2005).

The Stability Law 2016 in Italy, in this respect, introduces the fBComp in the following way: a company that creates positive effects (or reduces negative ones) vis-à-vis individuals, communities, territories and the environment, cultural and social heritage, entities and associations as well as other stakeholders. To become a Benefit Company, a company must amend its articles of association including in the object clause the aims of common benefit that it intends to pursue. This means that the company will not only pursue the purpose of profit, but also the specific purpose(s) of common benefit that it has inserted in its articles of association.

art.2: for the purposes of this law:

- (a) "common benefit": means the pursuit, while carrying out the benefit corporation's economic activities, of one or more positive effects, or the reduction of negative effects, for one or more of the categories listed under article 1, paragraph 1, above;
- (b) "other stakeholders": the individuals or groups of individuals directly or indirectly involved in, or affected by the activities of the benefit corporation, being, *inter alia*: workers, clients, suppliers, lenders, creditors, public administration and civil society;
- (c) "third party standard": procedures and criteria required to assess the impact generated by the benefit corporation with respect to common benefit;
- (d) "evaluation areas": sectors to be necessarily included in the assessment of the activities of common benefit.

At this point, we can argue that the fBComp doesn't represent a new business approach but a further development towards the social legitimization of the traditional business model characterized by a non-loss, non-dividend company or social business form (Agafonow & Donaldson, 2015).

#### 4. Towards a framework for social value co-creation

Regarding the social activities developed by companies, some researchers described the firm as a "social" (Kogut & Zander, 1996) or "discursive" (Tsoukas, 1996) community or a single "community of practice" (Constant, 1987), that produces social and economic value by means of co-creation processes determined with/by the beneficiaries. Moreover, scholars like Andersson, Aspenberg, and Kjellberg (2008), Araujo, Kjellberg, and Spencer (2008) and Kjellberg and Helgesson (2006) have developed suggestions that markets are co-created by actors engaged in market and/or social practices (Storbacka & Nenonen, 2008). This is in line with social construction theories (Berger & Luckmann, 1966; Giddens, 1984; Linton, 1936; Merton, 1957) explaining that all activities, including value co-creation, take place within social systems; as such, value co-creation extends beyond the individual and subjective setting. Indeed, value itself must be understood as part of the collective social context.

In the context of marketing, Kaufmann et al. (2015) suggest an eclectic and multidisciplinary body of theory comprising systems theory, complexity theory and social identity theory. On this basis, we can argue that recurring social practices, undertaken by individuals and social organizations within a social system, enable the establishment of relations between social players and the co-creation of reciprocal conditions to survive. Such relations, in turn, will evolve to constant and mutual adaptation of social actors' respective activities (Czinkota et al., 2014; Giddens, 1984).

This phenomenon marks a process of reflexive self-organization, typical of social integration and co-creation phenomena and of the complex adaptive systems as well as the expression of relational reciprocity among actors who are co-present and communicate based on similar values (Bateson, Drosso, Lot, Simion, & Cler, 1977; Beer, 1959, 1966, 1985; Kaufmann et al., 2015; Staber & Sydow, 2002; Wiener, 1948; Yolles, 1999). Similarly, Berger and Luckmann (1966) argued that organizations eventually mirror their environment as they reflect socially assembled realities.

Conclusively, social construction theories have relevance, especially, in the field of marketing and communication contributing to explain how shared understandings constitute a "social consensus" that shapes the perceptions and interactions of individuals (Deighton & Grayson, 1995). From a social constructionist stance, Richins (1994) suggested that the meanings of communication activities are shaped through socialization that comes from interactions between companies, individuals/consumers and other relevant stakeholders. Interestingly, Palmer and Ponsonby (2002) considered social construction theories to understand the development of new marketing paradigms (Czinkota & Ronkainen, 2013), and highlighted the difficulty of separating objective reality from personal interpretation.

Implicitly, a constant search of the company for such a state of consonance, or of a structural coherence, in the creation and/or maintenance of its relations with consumers and social actors, and mutual adaptation of practices and behavior employed by the social players, result in a continuous process that influence the company to survive and thrive in a condition characterized by high levels of uncertainty (Barile, 2006; Golinelli, 2010; Maturana & Varela, 1980).

In such a dynamic business scenario, the fBComp constantly looks for social and economic players with which to co-create and maintain sustainable relations aiming to reach a state of consonance for both, producing or co-producing and contributing to civil society evolution (Golinelli, 2005; Venturi & Rago, 2016).

On this basis, the governance must mark an approach on "ethical"

values to interact within a multi-agent context (Barile & Gatti, 2003). Therefore, the context, that interacts with the company, is composed by consumers, competitors, suppliers and numerous and heterogeneous actors, that are holders of, as many, numerous and heterogeneous values (Albert & Whetten, 1985; Hannan, Polos, & Carroll, 2007; Hawley, 1968; Hirsch & Andrews, 1984; Parsons, 1960; Peñaloza & Venkatesh, 2006; Rao, 1994; Thornton, 2002; Tolbert & Zucker, 1996; Zuckerman, 1999).

This social and economic interaction condition reflects a rational-cognitive-values firm that is congruent with laws, norms and social practices, and mimics the reference context, becoming, in turn, an expression of contextual values. This mimetic approach represents a phenomenon defined by the institutionalist and neo-institutionalist theories as isomorphism (Di Maggio & Powell, 1983; Di Maggio & Powell, 1991; Hannan & Freeman, 1977).

## 5. Isomorphism as a fBComp capability

At this stage, it is referred to the neo-institutionalist scholars who, regarding the isomorphism concept, argue that the company, due to historical accretions of past practices and understandings, acquires the moral and ontological status of taken-for-granted facts which, in turn, shapes future interactions and negotiation (Barley & Tolbert, 1997; Di Maggio & Powell, 1991; Jepperson, 1991; Leblebici, Salancik, Copay, & King, 1991; Meyer & Rowan, 1977; Zucker, 1977).

In doing so, the fBComp, as argued in the Stability Law 2016, art.1, subsection 378, letter a) must reach - within their economic activities - positive effects or decrease negative influences on social actors. Particularly, the law interpretation stresses that the company, to be considered *beneficial*, must limit the negative effects within its economic activities.

In this respect, the notion of isomorphism implies that (Meyer & Rowan, 1977):

- organizations should meet the rational criteria set by the institutional context to be considered efficient, to maximize legitimacy and resources, and their ability to survive;
- isomorphism processes are determined not only by the tendency to conform to the external environment, but also by the action of the environment itself that leads to the creation of new organizations consistent with rational myths (institutionalized rules, norms, procedural ceremonials);
- with every new myth that consolidates, new organizations correspond to meet the needs that the myth itself has produced.

These conditions of rational behavior that is aligned to normative and cultural expectations of social context members, especially individuals, give the company social legitimacy, which could, in turn, support the creation and/or maintenance of a favorable reputation for the company itself and its members (employees, managers, consultants, owners, etc.) (Chatzoglou, Chatzoudes, Amarantou, & Aggelidis, 2017).

The best way to manage the conflict between internal rationality criteria and environmental pressure is to develop two parallel structures, one formal, consistent with myths and ceremonials, to achieve legitimacy, the other in-formal, aimed at gaining competitive advantage and reputation (Czinkota et al., 2014) (see Fig. 1).

The isomorphism phenomenon tends to have different connotations depending on whether it evolves according to cognitive (social beliefs), normative (existence of scarce resources whose acquisition is essential to survival) and/or coercive conditions (existence of rules essential to social and economic activity) (Di Maggio & Powell, 1983; Leydesdorff, 2000).

Cognitive or mimetic isomorphism is characterized by a spontaneous process of imitation and/or interpretation in which the interaction between actors and relevant messages is processed and turned into cultural meaning and values (Bridwell & Mezias, 2012; Rao, 1994).

The prevailing existence of rules and resources leads to the identification of forms of isomorphism based on:

1. Awareness of the importance of acquiring new know-how and practices to survive: *Normative Isomorphism*.
2. Pressure factors such as laws, regulations etc., that lead to compliance: *Coercive Isomorphism* (Golinelli, 2010).

Normative isomorphism is founded on company-context interactions in which a greater ability, knowledge and/or possession of intangible assets is present (facility = ability/capacity/know how), to define a condition of pre-eminence of one towards the other.

Coercive Isomorphism is founded on interactions between actors, every time it becomes necessary to identify values and rules and/or standards useful to determine how a social actor should behave to gain legitimization. In the present work, the Statute adaptation could be an example of coercive isomorphism showing some governance purposes and values.

The relationship between players and context can, therefore, be a continuous and mutual adaptation that depends on environmental determinism and the ability of the company to influence its reference context. While the former affects and constrains corporate activities, the latter is intended to influence context entities and to establish the autonomy of the company system towards the surrounding reality (Golinelli, 2010).

Finally, the legitimacy condition, the isomorphic phenomenon and the reputational behavior contribute to evolve the fBComp capability to survive, thanks to co-creation activities and the stakeholder engagement, in social and economic contexts (Deephouse & Carter, 2005; Rawhouser, Cummings, & Marcus, 2018; Sabeti, 2011).

## 6. The curative marketing model

In a similar scenario, in which we discuss about business models, corporate survival and its social legitimization, we are seeing a current migration of consumer and individual values to higher ethical order values with the marketing discipline shifting its focus on restoring and developing economic and social health. ‘Restoring’ indicates something lost which once was there. ‘Developing’ refers to new issues to be addressed with new tools and frames of reference. ‘Health’, in turn, positions the issue as important to overall welfare, which marketing needs to address, resolve and improve. Marketers must deliver relations based on trust, satisfaction, fulfillment, safety, personal growth, and to support advancement towards a better society, and do so across borders (Czinkota, 2012). In this regard, Curative Marketing adds a more empathetic, affective, internal and more innovative dimension (i.e. by reflection) to the more rationality focused concept of isomorphism. Moreover, to increase levels of innovativeness, fb companies must apply other than coercively deduced isomorphic behaviors. Rather than being based on pre-emptive normative structures, co-creation in the Curative Marketing sense is based on “same eye-level” relationships with stakeholders pursuing improved social wellbeing as the common denominator.

The question arises how Curative Marketing differentiates from Social Marketing or Cause Related Marketing. In line with classical Social Marketing, Curative Marketing pursues a socially sustainable goal when convincing an audience with the tools of commercial Marketing Kanig, 2012.

Traditionally, Social Marketing focused non-profit institutions to engage members of the society in socially desired behavior (Dann, 2010; Gromberg, 2006; Leuter, 2008; Stumpf & Teufl, 2014). Due to an increased nexus between social organizations and private companies to achieve social goals, other authors (Andreasen, 2006; Kotler & Lee, 2008; Stumpf & Teufl, 2014) suggest integrating Cause Related Marketing into the concept of Social Marketing entailing besides a social objective also an economic one.

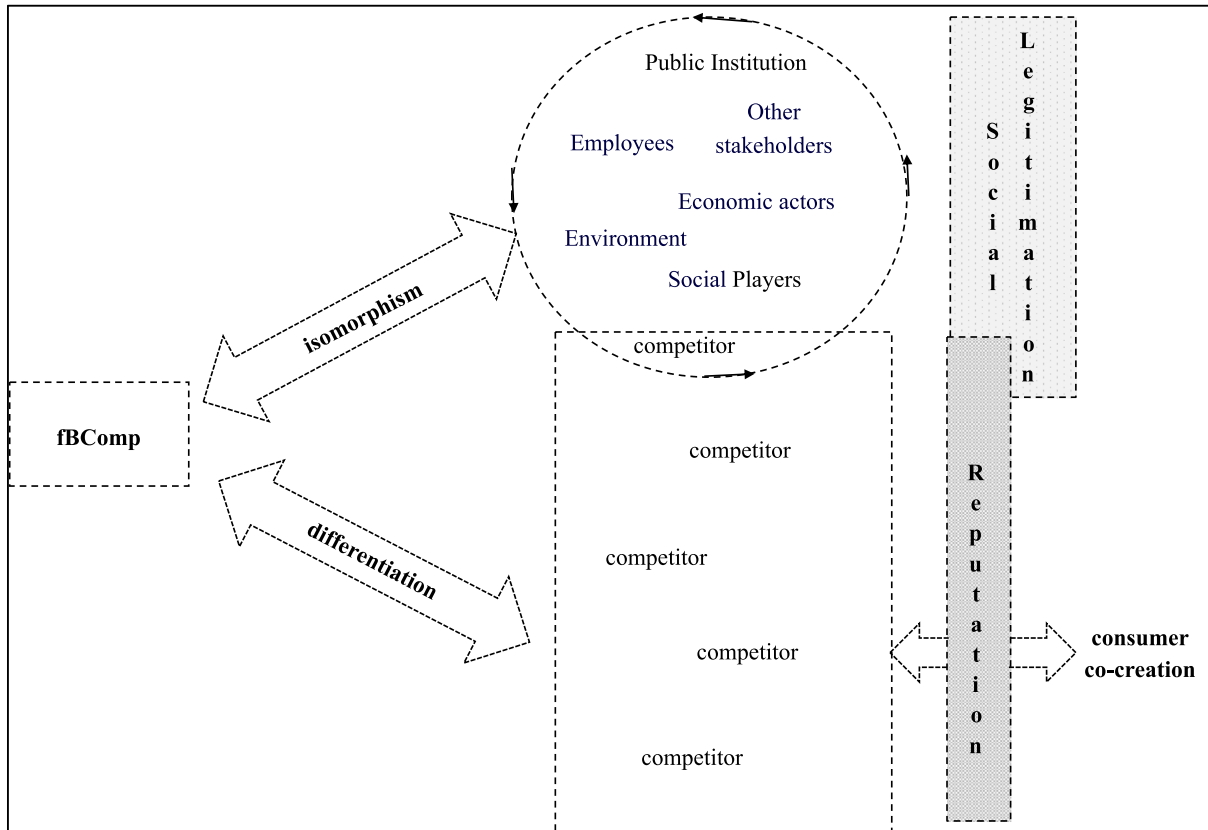


Fig. 1. Isomorphism, differentiation, social legitimization and reputation applied to fBComp. Source: Developed from Czinkota et al. (2014).

Going beyond this expanded Social Marketing connotation, the authors of this paper call for a new Curative Marketing philosophy, which sub-ordinates economic objectives to human, society or ecology centered system stabilization and innovation. Furthermore, it attributes to marketers a more prominent role in setting societal objectives towards improvements in the quality of life.

Moreover, while Social Marketing has an external direction in triggering socially desired behavior of others, the new paradigm of Curative Marketing, most importantly, has an internal focus and suggests to, a priori, self-critically reflect on past errors and mistakes inflicted by national or international marketing of corporations and their supply chains to be addressed by a spirit of restitution. Based on empathy for local sustainability conditions, any damages to the various system actors must be avoided or, if occurred, restituted. Moreover, social, economic and ecological value should be co-created together with all stakeholders based on healthy macro, meso and micro (multi-level and multiagent) relationships (Czinkota & Kaufmann, 2017). Co-creation or open innovation can be facilitated by Social Media (Kaufmann & Manarioti, 2017).

Hence, curative marketing could stimulate new thinking focused on responsibility recognition and acceptance for problems which traditional marketing has caused. This approach could use marketing's capabilities to analyze, to set things right and to increase the wellbeing of the individual and society on a global level.

Curative marketing's two perspectives consist of looking back for what marketing has wrought and making up for errors with future action and truthful communication. A further differentiation of Curative Marketing as to Social Marketing or Cause Related Marketing is its call for an interdisciplinary body of knowledge and triangulated research methodologies.

In line with Loewenstein (2013) the authors hold that new global problems require innovative global approaches informed by an

interplay of disciplines. Curative marketing needs to draw on systems and complexity theory, social identity, jurisprudence, cultural anthropology, philosophy and history (Kaufmann et al., 2015).

Relating exemplarily to identity, Arnett, German, and Hunt's (2003) pioneering work heralds a new Marketing paradigm calling for providing additional social benefits to customers as a logical consequence of and precondition for the integration of the sociological identity theory into Marketing.

Identity, a central pillar of the Curative Marketing Philosophy, as it focuses on the human factor in a conceptual and methodological context, is regarded as both, a desirable finality (i.e. social welfare) and a mechanism to achieve it as the central internal and external corporate communication platform (Balmer, 2008).

Regarding the internal dimension of identity, the concept of behavioral branding (Henkel, Tomczak, Heitmann, & Hermann, 2007) gains more and more momentum to achieve more authentic and sustainable relationships achieved by a congruence of corporate and stakeholder values (Kaufmann, Vrontis, Czinkota, & Hadiono, 2012).

A correlation between behavioral branding, customer engagement, brand communities, brand love and co-creation was initially suggested by Kaufmann, Correia Loureiro, & Manarioti, 2016.

Such perspective acknowledges that marketing is too important to be left to marketers consonant with Keynes questioning of "how and whether economics should rule the world".

Marketers need to focus on past errors and mistakes inflicted by their discipline and sweep these out from under the carpet in the spirit of restitution.

Marketers are urged to avoid causing short or long-term harm and authentically strive for restitution for any damages occurred.

Summarizing, a new paradigm of Curative Marketing is suggested to be based on the vision and motivation of transcending to a more empathetic, responsible marketing discipline, where primarily sustainable

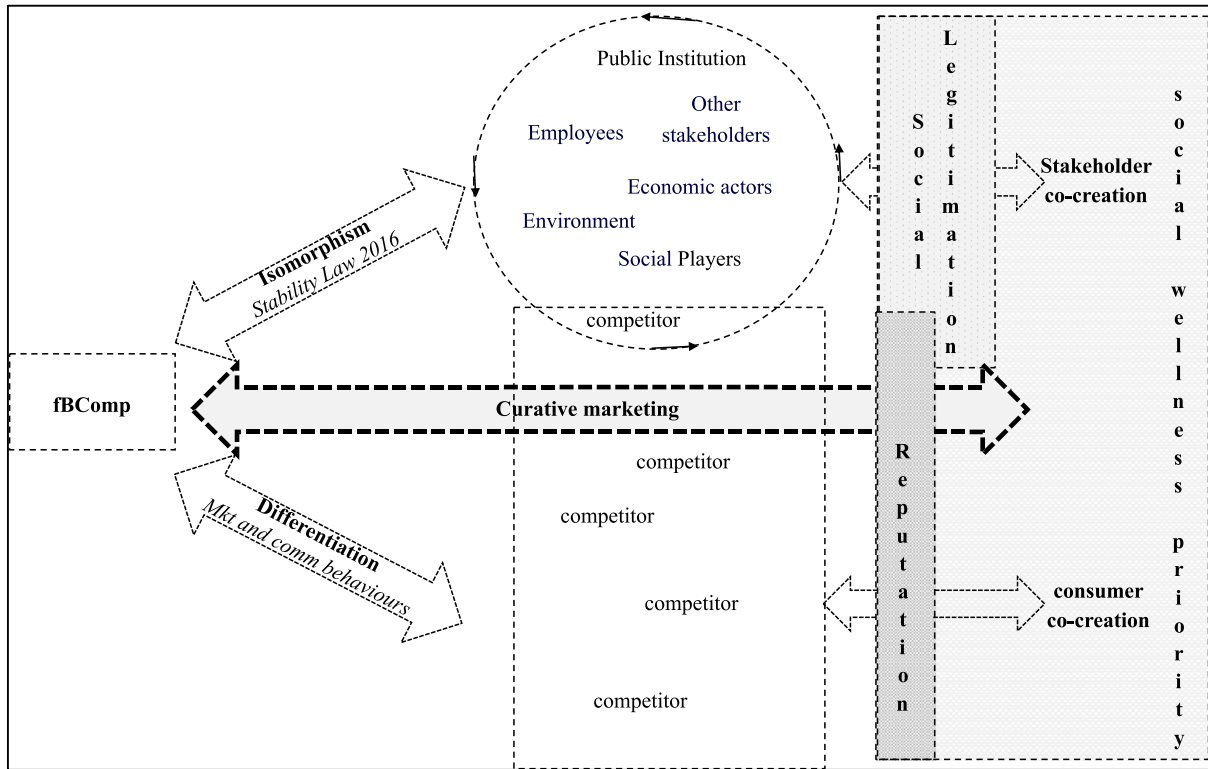


Fig. 2. The curative marketing role for the social wellness priority. Source: Our elaboration.

corporate objectives should be focused on co-creating multilateral stakeholder groups and contextual consonance in such a way that natural, human and social capital is globally and locally restored, preserved or enhanced (Czinkota et al., 2014; Kaufmann et al., 2015; Kaufmann & Shams, 2016). Especially, the suggested primary focus on social benefits might be complemented by implementing relevant normative laws as studied in this paper (see Fig. 2).

Not everything that can be done should be done. A marketing Hippocratic Oath “First do no harm” should be followed by doing everything possible to make people be better off and feel better.

Curative Marketing can contribute to overcome past shortcomings and avoiding future ills.

Marketers are suggested to embrace their new role as agents of change being directly involved in change. As the great Ludwig von Wittgenstein stated: “A philosopher who is not taking part in discussions is like a boxer who never goes into the ring.” It is time for marketers to enter the ring with the fBComp Law providing them with a consistent legal framework.

## 7. The state of the art of fBComp Law application

### 7.1. Main features about law application

As noted above, value co-creation takes place within social systems in which companies and stakeholders adopt certain social positions and roles. Their potential impact depends on the organizational architecture and eco-system of support (Sabeti, 2011). Starting from these considerations and from the studies discussed in the previous parts, the fBComp has two primary characteristics: a commitment to social purpose and a reliance on earned income. Hence, the first step in forming a for-benefit is to be explicit about the fact that one is doing so. Because the law usually forces a nascent for-profit or a non-profit to organize as a for-benefit, the enterprise defines itself accordingly. This can lead to confusion, mistrust, and low credibility among stakeholders, especially,

when the for-benefit organizations attempt to distinguish themselves through branding or product messaging, invoking terms such as “social enterprise”, “sustainable business”, “fair trade,” and “green”.

Combining social and financial purpose is not new; we can think at hospitals, universities or arts organizations. But the fB model does much more than that. It redefines fiduciary duty, governance, ownership, and stakeholder relationships in fundamentals ways.

The following characteristics are being codified in a new legal structure and should be given priority on any for-benefit entrepreneur's agenda:

**Embedded purpose:** a commitment to mission is in the company's DNA (genetic code). Fiduciary and legitimacy duty is tied to purpose.

**Earned income:** sales of goods and services generate most of the income.

**Stakeholder value:** whereas traditional for-profits emphasize shareholder value, for benefits pay more attention to their impact on all stakeholders. After identifying the groups that are essential to the organization's success, and clarifying the value proposition for each, entrepreneurs should feel free to negotiate roles, responsibilities, and incentives that will increase stakeholder's engagement with the mission.

**Capitalization:** a key challenge that for-benefits encounter is to design a structure that balances the financial interests of capital providers with the enterprises' mission and stakeholder commitments.

**Ownership and governance:** the director should share the commitment that inspired the founder. Preservation of the social mission after an ownership transfer is one of the challenges that for-benefit companies face. It is often assumed that the owner drives the governance, but, in fact, ownership is a collection of legal rights that can be unbundled and re-packaged in creative ways. Ownership and governance design can protect the mission over the long term and deepen stakeholder engagement.

**Performance measurement and reporting:** the fundamental value proposition for a for-benefit requires an organization to be able to account for its total impact and performance (financial, social and

environmental). Few conventional accounting systems are designed for such reporting, but efforts are under way to create new tools.

**Finding a suitable eco-system:** when an entrepreneur starts a conventional company, lawyers, accountants, investors, and consultants share an understanding of what that means and can provide tools and services that fit seamlessly together. For-benefit enterprises have had to rely mostly on these ecosystems but now they can find resources and support that are better suited to their requirements. In this respect, governments are suggested to increasingly appreciate the contributions of fb companies in terms of relieving public budget constraints.

In the past decades, a steadily growing number of innovators have been pushing against the boundaries that separate for-profits, non-for-profits, and governments. Their activities go by various names: corporate social responsibility, sustainability, cause related marketing and purchasing, venture philanthropy, social investing, microfinance, civic and municipal enterprise. If the for-benefit model is broadly recognized, all this innovation might constitute a new sector.

As governments, markets, and entrepreneurs adopt the for-benefit model, this new sector will grow in proportion to the others as composed by socially motivated entrepreneurs, supported by appropriate legal and market structures, creating enterprises that combine a social mission with a business engine. Although being profit orientated, the social mission should be preminent to redress the balance of the system.

The past models have generated prosperity and improved the quality of life, but not without undesirable environmental and social consequences. Calls for its reform are getting louder, and many approaches have been put forth: Creative capitalism, philanthro-capitalism, new economy, impact investing, blended value, shared value and, as discussed in this paper, curative marketing. When planning for reforms, governments and markets should integrate these new trends and support the fBComp as an equally legitimate model that is an integral part of a sustainable economy system pursuing a co-creation approach. Social impact measurement is suggested to be attributed an ever-growing importance.

## 7.2. Desk analysis and first signals on stakeholder relationships/engagement

Since 1 January 2016, Italy is one of the three countries in the world (after US and UK) that has introduced the fb Companies (l. 28 December 2015, n.208 Art.1, from par. 376 to 384, 2016 called Stability Law). These are firms that in addition to the ordinary institutional aim (profit or mutual purpose, common benefit) act responsibly, sustainable and transparent to people, communities, place and the environment, culture, organizations, associations and other stakeholders. Both, existing companies and those of new constitution, may include in their statutes specific clauses which provide the purposes of common benefit.

According to the First Italian fBComp Report (<http://www.societabenefit.net/registro-ufficiale-societa-benefit/>), we highlight the most relevant figures and features of the 144 companies registered in Italy to date. The report shows that more than 50% of firms are new. Over a quarter are old companies which have decided to revise their statutes including the clauses of the new law.

In the first years, most of the fBComp have chosen the capitalist type of society. Ltd. is used almost in every case. Within the Ltd there are variants of the innovative start-up and agriculture firm. Moreover, the first cooperative fBComp has been recorded in Italy and in the world not even provided in the US.

The fBComp name is not required by law which mentions that expression as an option for the companies that have adopted the new statute. This implies that the fb can be viewed as a brand for reputational advantage. Almost all firms that have issued the statutory requirement of social benefit named the expression “benefit society”. At the end, there is only one company (it's a SpA) who omitted in its name

the fb abbreviation. The phenomenon of the fBComp is particularly widespread in the North of Italy being that part of the country with the largest numbers of companies. The fBs have normally a narrow company structure, often with an owner driven governance.

The most interesting information is related to the way companies have defined their social purpose. Thanks to the statutes analysis we have identified the following fBComp categories:

1. generic fBComp (122 companies)
2. specific fBComp (22 companies).

The second category (specific fBComp) shows those companies that clearly claim the social purpose. For example, Anima e Corpo Srl Società Benefit declares: the company, by means of event organization, commits to support the development of youth belonging to Salesian community supporting Salesian equipment management situated in Lecce town; Events Srl SB will allocate a part of the profits to the non-profit “solidarity farm” (partly already operating in a land of about 40 ha, 10 of which are the result of a donation, and 30 of a free loan, where there is a cottage of about 150 m, a stable and a barn, and where 10 horses, three donkeys, 20 cows, 50 sheep and 10 goats graze), situated in Alia village (Palermo), composed of 50 sqm pre-fabricated wooden building units, totally furnished (i.e. complete with furniture and furnishings), to be realized and assigned, on loan for free use, to homeless people, those who live on the street and under bridges and to families who are in a serious state of poverty or in precarious economic conditions.

Regarding the stakeholder engagement, the analyzed phenomenon is very recent but in January 2018 a group of eighty B Corp companies from all over Italy addressed the future leadership of the country to remind all political forces and their candidates in the elections of 4 March of the imperative of sustainable development. The community of entrepreneurs and citizens of the Italian B Corp calls for a full page on the most important Italian newspaper (Corriere della Sera) of January 23, that the objectives of Social and Environmental Sustainability, on which Italy has already committed since 2015 adhering to the 2030 agenda of United Nations, be included in electoral programs and be pursued after the election.

## 8. Conclusion

Based on a comprehensive literature review and document analysis, the authors define a fBComp as a social co-creator, in interaction with the other social and economic actors, within their corporate capabilities. The new economic and legal scenario illustrates the development from the traditional business model to a social “curative” business model in which the entrepreneur's legitimate and reputational behaviors are not differentiated, flowing into social wellness priority.

On the basis of this approach, the fBComp is a system aware of being an ethical, social and economic actor, part of a supra-system composed by numerous and heterogeneous components and explained by a multidisciplinary theoretical body. The provided initial conceptualization was further developed from isomorphism based literature and is subject to validation by future empirical studies. Particularly, it could be an important step to better the coherence degree between company strategies and Urban Agenda 2030 goal number 9, for a sustainable future, claimed by United Nation.

Moreover, the authors, considering the empirical research limits, regard it as the main objective of the paper to initiate a scientific discussion on the very dispersed field of new global developments on a new paradigm marrying socially and economically driven business models suggesting the Italian fBComp as a possible role and to contribute to model building by the cases method.

Managerial implications of this study relate to innovation training of entrepreneurs differentiated by various sources of innovation (coercive, normative, relationships, smart technology) and the nature of



relationships between the innovating co-creators (pre-eminent structures vs. ‘same eye-level’). Furthermore, entrepreneurial education and/or training should draw on multidisciplinary curricula focusing on identity for fruitful internal and external relationships.

Finally, the authors are aware that a future research agenda could entail to analyze the effective stakeholder involvement in developing sustainability standards (including civil societies and citizens). Pursuing this approach would contribute to “effective consensus building, knowledge sharing, interest representation, and the achievement of legitimacy” (Balzarova & Castka, 2012:2) and social innovation (i.e. smart cities).

Contributing to future research agendas, the authors argue that the paper poses some questions that might be addressed by integrating different scientific fields:

1. Considering that ethics relates to subjective values, is it necessary to create a fBComp showing the governance of this ethical value?
2. Will the fBComp have more probability to survive compared to companies without social engagement?
3. Could the Statute modification, introduced by the Italian Stability Law, represent the governor's and/or the owners' social values about social legitimization? In the case of a positive answer to this question, can those entrepreneurs, who don't use or modify the new Statute, be considered as being interested about social behavior only to win the competition against their competitors? And finally,
4. In our time of a heightened discussion on economic neoliberal approaches and/or deterministic traditional business models, will researchers and practitioners consider the fBComp only a brand to better compete or rather a starting point that could lead to the definition of a new social business model truly contributing to social wellbeing?
5. Should the stability law be reviewed in terms of explicitly including the aspect of co-creation and in terms of integrating non-for-profit, but earning based, social entrepreneurs?

Finally, imparting the conviction to all stakeholders that wholehearted and prioritized commitment to social wellness improvement will render economic benefits in its wave and create a new species of entrepreneurs which is so urgently required in our times.

## References

- Abratt, R., & Kleyn, N. (2012). Corporate identity, corporate branding and corporate reputations: Reconciliation and integration. *European Journal of Marketing*, 46(7/8), 347–356.
- Agafonov, A., & Donaldson, C. (2015). The economic rationale behind the social business model: A research agenda. *Social Business*, 5(1), 5–16.
- Albert, S., & Whetten, D. A. (1985). Organizational identity. *Research in Organizational Behavior*, 7, 263–295.
- Andersson, P., Aspenberg, K., & Kjellberg, H. (2008). The configuration of actors in market practice. *Marketing Theory*, 8(1), 67–80.
- Andreasen, A. R. (Ed.). (2006). *Social marketing in the 21st century*. Thousand Oaks: Sage.
- Araujo, L., Kjellberg, H., & Spencer, R. (2008). Market practices and forms: Introduction to special issue. *Marketing Theory*, 8(1), 5–14.
- Arend, R. J. (2013). The business model: Present and future—Beyond a skeuomorph. *Strategic Organization*, 11(4), 390–402.
- Arnett, D. B., German, S. D., & Hunt, S. D. (2003). The identity salience model of relationship marketing success: The case of nonprofit marketing. *Journal of Marketing*, 67(2), 89–105.
- Baden-Fuller, C., & Morgan, M. S. (2010). Business models as models. *Long Range Planning*, 43(2–3), 156–171.
- Balmer, J. M. T. (2008). Identity based views of the corporation. *European Journal of Marketing*, 42(9/10), 879–906.
- Balzarova, M. A., & Castka, P. (2012). Stakeholders' influence and contribution to social standards development: The case of multiple stakeholder approach to ISO 26000 development. *Journal of Business Ethics*, 111(2), 265–279.
- Barile, S. (2006). *L'Impresa come Sistema. Contributi sull'Approccio Sistemico Vitale (ASV)*. Torin: Giappichelli.
- Barile, S., & Gatti, M. (2003). Riflessioni sull'etica dell'impresa secondo l'approccio sistemico. *Esperienze d'Impresa*, 5/1, 235–244.
- Barley, S. R., & Tolbert, P. S. (1997). Institutionalization and structuration: Studying the links between action and institution. *Organization Studies*, 18(1), 93–117.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.
- Barney, J. B. (2001). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of Management*, 27(6), 643–650.
- Barney, J. B., & Arikian, A. M. (2001). *The resource-based view: Origins and implications*. Oxford: Blackwell Business.
- Basile, G., Kaufmann, R. K., & Savastano, M. (2018). Revisiting complexity theory to achieve strategic intelligence. *International Journal of Foresight and Innovation Policy*, 13, 57–70 (Nos. 1/2).
- Bateson, G., Drosso, F., Lot, L., Simion, E., & Cler, C. (1977). *Vers une écologie de l'esprit. Vol. 1, No. 2*. Paris: Seuil.
- Beer, S. (1959). *Kybernetik und management*. Frankfurt: S. Fischer Verlag.
- Beer, S. (1966). *Decision and control: The meaning of operational research and management cybernetics*. London: Wiley.
- Beer, S. (1985). *Diagnosing the system for organizations*. London: John Wiley & Sons Inc.
- Berger, P., & Luckmann, T. (1966). *The social construction of reality*. New York: Doubleday.
- Bettis, R. A., & Prahalad, C. K. (1995). The dominant logic: Retrospective and extension. *Strategic Management Journal*, 16(1), 5–14.
- Bridwell, E. N., & Mezas, M. S. J. (2012). The quest for cognitive legitimacy: Organizational identity crafting and internal stakeholder support. *Journal of Change Management*, 1–19 (iFirst Article).
- Brown, T. J., Dacin, P. A., Pratt, M. G., & Whetten, D. A. (2006). Identity, intended image, construed image, and reputation: An interdisciplinary framework and suggested terminology. *Journal of the Academy of Marketing Science*, 34(2), 99–106.
- Casadesus-Masanell, R., & Ricart, J. E. (2010). From strategy to business models and onto tactics. *Long Range Planning*, 43(2–3), 195–215.
- Casadesus-Masanell, R., & Ricart, J. E. (2011). How to design a winning business model. *Harvard Business Review*, 89(1/2), 100–107.
- Chatzoglou, P., Chatzoudes, D., Amarantou, V., & Aggelidis, V. (2017). Examining the antecedents and the effects of CSR implementation: An explanatory study. *EuroMed Journal of Business*, 12(2), 189–206.
- Checkland, P. (1981). *Systems thinking, systems practice*. Chichester: John Wiley & Sons.
- Checkland, P. (2000). Soft systems methodology: A thirty year retrospective. *Systems Research and Behavioral Science*, 17(S1), 11–58.
- Chesbrough, H. (2010). Business model innovation: Opportunities and barriers. *Long Range Planning*, 43(2–3), 354–363.
- Chesbrough, H., & Rosenbloom, R. S. (2002). The role of the business model in capturing value from innovation: Evidence from Xerox corporation's technology spin-off companies. *Industrial and Corporate Change*, 11(3), 529–555.
- Constant, E. W. (1987). The social locus of technological practice: Community, system, or organization. In W. E. Bijker, T. P. Hughes, & T. J. Pinch (Eds.), *The social construction of technological systems: New directions in the sociology and history of technology*. Boston: MIT Press.
- Czinkota, M., Kaufmann, H. R., & Basile, G. (2014). The relationship between legitimacy, reputation, sustainability and branding for companies and their supply chains. *Industrial Marketing Management*, 43, 91–101.
- Czinkota, M. R. (2012). Curative international marketing—the next step up. *Marketing Management*, 21(2), 12–14.
- Czinkota, M. R., & Kaufmann, H. R. (2017). Structured abstract: An integration of the curative international marketing construct. In M. Stieler (Ed.), *Creating marketing magic and innovative future marketing trends* (pp. 831–835). Cham: Springer.
- Czinkota, M. R., & Ronkainen, I. A. (2013). *International marketing*. Boston: Cengage Learning.
- Dann, S. (2010). Redefining social marketing with contemporary commercial marketing definitions. *Journal of Business Research*, 63(2), 147–153.
- Davies, G., Chun, R., Da Silva, R. V., & Roper, S. (2001). The personification metaphor as a measurement approach for corporate reputation. *Corporate Reputation Review*, 4(2), 113–127.
- Deephouse, D. L., & Carter, S. M. (2005). An examination of differences between organizational legitimacy and organizational reputation. *Journal of Management Studies*, 42(2), 329–360.
- Deighton, J., & Grayson, K. (1995). Marketing and seduction: Building exchange relationships by managing social consensus. *Journal of Consumer Research*, 21(4), 660–676.
- Demil, B., & Lecocq, X. (2010). Business model evolution: In search of dynamic consistency. *Long Range Planning*, 43(2–3), 227–246.
- Di Maggio, P., & Powell, W. W. (1983). The iron cage revisited: Collective rationality and institutional isomorphism in organizational fields. *American Sociological Review*, 48(2), 147–160.
- Di Maggio, P., & Powell, W. W. (1991). *The new institutionalism in organizational analysis*. Chicago: University of Chicago Press.
- Fombrun, C. J. (1996). *Reputation. Realizing value from the corporate image*. Brighton: Harvard Business School Press.
- Fombrun, C. J., & Van Riel, C. B. M. (2003). *Fame & fortune: How successful companies build winning reputation*. Upper Saddle River: Prentice Hall, Financial Times.
- Freeman, D., & Robert, L. S. (2015). Entrepreneurial leadership in the context of company start-up and growth. *Journal of Leadership Studies*, 8(4), 35–39.
- Freeman, R. E. (2010). *Strategic management: A stakeholder approach*. Cambridge: Cambridge University Press.
- Freeman, R. E., & Reed, D. L. (1983). Stockholders and stakeholders: A new perspective on corporate governance. *California Management Review*, 25(3), 88–106.
- Gambardella, A., & McGahan, A. M. (2010). Business-model innovation: General purpose technologies and their implications for industry structure. *Long Range Planning*, 43(2–3), 262–271.
- Gatignon, H., Lecocq, X., Pauwels, K., & Sorescu, A. (2017, December). A marketing perspective on business models. *AMS Review*, 7(3–4), 85–89. <https://doi.org/10.1007/s13162-017-0108-5>.

- Giddens, A. (1984). *The constitution of society: Outline of the theory of structuration*. Berkeley: University of California Press.
- Gioia, D. A., Schultz, M., & Corley, K. G. (2000). Organizational identity, image, and adaptive instability. *Academy of Management Review*, 25(1), 63–81.
- Golinelli, G. M. (2010). *L'approccio sistemico al governo dell'impresa. Verso la scientificazione dell'azione di governo. Vol. II*. Padova: Cedam.
- Golinelli, M. G. (2005). Recenti sviluppi nelle relazioni tra economia e finanza del governo dell'impresa: spunti di riflessione. *Sinergie*, 67, 19–20.
- Gromberg, E. C. (2006). *Handbuch sozialmarketing*. Berlin: Cornelsen Verlag.
- Hannan, M. T., & Freeman, J. (1977). The population ecology of organizations. *American Journal of Sociology*, 82(5), 929–964.
- Hannan, M. T., Polos, L., & Carroll, G. R. (2007). *Logics of organization theory: Audiences, codes, and ecologies*. Princeton, NJ: Princeton University Press.
- Hawley, A. H. (1968). Human ecology. In D. L. Sills (Ed.), *International encyclopedia of the social sciences* (pp. 328–337). New York: McMillan.
- Henkel, S., Tomczak, T., Heitmann, M., & Hermann, A. (2007). Managing brand consistent employee behaviour: Relevance and managerial control of behavioural branding. *Journal of Product and Brand Management*, 16(5), 310–320.
- Hirsch, P., & Andrews, J. A. Y. (1984). Administrators' response to performance and value challenges: Stance, symbols and behaviors. In T. J. Sergiovanni, & J. E. Corbally (Eds.), *Leadership and organizational culture* (pp. 170–185). Illinois: University of Illinois Press.
- Honeyman, R. (2014). *The B Corp handbook: How to use business as a force for good*. San Francisco: Berrett and Koehler Publishers Inc.
- Illia, L., & Lurati, F. (2006). Stakeholder perspectives on organizational identity: Searching for a relationship approach. *Corporate Reputation Review*, 8(4), 293–304.
- Itami, H., & Nishino, K. (2010). Killing two birds with one stone: Profit for now and learning for the future. *Long Range Planning*, 43(2–3), 364–369.
- Jepperson, R. L. (1991). Institutions, institutional effects and institutionalism. In W. W. Powell, & P. J. Di Maggio (Eds.), *The new institutionalism in organizational analysis*. Chicago: University of Chicago Press.
- Johnson, G., Smith, S., & Codling, B. (2006). Microprocesses of institutional change in the context of privatization. *Academy of Management Review*, 25(3), 572–580.
- Kanig, I. (2012). Sustainable capitalism through the benefit corporation: Enforcing the procedural duty of consideration to protect non-shareholder interests. *Hastings Law Journal*, 64(3), 863–904.
- Kaufmann, H. R., Correia Loureiro, & Manarioti, A. (2016). Exploring behavioral branding, brand love and brand co-creation. *Journal of Product and Brand Management*, 25(6), 516–526.
- Kaufmann, H. R., Czinkota, M., & Zakrzewski, M. (2015). B2B and internal relationships and curative international marketing: A Polish case study. *Industrial Marketing Management*, 51, 69–78.
- Kaufmann, H. R., & Manarioti, A. (Eds.). (2017). *Encouraging participative consumerism through evolutionary digital marketing: Emerging research and opportunities: Emerging research and opportunities*. Hershey: IGI Global.
- Kaufmann, H. R., & Shams, S. M. R. (2016). *Entrepreneurial challenges in the 21st century. creating stakeholder value co-creation*. London: Palgrave Macmillan.
- Kaufmann, H. R., Vrontis, D., Czinkota, M., & Hadiono, A. (2012). Corporate branding and transformational leadership in turbulent times. *Journal of Product and Brand Management*, 21(3), 192–204.
- Kjellberg, H., & Helgesson, C. F. (2006). Multiple versions of markets: Multiplicity and performativity in market practice. *Industrial Marketing Management*, 35(7), 839–855.
- Kogut, B., & Zander, U. (1996). What do firms do? Coordination, identity and learning. *Organization Science*, 7, 502–518.
- Kotler, P., & Lee, N. (2008). *Corporate social responsibility: Doing the most good for your company and your cause*. Hoboken, NJ: John Wiley & Sons.
- Leblebici, H., Salancik, G., Copay, A., & King, T. (1991). Institutional change and the transformation of the U.S. broadcasting industry. *Administrative Science Quarterly*, 36, 333–363.
- Leuter, S. (2008). *Social marketing als unternehmenschance-die wirkung von cause related marketing*. Saarbrücken: VDM Verlag Dr. Müller.
- Levinthal, D. A. (1997). Adaptation on rugged landscapes. *Management Science*, 43(7), 934–950.
- Leydesdorff, L. (2000). Luhmann, Habermas and the theory of communication. *Systems Research and Behavioral Science*, 17(3), 273–288.
- Linton, R. (1936). *The study of man: An introduction*. New York: Appleton-Century-Crofts.
- Loewenstein, M. J. (2013). Benefit corporations: A challenge in corporate governance. *The Business Lawyer*, 68(4 (August)), 1007–1038.
- March, J. G., & Simon, H. A. (1958). *Organizations*. Oxford, England: Wiley.
- Maturana, H. R., & Varela, F. J. (1980). Problems in the neurophysiology of cognition. *Autopoiesis and cognition* (pp. 41–47). Dordrecht: Springer.
- Merton, R. K. (1957). *Social theory and social structure*. Glencoe, IL: Free Press.
- Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 83(2), 340–363.
- Nyström, A. G., & Mustonen, M. (2017, December). The dynamic approach to business models. *AMS Review*, 7(3–4), 1–15. <https://doi.org/10.1007/s13162-017-0108-5>.
- Palmer, A., & Ponsoby, S. (2002). The social construction of new marketing paradigms: The influence of personal perspective. *Journal of Marketing Management*, 18(1–2), 173–192.
- Pantano, E., Priporas, C. V., & Dennis, C. (2018). A new approach to retailing for successful competition in the new smart scenario. *International Journal of Retail & Distribution Management*, 46(3), 264–282.
- Parsons, T. (1956, June). Suggestions for a sociological approach to the theory of organizations—I. *Administrative Science Quarterly*, 1(1), 63–85.
- Parsons, T. (1960). *Structure and process in modern societies*. New York: John Wiley.
- Peñaloza, L., & Venkatesh, A. (2006). Further evolving the new dominant logic of marketing: From services to the social construction of markets. *Marketing Theory*, 6(3), 299–316.
- Porter, T. B. (2008). Managerial applications of corporate social responsibility and systems thinking for achieving sustainability outcomes. *Systems Research and Behavioral Science*, 25(3), 397–411.
- Pruzan, P. (2001). Corporate reputation: Image and identity. *Corporate Reputation Review*, 4(1), 50–64.
- Rao, H. (1994). The social construction of reputation: Certification contests, legitimation, and the survival of organizations in the American Automobile Industry: 1985–1912. *Strategic Management Journal, Special Issue: Competitive Organizational Behavior*, 29–44.
- Rawhouser, H., Cummings, M., & Crane, A. (2015, Spring). Benefit corporation legislation and the emergence of a social hybrid category. *California Management Review*, 57(3), 13–35.
- Rawhouser, H., Cummings, M. E., & Marcus, A. (2018). Sustainability standards and stakeholder engagement: Lessons from carbon markets. *Organization & Environment*, 31, 263–282.
- Richins, M. L. (1994). Valuing things: The public and private meanings of possessions. *Journal of Consumer Research*, 21(3), 504–521.
- Rindova, V. P., Williamson, I. O., Petkova, A. P., & Sever, J. M. (2005). Being good or being known: An empirical examination of the dimensions, antecedents, and consequences of organizational reputation. *Academy of Management Journal*, 48(6), 1033–1049.
- Ruef, M., & Scott, W. R. (1998). A multidimensional model of organizational legitimacy: Hospital survival changing institutional environments. *Administrative Science Quarterly*, 43(4), 877–904.
- Sabatier, V., Mangematin, V., & Rousselle, T. (2010). From recipe to dinner: Business model portfolios in the European biopharmaceutical industry. *Long Range Planning*, 43(2–3), 431–447.
- Sabeti, H. (2011). The for-benefit enterprise. *Harvard Business Review*, 89, 99–104.
- Salancik, G. R., & Pfeffer, J. (1978). A social information processing approach to job attitudes and task design. *Administrative Science Quarterly*, 224–253.
- Scott, S. G., & Lane, V. R. (2000). A stakeholder approach to organizational identity. *Academy of Management Review*, 25(1), 43–62.
- Scott, W. R. (1995). *Institutions and organizations*. Thousand Oaks, CA: Sage.
- Senge, P. (1990). *The fifth discipline: The art and science of the learning organization*. New York: Currency Doubleday.
- Simon, H. A. (1960). *The Ford distinguished lectures. The new science of management decision, Vol. 3*. New York: Harper & Brothers.
- Smith, A. (1904). *An inquiry into the nature and causes of the wealth of nations*. London: Methuen & Co.
- Spieß-Knafl, W., Mast, C., & Jansen, S. A. (2015). On the nature of social business model innovation. *Social Business*, 5(2), 113–130.
- Staber, U., & Sydow, J. (2002, December). Organizational adaptive capacity a structuration perspective. *Journal of Management Inquiry*, 11(4), 408–424.
- Starik, M., & Rands, G. P. (1995). Weaving an integrated web: Multilevel and multisystem perspectives of ecologically sustainable organizations. *Academy of Management Review*, 20(4), 908–935.
- Storbacka, K., & Nenonen, S. (2008). Scripting markets: From value propositions to market propositions. *Otago forum 2, academic papers. 12. Otago forum 2, academic papers* (pp. 187–212).
- Stubbs, W. (2014). *Exploration of an emerging sustainable business model: The B Corp model. Proceedings of the 25th Annual Conference of the International Association for Business and Society* Sydney: IABS280–291.
- Stumpf, M., & Teufel, I. (2014). *Cause related marketing*. Berlin: Springer Gabler.
- Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20(3), 571–610.
- Teece, D. J. (2007). Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319–1350.
- Thompson, J. D. (1967). *Organizations in action: Social science bases of administrative theory*. Tempe AZ: UCEA.
- Thornton, P. H. (2002). The rise of the corporation in a craft industry: Conflict and conformity in institutional logics. *Academy of Management Journal*, 45(1), 82–101.
- Tolbert, P. S., & Zucker, L. G. (1996). Institutionalization of institutional theory. In S. R. Clegg, C. Hardy, & W. R. Nord (Eds.), *Handbook of organization studies*. London: Sage.
- Tsoukas, H. (1996). The firm as a distributed knowledge system: A constructionist approach. *Strategic Management Journal*, 17(Winter Special Issue), 11–25.
- Van Riel, C. B. M., & Fombrun, C. J. (2007). *Essentials of corporate communication*. New York: Routledge.
- Venturi, P., & Rago, S. (2016). *Benefit corporation e impresa sociale: convergenza e distinzione, impresa sociale*. 8 (<http://www.rivistaimpresasociale.it/rivista/item/135-benefit-corporation.html>, ISSN 2282-1694).
- Waddock, S. (2008). Building a new institutional infrastructure for corporate responsibility. *The Academy of Management Perspectives*, 22(3), 87–108.
- Weber, M. (1978). *Economy and society: an outline of interpretive sociology*. California: University of California Press.
- Whetten, D. A., & Mackey, A. (2002). A social actor conception of organizational identity and its implications for the study of organizational reputation. *Business & Society*, 41(4), 393–414.
- Wiener, N. (1948). Cybernetics. *Scientific American*, 179(5), 14–19.
- Williamson, O. E. (1979). Transaction-cost economics: The governance of contractual relations. *The Journal of Law and Economics*, 22(2), 233–261.
- Yolles, M. (1999). *Management systems. A viable approach*. London: Financial Times Professional Limited.
- Yunus, M., Moingeon, B., & Lehmann-Ortega, L. (2010). Building social business models:

- Lessons from the Grameen experience. *Long Range Planning*, 43(2–3), 308–325.
- Zott, C., & Amit, R. (2013). The business model: A theoretically anchored robust construct for strategic analysis. *Strategic Organization*, 11(4), 403–411.
- Zucker, L. G. (1977). The role of institutionalization in cultural persistence. *Sociology of Organization*, 2, 1–47.
- Zuckerman, E. W. (1999). The categorical imperative: Securities analysts and the illegitimacy discount. *The American Journal of Sociology*, 104(5), 1398–1438.

### Websites (last accesses 07/15/2018)

[http://europa.eu/rapid/press-release\\_DOC-01-9\\_en.pdf](http://europa.eu/rapid/press-release_DOC-01-9_en.pdf).

United Nations (1987). Report of the World Commission on Environment and Development: Our common future file:///C:/Users/User/Downloads/our\_common\_futurebrundtlandreport1987.pdf accessed on 11.02.2018.  
<http://www.societabenefit.net/registro-ufficiale-societa-benefit/>.

Michael Czinkota works at the McDonough School of Business at Georgetown University ([czinkotm@georgetown.edu](mailto:czinkotm@georgetown.edu)). He was named the third most productive international author in the world by the Journal of International Business Studies. His key book is International Marketing 10th edition with I. Ronkainen, Cengage.

Hans Rüdiger Kaufmann is Professor in Marketing in the School of Business of the University of Nicosia. He was/is President (2007–2009) of the global Consumer Behavior Network, CIRCLE, Vice-President of EMBRI and a founding member in both academic institutions. He was a board member of the American Marketing Association Global

Marketing SIG (2012–2016). In addition, he is a member of the editorial board of a variety of journals and an Associate Editor of the World Review of Entrepreneurship, Management and Sustainable Development. He has published many books and impactful journal articles in the field of consumer behavior, marketing and entrepreneurship. He is a Visiting Professor to the International Business School of Vilnius University, Adjunct Professor of the University of Vitez and a Visiting Lecturer to international universities. Since 1.2.2016 he is affiliated with the University of Applied Management Studies Mannheim/Germany as Professor in International Sales Management.

Gianpaolo Basile got his Ph.D. in Communication Science in University of Salerno (Italy). He teaches Destination Management in Universitas Mercatorum (Italy) and from 2010 is Adjunct Professor in Business Management Ph.D. course in Vitez University (Bosnia-Herzegovina). He is author of numerous published articles and books and board member in a number of international journal. He is founder and President of Business Systems Laboratory ([www.bslaboratory.net](http://www.bslaboratory.net)).

His main research interests are: Systems Thinking Approach, Place Marketing and Management.

Maria Antonella Ferri is Associate Professor of Business Management at Universitas Mercatorum, where she teaches Strategy and Marketing. She got a Ph.D. in Business Management, she became Assistant Professor at Sapienza University of Rome and then Associate Professor at Parthenope University of Naples. She is referee of some scientific journals. She is interested in Strategic Sustainability, Tourism Management, Business Model and Marketing Plan. She published several books and articles on these items.