



https://doi.org/10.26650/JECS2024-1553125

Submitted: 23.09.2024 Revision Requested: 25.11.2024 Last Revision Received: 28.12.2024

Accepted: 02.05.2025 Published Online 28.05.2025

Journal of Economy Culture and Society

Research Article Open Access

Effect of Social Pressure and Trust on Organizational Legitimacy: A Retailing Sector Perspective



Susana Díaz-Iglesias¹ ® ⋈, Gabriel Cachón-Rodríguez² ® & Giorgia Miotto³ ®

- ¹ Rey Juan Carlos University, Department of Business Economics, Madrid, Spain
- ² Rey Juan Carlos University, Department of Business Economics, Madrid, Spain
- ³ EADA Business School., Barcelona, Spain

Abstract

Enterprises operate in complex and competitive environments where stakeholders have become more demanding regarding corporate behavior. Organizations must respond to social demands and build trust among stakeholders to be perceived as legitimate. Positive legitimacy evaluations give companies better access to relevant resources, stakeholder support, higher purchasing levels, or stronger commitment. In the retailing sector, competition has strengthened even more than in other sectors due to the complexity of differentiation through tangible matters. Therefore, the main objective of this research is to analyze the effect of social pressure and trust on organizational legitimacy. Next, the impact of legitimacy on consumer purchase intention and engagement will be analyzed. An online survey was distributed among Spanish consumers to achieve this purpose, gathering 200 valid responses. To treat the data, PLS-SEM was applied, and the results confirmed a positive and significant relationship between trust, social pressure, and legitimacy, as well as between legitimacy, engagement, and purchase intention. This situation reflects the importance of appropriate corporate behavior for the success of corporations. The implications of this research can be used by retailing sector managers to improve their social acceptance, ensure long-lasting relationships, and improve sales in the future.

Keywords

social pressure · trust · legitimacy · purchase intention · engagement



- Citation: Díaz-Iglesias, S., Cachón-Rodríguez, G. & Miotto, G. (2025). Effect of social pressure and trust on organizational legitimacy: a retailing sector perspective. *Journal of Economy Culture and Society*, (71), 57-72. https://doi.org/10.26650/JECS 2024-1553125
- ⊕ This work is licensed under Creative Commons Attribution-NonCommercial 4.0 International License. ④ §
- © 2025. Díaz-Iglesias, S., Cachón-Rodríguez, G. & Miotto, G.
- ☑ Corresponding author: Susana Díaz-Iglesias susana.diaz@urjc.es





Effect of Social Pressure and Trust on Organizational Legitimacy: A Retailing **Sector Perspective**

Companies operate in environments where building trust among stakeholders is critical for receiving social support and positive legitimacy assessments. In addition, they often encounter social pressures and stakeholder requests for specific courses of action (Waldron et al., 2013). Ethical corporate behavior is positively perceived by consumers (Yoganathan et al., 2019), whose perceptions have shifted to a more altruistic orientation. As stated in the Edelman Trust Barometer (Barometer E.T., 2020), many consumers prefer those enterprises they trust and confirm their commitment to those that focus on providing value to society and addressing social needs and demands. Similarly, individuals are globally interconnected, constantly evaluating and searching for information regarding corporate behavior (Castells, 2007). Thus, transparency has become critical to earning trust and customer support (Iglesias et al., 2019).

Customers are more likely to provide positive legitimacy assessments to committed and trustworthy enterprises (Miotto et al., 2020), which shows the need to respond to social demands and develop activities to prove their reliability by behaving in accordance with social norms and values. When managing legitimacy, companies should identify consumers' desires and demands (Miotto et al., 2020). Stakeholders offer positive legitimacy assessments when they trust an organization since they understand that it would respect specific behavioral standards (Yang et al., 2021), which makes the organization reliable in front of society.

Legitimacy has been defined as the appropriateness of an organization due to the congruence of its activities and actions with the established norms and values (Deephouse et al., 2017). Legitimate organizations will have higher probabilities of survival and success in the medium and long term (Bianchi et al., 2019; Czinkota et al., 2014; Miotto et al., 2020) since consumers will be more willing to be customers (Aksak et al., 2016) and engaged (Ailawadi et al., 2014). This results in enduring customer relationships (Payne et al., 2021). Firms perceived as legitimate have better access to relevant resources and to better develop their activities since they are not constantly questioned by the different stakeholders (Suchman, 1995).

Competition is higher in every industry; however, in the retail sector, the situation can be even more complex since tangible differentiation is more difficult to provide since the majority of brands offer similar products. Economic and pragmatic factors affect consumer decisions within the retail sector; however, socio-cultural assessments are also relevant (Yang et al., 2021). Authors such as Kim et al., (2014) considered that retailers needed to engage in socially accepted activities to achieve legitimacy and obtain a long-term sustained competitive advantage through (Handelman & Arnold, 1999) consistent customer support (Guo et al., 2017).

Retailers should introduce intangible asset management within their main strategies to improve social acceptance and, therefore, increase customer purchase intention and loyalty. Previous studies have focused on understanding the importance of organizational legitimacy in gaining trust, future purchases, and engagement (Kim et al., 2014). Other research papers have focused on the relationship between organizational legitimacy, service quality, and consumers' behavioral intentions in the retail industry (Yang et al., 2021). Nevertheless, a call was made to examine additional variables to understand organizational legitimacy antecedents as well as further benefits (Cachón-Rodríguez et al., 2024; Díez-Martín et al., 2020; Payne et al., 2021).



Under this scenario, the main purpose of this research is to examine the antecedent role of social pressure and trust for organizational legitimacy and the impact that high legitimacy levels can have on customer relationship variables in the retail sector. More precisely, the following aspects will be analyzed: 1) The effect that social pressure has on the legitimacy level of an organization; 2) The impact of customer trust on legitimacy; 3) The effect of legitimacy on engagement; and 4) The effect of legitimacy on consumer purchase intention.

A market research company distributed an online survey (Microsoft Form) among Spanish consumers to test the previously mentioned issues. The information was collected from October to November 2021, and 200 valid responses were gathered. The methodology applied was structural equations through SmarPLS.

The main findings of this study will contribute to the customer management field, showing the importance of legitimacy management in obtaining higher purchase levels as well as stronger customer engagement. In addition, important insights will be offered to the retailing managers since social pressure and trust will be analyzed as legitimacy antecedents, providing guidelines to managers on how to improve their legitimacy levels.

This document is organized as follows: first, the theoretical framework covering the concepts and relationships between social pressure, trust, legitimacy, engagement, and purchase intention is presented. Next, the sample and methodology, as well as the main results of the research, are described. Finally, the discussion of the findings and managerial implications is developed, followed by the main limitations and future research agenda.

Theoretical Framework

Social Pressure and Legitimacy

The literature offers perspectives on how legitimacy and social pressure influence consumer attitudes and behaviors. Companies often face social pressures and requests from stakeholders to take certain actions (Waldron et al., 2013). In this vein, social pressure is one of the factors that can influence organizational legitimacy. In fact, in industries such as mining, oil, and gas, different stakeholders, such as environmental activists, governments, consumers, and the media, ask for prudence in terms of the environmental practices developed by organizations (De Melo & Solleder, 2020). In addition, as Julian et al., (2017) suggest, corporations' response to social pressures depends on different factors, such as being publicly traded, the level of certainty surrounding the social pressures they face, or the number of perceived threats in their strategic issue portfolio.

Suchman (1995, p. 574) introduced the definition of legitimacy into the business field, defining it 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. This definition includes the concept of "social constructed system" which emphasizes the idea that legitimacy depends on the collective observers who provide it and, thus, on how people perceive the organization and the system in which it operates. In other words, legitimacy depends on the collective group of people who observe and judge the organization, called "legitimacy providers" (Barreto & Baden-Fuller, 2006). In the same vein, public endorsement refers to the acceptance of an organization from the wider community, referring to the extent to which the wider society and its members acknowledge and embrace an organization.



According to Haack's multilevel theory, legitimacy is a perception at both the individual and group levels. In this sense, it is understood to provide validity, ownership, and consensus (Haack et al., 2019). Thus, due to the perception of legitimacy, individuals experience a sense of moral obligation to comply with established decisions and regulations, choosing to follow them voluntarily instead of being motivated by fear of reprisal or expectation of incentive. In this sense, the ability to secure voluntary compliance from most individuals, primarily driven by their feelings of duty, enhances efficacy in situations characterized by scarcity, crisis, and conflict (Tyler, 2006).

Likewise, Companies' stakeholders or secondary groups, as Clarkson (1995) referred to, such as community activists, advocacy groups, religious organizations, and other nongovernmental organizations, can put pressure to induce organizations to respond to their requests (Eesley & Lenox, 2006), and as a result, achieve positive legitimacy assessments.

Academic research has tried to understand companies' actions to respond to social pressures exerted on them by different elements of society in their aim of being perceived as legitimate organizations (Smith et al., 2008). An example analyzed is the trend of implementing and divulging uniform codes of ethics in organizations to gain legitimacy (Bodolica & Spraggon, 2015). Another approach that the literature has studied is related to environmental practices, where the impact of social pressure in different industries, such as extractive industries (mining or oil and gas), is determinant, and those companies that implement innovative environmental practices become legitimate to operate in the specific location (Adomako & Nguyen, 2023). In the retailing sector, several authors such as Andersch et al., (2019) and Miotto and Youn (2020) have analyzed the importance of responding to social needs and demands to be perceived as a legitimate organization.

Following the institutional approach, brands respond to society's needs and demands, assuming an ethical responsibility that influences how the company is socially perceived by the engaged communities (Balaji et al., 2019), resulting in higher legitimacy levels (Czinkota et al., 2014; Payne et al., 2021). Considering the performed literature review about the relationship between social pressure and legitimacy, the following hypothesis is proposed:

Hypothesis 1: Social pressure positively and significantly affects the legitimacy of the organization.

Trust and Legitimacy

As evidenced by consumer behavior by the findings presented in the "Spring Update 2020" report of the Edelman Trust Barometer (Barometer E.T., 2020), the report revealed that a substantial 65% of the population expressed their preference for brands in which they had confidence. Moreover, companies that prioritized economic gains solely at the expense of societal well-being risked losing the trust and loyalty of their customers. The report's data indicated a 7% increase in the number of individuals who switched to brands that demonstrated a more substantial commitment to addressing people's needs during 2020.

This situation demonstrates how trustworthy and reliable companies have stronger social support and legitimacy, ensuring their right to operate in a particular environment (Chen, 2010). These enterprises tend to experience higher success levels than those lacking legitimacy (Glozer et al., 2019).

Some studies based on legitimacy are generally focused on social, economic, or political factors and how they influence their transformations over time (Mahadeo et al., 2011). Some cases show that the economic theme related to promoting positive outcomes refers to stakeholders such as retailers or consumers and not to the public interest. While the environmental theme is also associated with retailers, and the social theme, contrary to the expectations, both are significantly related to the public interest (Corciolani et al., 2019).



Organizations gain legitimacy by meeting stakeholders' ethical expectations through their alignment with their values and societal norms (Deephouse et al., 2017), which grants them the opportunity to enhance and prove their credibility and trustworthiness within society (Díez-Martín et al., 2022). Stakeholders must perceive that value generation is mutually received; otherwise, legitimacy assessments might not be positive (Freudenreich et al., 2019).

Since enterprises are constantly scrutinized by society, expecting ethical and appropriate behavior (Brunk, 2010), and the domain of the retail industry, institutional theory has established the notion that consumer choices depend not only on economic factors but also on socio-cultural values (Yang et al., 2021), it is essential to analyze the relationship that perceived trust has on organizational legitimacy. Therefore, the following hypothesis is presented:

Hypothesis 2: Trust positively and significantly affects legitimacy.

Legitimacy and Engagement

Consumers have become more conscious of the concerns related to their immediate environment and are inclined to act for improving their local community. They are now actively involved in creating a better world and aspire to be responsible and sustainable citizens (Fuentes & Sörum, 2019). Consequently, retailer social initiatives directed toward community members are gaining prominence. Retailers, due to their closer and more immediate physical and emotional connection with the community in which they operate, are in a better position to engage in activities that enhance their legitimacy level compared to manufacturers and wholesalers (Kim et al., 2014).

Engaging in socially supported initiatives within the retail sector is a crucial factor for long-term viability, as it simultaneously generates social and economic advantages. Existing research has found that retailers who are perceived to uphold community social norms acquire legitimacy among consumers within that community (Yang et al., 2021). Moreover, when a retailer establishes its legitimacy and justifies its presence as a community member, consumers are more inclined to extend their support (Handelman & Arnold, 1999; Kim et., 2014). Legitimacy is achieved when organizations share their diverse stakeholders' behaviors, values, and beliefs (Blanco-Gonzalez et al., 2020).

When consumers perceive a retailer as legitimate, they demonstrate a higher willingness to support them through increased loyalty and engagement in activities that contribute to the organization's well-being (Guo et al., 2017). Thus, establishing legitimacy not only enhances customers' intention to revisit the retailer but also creates positive memories among consumers (Yang et al., 2021; Payne et al., 2021). Consequently, customers analyze whether enterprises' behavior meets social demands and values before deciding whether to engage with them or not (Du & Vieira, 2012). Therefore, it becomes critical for retailers to manage their legitimacy to receive customer support in the medium and long term.

Legitimacy affects consumer behavior and attitudes because it contributes to building positive assessments of organizations (Valor et al., 2021). In fact, engagement and loyalty are enhanced (Walsh et al., 2010), which translates into long-lasting customer relationships (Payne et al., 2021; Liu et al., 2010).

Based on these statements, we propose the following hypothesis:

Hypothesis 3: Legitimacy positively and significantly affects engagement.



Legitimacy and Purchase Intention

Legitimacy, as an intangible resource, offers enduring and sustainable competitive advantages for organizations (Bianchi et al., 2019; Miotto et al., 2018) and exerts a significant impact on consumers' inclination to make purchases (Aksak et al., 2016). By meeting the needs of their stakeholders, organizations gain legitimacy, which, in turn, grants them easier and more sustained access to the essential resources required for their survival (Díez-Martín et al., 2020).

Companies undergo continuous public evaluation where individuals use a subjective moral lens to assess their actions as right or wrong (Brunk, 2010). Some studies have shown that in uncertain situations, emotional reactions to ambiguous circumstances impact individuals' behavioral intentions (Halevy, 2017). Thus, retail operators should be ready to implement long-term strategies to gain a competitive edge and establish consumer confidence (Yang et al., 2021).

Organizational legitimacy is contingent upon the alignment between a retailer's activities and societal norms, wherein the fulfillment of social values implies legitimacy (Woods et al., 2018). Therefore, the survival of an organization hinges upon the acquisition of legitimacy and the congruence between strategic performance and institutional norms (Arnold et al., 1996; Kim et al., 2014). Consumers' responses to the legitimacy level of retailers are evident through their intentions to revisit the establishment (Ailawadi et al., 2014; Yang et al., 2021).

In contrast, following instances of misconduct associated with a brand, there is a detrimental effect on purchase intentions, as highlighted by Hsu et al., (2012) and Mena et al., (2019). The selection of a brand is also influenced by customers' alignment with the brand's ethical stances and perspectives (Barometer E.T.; Porter & Kramer, 2007).

Effective management of legitimacy can indeed have an impact on consumer behavior, leading to increased levels of purchase intention (Payne et al., 2021; Guo et al., 2014). This, in turn, can translate into long-term outcomes as consumers repetitively make purchases and become loyal to the organization (Aksak et al., 2016).

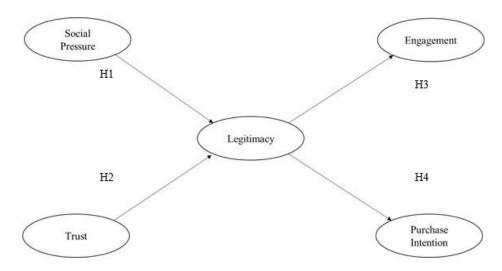
Considering the previously discussed arguments about the relationship between purchase intention and legitimacy, the following hypothesis is proposed:

Hypothesis 4: Legitimacy positively and significantly affects the consumer's purchase intention.

In the following figure (Figure 1), the proposed model is presented to clarify the defined hypotheses that will be tested.



Figure 1Estimation of the Proposed Model



Sample and Methodology

Sample and data collection

The research setting where this study was developed is the Spanish retailing, specifically in the supermarket sector. Sector. As previously stated, competition has been increasing over the last years in almost every sector. However, this situation has been even stronger for the supermarket sector since differentiation based on tangible features is very complex, and the fact that online shopping, at least in Spain, has not replaced brick-and-mortar retail stores (Panzone et al., 2021). Therefore, analyzing the role that building legitimacy and trust can have on purchase intention and engagement for these companies is relevant if they expect to survive and grow in the medium and long term.

An online survey (Microsoft Forms) was distributed by a market research company among Spanish consumers to test the proposed hypotheses defined in the theoretical framework, and 200 valid responses were gathered. The information was collected from October to November 2021.

Variable measurement

As previously mentioned, an online survey was distributed to gather the data for the research. All the questions included to measure each variable were taken from previous scales applied in other research papers using a 7-point Likert scale, with 0 referring to strongly disagree and 7 referring to strongly agree. To measure the concept of social pressure, 5 items were included based on Smith et al. (2008) and Balaji et al. (2019). Regarding trust and legitimacy, we included 3 and 10 questions, respectively, following the scales used by Chen (2010), Woods et al. (2018) and Asgari (2016). Finally, for the measurement of customer engagement and purchase intention, 3 items were used for each variable based on the research developed by Cachón-Rodríguez et al. (2024) and Dodd and Supa (2015). In Table 1, the complete measurement instrument is presented.



Table 1 *Measurement Model*

Factor	Item	Description		
Social pressure	SP1	The important people in my life encourage me to purchase in the supermarket		
	SP2	The important people in my life believe we should purchase in this supermarket		
	SP3	Purchasing in this supermarket gives me social recognition		
	SP4	I should purchase in this supermarket		
	SP5	When purchasing in a supermarket, trends are important		
Turret	TR1	I can trust this supermarket		
Trust	TR2	I believe that this supermarket will fulfill its promises		
	LEG1	This supermarket is trustworthy		
	LEG2	This supermarket behaves in an ethical manner		
	LEG3	This supermarket offers what I need		
	LEG4	This supermarket provides value to me		
	LEG5	This supermarket performs its activities in the best possible manner		
l aminima au	LEG6	I identify myself with this supermarket		
Legitimacy	LEG7	I like how this supermarket works		
	LEG8	This supermarket follows the law		
	LEG9	This supermarket cares about society´s well-being		
	LEG10	It is an example of how other supermarkets should work		
	LEG11	I feel a connection with this supermarket		
	LEG12	It would be a shame that this supermarket disappeared		
	ENG1	I enjoy talking about this supermarket.		
Engagement	ENG2	I feel involved with the supermarket		
	ENG3	I publish comments about the supermarket on the internet		
	PINT1	It is probable that I will keep purchasing from this supermarket		
Purchase Intention	PINT2	I will recommend this supermarket to my family and friends		
	PINT3	Purchasing in this supermarket is my first option		

Source: Authors'own elaboration

Data analysis

To test the data, the applied methodology used structural equations through SmarPLS. This method is appropriate for the development of this research since it follows a statistical analysis of the relationships through the prediction of the dependent variables, which enables the calculation of some variables' effects over others (Hallak et al., 2018). In addition, PLS-SEM is suitable for a sample of 200 because previous research has identified a sampling threshold of 100 subjects (Reinartz et al., 2009). As many authors have considered, PMS-SEM is a strong method of analysis (Chin et al., 2003), which has important advantages for developing our research since the proposed model is complex and novel (Hair et al., 2018).



Results

Descriptive analysis

The first step when analyzing the results was to develop a descriptive analysis to understand the evaluation of the considered items and variables. Table 2 presents the mean and standard deviation of each item and variable. The average values for the analyzed constructs were 3.67 for social pressure, 5.15 for trust, 4.79 for legitimacy, 3.91 in the case of engagement, and 5.59 for purchase intention. These values show a relatively positive assessment of the responses since the maximum value for each question in the survey was 7.

Table 2Descriptive Analysis

Factor	Item	Mean	Standard deviation	Average factor value	
	SP1	4.42	1.83	3.67	
Social pressure	SP2	3.25	1.92		
	SP3	3.58	1.79		
	SP4	2.86	1.71		
	SP5	4.23	1.81		
Fu	TR1	5.29	1.31	5.15	
Trust	TR2	5.00	1.30		
	LEG1	5.16	1.29	4.79	
	LEG2	4.60	1.26		
	LEG3	5.43	1.17		
	LEG4	4.24	1.54		
	LEG5	4.72	1.35		
	LEG6	4.40	1.60		
_egitimacy	LEG7	5.12	1.34		
	LEG8	5.00	1.33		
	LEG9	4.38	1.40		
	LEG10	4.56	1.44		
	LEG11	4.34	1.57		
	LEG12	5.52	1.52		
	ENG1	5.65	1.82	3.91	
Engagement	ENG2	4.10	1.65		
	ENG3	1.99	1.60		
	PINT1	6.21	1.03	5.59	
Purchase Intention	PINT2	5.17	1.53		
	PINT3	5.40	1.50		

Reliability and validity

As it was previously mentioned, for this research, the applied methodology were structural equations through SmartPLS. Before analyzing the structural model, it is mandatory to evaluate the reliability and validity of the model. Table 3 presents the numbers. All the reflective items show a Cronbach alpha's value



over 0.70 following Hair et al., (2018) as well as Nunnally and Bernstein (1994) recommendations. Regarding the composite reliability, Table 3 shows that all considered items have values higher than 0.60 (Bagozzi & Yi, 1988). When analyzing the average variance extended (AVE), the results show that every value is over 0.50, which is the requirement according to Fornell and Larcker (1981). In addition, the standardized loadings of all the reflective items are significant (p < 0.01), which highlights the relevant impact they each have on the measurement of the considered variables for this research.

Table 3Measurement model reliability and validity

Factor	Item	Loadings	T-Value	CA	CR	AVE
Social pressure	SP1	0.857	28.297	0.899	0.924	0.708
	SP2	0.900	71.236			
	SP3	0.806	25.816			
	SP4	0.822	39.639			
	SP5	0.817	22.358			
	TR1	0.951	111.289	0.899	0.952	0.908
Trust	TR2	0.955	143.398			
	LEG1	0.832	40.429	0.943	0.951	0.619
	LEG2	0.819	28.297			
	LEG3	0.805	27.189			
	LEG4	0.698	16.448			
	LEG5	0.803	23.758			
	LEG6	0.659	16.416			
Legitimacy	LEG7	0.755	21.125			
	LEG8	0.854	41.032			
	LEG9	0.814	28.924			
	LEG10	0.833	31.445			
	LEG11	0.753	25.556			
	LEG12	0.792	24.051			
	ENG1	0.878	32.006	0.750	0.848	0.654
Engagement	ENG2	0.882	54.382			
	ENG3	0.644	9.051			
	PINT1	0.678	11.762	0.707	0.824	0.613
Purchase Intention	PINT2	0.877	42.474			
menuon	PINT3	0.781	16.258			

Note: CA: Cronbach's Alpha; CR: Composite Reliability; AVE: Average Variance Extended

Table 4 presents the HTMT ratio, which is the method applied to test the discriminant validity (Henseler et al., 2020). The obtained values for every factor are lower than 0.85 (Cachón-Rodríguez et al., 2024); therefore, no problems appear in the model.



Table 4Discriminant validity

	F1	F2	F3	F4	F5
F1 Engagement					
F2 Legitimacy	0.69				
F3 Purchase intention	0.44	0.75			
F4 Social Pressure	0.83	0.56	0.34		
F5 Trust	0.44	0.82	0.84	0.36	

Hypotheses testing

The final step is to analyze the results obtained and related to the proposed hypotheses. Table 5 and Figure 2 present the numbers. The model shows a strong and significant relationship between all the considered variables, except for the influence of purchase intention on engagement, which has a t-value lower than 2.

Table 5Hypotheses testing

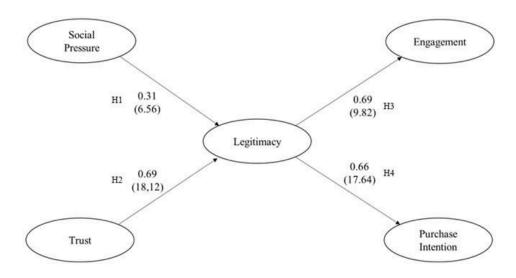
Hypotheses	Beta	T-Value
H1: Social pressure -> Legitimacy	0.307	6.558
H2: Trust -> Legitimacy	0.694	18.120
H3: Legitimacy -> Engagement	0.692	9.819
H4: Legitimacy -> Purchase Intention	0.657	17.642

R2 (Legitimacy) = 0.72; Q2 (Legitimacy) = 0.44

R2 (Purchase Intention) = 0.43; Q2 (Purchase Intention) = 0.24

R2 (Engagement) = 0.41; Q2 (Engagement) = 0.24

Figure 2Estimation of the Proposed Model





Discussion, Implications, Limitations, and Future Research

Consumers are more likely to support and start a relationship with an organization that respects commonly accepted behaviors (Miotto et al., 2020). Society, in general, pressures corporations to behave in a responsible way (Yang et al., 2021), and their behaviors affect customer's trust.

According to the above-mentioned theoretical framework, the main objective of this research is to evaluate the impact that social pressure and trust have on the legitimacy perception in the retail industry. Next, through the tested model, we evaluated the impact that legitimacy has on the consumers' purchase intention and engagement.

According to the results, legitimacy positively affects purchase intention, confirming the most recent literature review that links legitimacy perception with the increase in sales (Bianchi et al., 2019; Miotto et al., 2018; Payne et al., 2021; Guo et al., 2014).

On the contrary, legitimacy does not greatly affect engagement and customer loyalty, partially contradicting the latest research, since in the retail industry, building customer loyalty and engagement is still very difficult since the perceived products and services differentiation is most of the time quite low (Yang et al., 2021; Payne et al., 2021).

Trust and legitimacy are linked and play an important role in customer purchase intention and engagement. Firms should be able to improve their perception of trustworthiness, which may increase customers' willingness to engage in a long-lasting relationship (Díez-Martín et al., 2022).

The four proposed hypotheses are confirmed according to the structural model, showing that in the retail industry, social pressure and trust are antecedents of legitimacy, thanks to the respect of social values, improving firms' trustworthiness (Czinkota et al., 2014). As proven in the tested model, legitimacy is a critical resource for retailers' survival and success since it showed an impact on two of the most relevant variables of customer relationship management: purchase intention and engagement. Customers demand ethical behavior, and ethical purchases are an increasing consumer trend (Garanti, 2019; Govind et al., 2017; Schamp et al., 2019).

Considering the difficulty that retailers face when trying to attract new and loyal customers, managers should build new strategies and policies to align the firm's behaviors to the customers' demand in terms of value and trust. This alignment will translate into better performance through a higher level of purchases and customer engagement.

Finally, this research paper has some limitations. First, the sample of 200 individuals, although it is enough to test the data in PLS-SEM, could be increased in future research to be able to better generalize the tested model. In addition, the model was tested only in Spain. Future research lines could replicate the same model in different countries, improving the sample size and facilitating comparison between different geographic areas. Moreover, the different dimensions of legitimacy may be considered different variables to assess customers' perceptions and reactions.





Ethics Committee Approval

There is no Ethics Committee Approval needed for this manuscript.

Peer-Review

Externally peer-reviewed.

Author Contributions Conception/Design o

Conception/Design of Study- S.D.I, G.C.R., G.M.; Data Acquisition- S.D.I, G.C.R.; Data Analysis/Interpretation- G.C.R.; Drafting Manuscript- G.C.R., S.D.I.; Critical Revision of Manuscript- G.M.; Final Approval

and Accountability- S.D.I, G.C.R., G.M.

Conflict of Interest Grant Support The authors have no conflict of interest to declare.

The authors declared that this study has received no financial support.

Author Details

Susana Díaz-Iglesias (Assoc. Prof.)

1 Rey Juan Carlos University, Department of Business Economics, Madrid, Spain

Gabriel Cachón-Rodríguez (Prof.)

- ² Rey Juan Carlos University, Department of Business Economics, Madrid, Spain
- 0000-0002-4228-2881

Giorgia Miotto (Prof.)

- ³ EADA Business School., Barcelona, Spain
- 0000-0002-0973-6597

References

- Adomako, S., and Nguyen, N. P. (2023). Eco-innovation in the extractive industry: Combinative effects of social legitimacy, green management, and institutional pressures. *Resources Policy*, 80, 103184. doi:10.1016/j.resourpol.2022.103184
- Ailawadi, K. L., Neslin, S. A., Luan, Y. J., and Taylor, G. A. (2014). Does retailer CSR enhance behavioral loyalty? A case for benefit segmentation. *International Journal of Research in Marketing*, 31(2), 156-167. https://doi.org/10.1016/j.ijresmar.2013.09.003
- Aksak, E. O., Ferguson, M. A. and Duman, S. A. (2016). Corporate social responsibility and CSR fit as predictors of corporate reputation: a global perspective. *Public Relations Review*, 42(1), 79-81. https://doi.org/10.1016/j.pubrev.2015.11.004
- Andersch, H., Arnold, C., Seemann, A. K., and Lindenmeier, J. (2019). Understanding ethical purchasing behavior: validation of an enhanced stage model of ethical behavior. *Journal of Retailing and Consumer Services*, 48, 50-59. https://doi.org/10.1016/j.jretconser.2019.02.004
- Arnold, S. J., Handelman, J. and Tigert, D. J. (1996). Organizational legitimacy and retail store patronage. *Journal of Business Research*, 35(3), 229-239. https://doi.org/10.1016/0148-2963(95)00128-X
- Asgari, A. (2016). Legitimacy of local food in the US market: comparative consumer perspectives. https://doi.org/10.13023/ETD.2016.485
- Bagozzi, R. P., and Yi, Y. (1988). On the evaluation of structural equation models. *Journal of the Academy of Marketing Science*, 16(1), 74-94. doi:10.1007/BF02723327
- Balaji, M. S., Jiang, Y., and Jha, S. (2019). Green hotel adoption: a personal choice or social pressure? *International Journal of Contemporary Hospitality Management*, 31(8), 3287–3305. doi: 10.1108/IJCHM-09-2018-0742
- Barreto, I., and Baden-Fuller, C. (2006). To conform or to perform? Mimetic behavior, legitimacy-based groups and performance consequences. *Journal of Management Studies*, 43(7), 1559-1581. doi: 10.1111/j.1467-6486.2006.00620.x
- Blanco-Gonzalez, A., Diéz-Martín, F., Cachón-Rodríguez, G., and Prado-Román, C. (2020). Contribution of social responsibility to the work involvement of employees. *Corporate Social Responsibility and Environmental Management*, 27(6), 2588-2598. doi: 10.1002/csr.1978
- Bianchi, E., Bruno, J. M., and Sarabia-Sanchez, F. J. (2019). The impact of perceived CSR on corporate reputation and purchase intention. European Journal of Management and Business Economics, 28(3), 206-221. https://doi.org/10.1108/EJMBE-12-2017-0068
- Bodolica, V. and Spraggon, M. (2015). An examination into the disclosure, structure, and contents of ethical codes in publicly listed acquiring firms. *Journal of Business Ethics*, 126, 459-472. doi:10.1007/s10551-013-1966-x





- Brunk, K. H. (2010). Exploring the origins of ethical company/brand perceptions: a consumer perspective of corporate ethics. *Journal of Business Research*, 63(3), 255-262. https://doi.org/10.1016/j.jbusres.2009.03.011
- Cachón-Rodríguez, G., Blanco-González, A., Prado-Román, C. and Fernández-Portillo, A. (2024). How compulsive and impulsive buying affect consumer emotional regulation. Is anxiety a differential element? *European Journal of Management and Business Economics*. doi: 10.1108/EJMBE-06-2023-0172
- Chen, Y.S. (2010). "The drivers of green brand equity: green brand image, green satisfaction, and green trust", *Journal of Business Ethics*, 93(2), pp. 307-319. https://doi.org/10.1007/s10551-009-0223-9
- Chin, W. W., Marcolin, B. L. and Newsted, P. R. (2003). A partial least squares latent variable modeling approach for measuring interaction effects: results from a Monte Carlo simulation study and an e-mail emotion/adoption study. *Information Systems Research*, 14(2), 189–217. doi:10.1287/isre.14.2.189.16018
- Clarkson, M. E. (1995). A stakeholder framework for analyzing and evaluating corporate social performance. Academy of Management Review, 20(1), 92-117. doi:10.5465/amr.1995.9503271994
- Corciolani, M., Gistri, G., and Pace, S., (2019). Legitimacy struggles in palm oil controversies: an institutional perspective. *Journal of Cleaner Production* 212, 1117–1131. doi:10.1016/j.jclepro.2018.12.103
- Czinkota, M., Kaufmann, H. R. and Basile, G. (2014). The relationship between legitimacy, reputation, sustainability and branding for companies and their supply chains. *Industrial Marketing Management*, 43(January), 91-101. https://doi.org/10.1016/j.indmarman. 2013.10.005
- De Melo, J., and Solleder, J. M. (2020). Barriers to trade in environmental goods: How important they are and what should developing countries expect from their removal. *World Development*, 130, 104910. doi:10.1016/j.worlddev.2020.104910
- Deephouse, D. L., Bundy, J., Tost, L. P. and Suchman, M. C. (2017). Organizational legitimacy: six key questions. *The SAGE handbook of organizational institutionalism* 4(2), 27-52. https://doi.org/10.4135/9781446280669.n2
- Díez-Martín, F., Blanco-González, A., and Miotto, G. (2022). The impact of state legitimacy on entrepreneurial activity. *International Entrepreneurship and Management Journal*, 18(2), 935-955. doi:10.1007/s11365-020-00724-4
- Díez-Martín, F., Blanco-González, A., and Prado-Román, C. (2020). The intellectual structure of organizational legitimacy research: a cocitation analysis in business journals. *Review of Managerial Science*, 15(1), 1007-1043. https://doi.org/10.1007/s11846-020-00380-6
- Dodd, M. D. and Supa, D. (2015). Testing the viability of corporate social advocacy as a predictor of purchase intention. *Communication Research Reports*, 32(4), 287-293. doi:10.1080/08824096.2015.1089853
- Du, S. and Vieira, E. T. (2012). Striving for legitimacy through corporate social responsibility: insights from oil companies. *Journal of Business Ethics*, 110, 413-427. doi:10.1007/s10551-012-1490-4
- Barometer, E. T. (2020). Trust barometer spring update: trust and the COVID-19 pandemic. *Edelman*. https://www.edelman.com/research/trust-2020-spring-update
- Eesley, C. and Lenox, M. J. (2006). Firm responses to secondary stakeholder action. Strategic Management Journal, 27(8), 765-781. doi:10.1002/smj.536
- Fornell, C., and Larcker, D. F. (1981). Evaluating the structural equation models with unobservable variables and measurement error. Journal of Marketing Research, 18(1), 39-50. https://doi.org/10.1177/002224378101800104
- Freudenreich, B., Lüdeke-Freund, F., and Schaltegger, S. (2019). A stakeholder theory perspective on business models: value creation for sustainability. *Journal of Business Ethics*, 166(1), 3–18. https://doi.org/10.1007/s10551-019-04112-z
- Fuentes, C., and Sörum, N. (2019). Agenting ethical consumers: smartphone apps and the sociomaterial reconfiguration of everyday life. Consumption Markets & Culture, 22(2), 131-156. doi:10.1080/10253866.2018.1456428
- Garanti, Z. (2019). Ethical brand perceptions and their impact on brand loyalty and brand choice intentions: mediating role of emotional brand attachment. *Journal of Yaşar Üniversitesi*, 14(56), 448-459. https://dergipark.org.tr/en/download/article-file/844931
- Glozer, S., Caruana, R., and Hibbert, S. A. (2019). The never-ending story: discursive legitimation in social media dialog. *Organization Studies*, 40(5), 625-650. doi: 10.1177/0170840617751006
- Govind, R., Singh, J. J., Garg, N. and D'Silva, S. (2017). Not walking the walk: how dual attitudes influence behavioral outcomes in ethical consumption. *Journal of Business Ethics*, 155(4), 1–20. doi:10.1007/s10551-017-3545-z
- Guo, H., Tang, J. and Su, Z. (2014). To be different, or to be the same? The interactive effect of organizational regulatory legitimacy and entrepreneurial orientation on new venture performance. *Asia Pacific Journal of Management*, 31, 665-685. doi:10.1007/s10490-013-9361-9
- Guo, R., Tao, L., Bingxin, C. and Tao, W. (2017). A path analysis of greenwashing in a trust crisis among Chinese energy companies: the role of brand legitimacy and brand loyalty. *Journal of Business Ethics*, 140(3), 523–536. doi:10.1007/s10551-015-2672-7



- Haack, P., Sieweke, J., and Wessel, L. (2019). Microfoundations and multi-level research on institutions. In microfoundations of institutions (pp. 11-40). Emerald Publishing Limited. https://doi.org/10.1108/S0733-558X2019000065A005
- Hair, J. F., Risher, J. J., Sarstedt, M. and Ringle, C. M. (2018). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2-24. https://doi.org/10.1108/ebr-11-2018-0203
- Halevy, N. (2017). Preemptive strikes: fear, hope, and defensive aggression. *Journal of Personality and Social Psychology*, 112(2), 224. doi:10.1037/pspi0000077
- Hallak, R., Assaker, G., O'Connor, P. and Lee, C. (2018). Firm performance in the upscale restaurant sector: the effects of resilience, creative self-efficacy, innovation and industry experience. *Journal of Retailing and Consumer Services*, 40, 229–240. doi:10.1016/j.jretconser.2017.10.014
- Handelman, J. M., and Arnold, S. J. (1999). The role of marketing actions with a social dimension: appeals to the institutional environment. *Journal of marketing*, 63(3), 33-48. https://doi.org/10.1177/002224299906300303
- Henseler, J., and Schuberth, F. (2020). Using confirmatory composite analysis to assess emergent variables in business research. *Journal of Business Research*, 120, 147–156. https://doi.org/10.1016/j.jbusres.2020.07.026
- Hsu, C. H. C., Oh, H. and Assaf, A. G. (2012). A customer-based brand equity model for upscale hotels. *Journal of Travel Research*, *51*(1), 81-93. doi: 10.1177/0047287510394195
- Iglesias, O., Markovic, S., Singh, J. J., and Sierra, V. (2019). Do customer perceptions of corporate services brand ethicality improve brand equity? Considering the roles of brand heritage, brand image, and recognition benefits. *Journal of Business Ethics*, 154, 441-459. https://link.springer.com/article/10.1007/s10551-017-3455-0
- Julian, S. D., Ofori-Dankwa, J. and Shepard, A. (2017). Cognitive antecedents of highlighting and decoupling in response to social pressure. *Group & Organization Management*, 44(3), 652-684. doi: 10.1177/1059601117696679
- Kim, J., Ha, S., and Fong, C. (2014). Retailers' CSR: the effects of legitimacy and social capital. *International Journal of Retail & Distribution Management*, 42(2), 131-150. doi: 10.1108/ijrdm-10-2012-0092
- Liu, C., Guo, Y. M. and Lee, C. (2010). Effects of relationship quality and switching barriers on customer loyalty. *International Journal of Information Management*, 31(1), 71-79. doi:10.1016/j.ijinfomgt.2010.05.008
- Mahadeo, J. D., Oogarah-Hanuman, V. and Soobaroyen, T. (2011). Changes in social and environmental reporting practices in an emerging economy (2004–2007): Exploring the relevance of stakeholder and legitimacy theories. *Accounting Forum*, 35(3), 158-175. https://doi.org/10.1016/j.accfor.2011.06.005
- Mena, J. A., Hult, G. T. M., Ferrell, O. C., and Zhang, Y. (2019). Competing assessments of market-driven, sustainability-centered, and stakeholder-focused approaches to the customer-brand relationships and performance. *Journal of Business Research*, 95, 531-543. doi:10.1016/j.jbusres.2018.07.038
- Miotto, G., González, A. B. and Del Castillo Feito, C. (2018). Social responsibility: a tool for legitimation in Spanish universities' strategic plans. *Tripodos*, 42, 59-79. https://dialnet.unirioja.es/servlet/articulo?codigo=6673755
- Miotto, G., Del-Castillo-Feito, C., and Blanco-González, A. (2020). Reputation and legitimacy: key factors for higher education institutions' sustained competitive advantage. *Journal of Business Research*, 112, 342-353. https://doi.org/10.1016/j.jbusres.2019.11.076
- Miotto, G., and Youn, S. (2020). Impact of fast fashion retailers' sustainable collections on corporate legitimacy: Examining the mediating role of altruistic attributions. *Journal of Consumer Behavior*, 19(6), 618-631. https://doi.org/10.1002/cb.1852
- Nunnally, J. C., and Bernstein, I. H. (1994). Psychometric Theory (3rd ed.). McGraw-Hill.
- Panzone, L. A., Larcom, S., and She, P. W. (2021). Estimating the impact of the first COVID-19 lockdown on UK food retailers and the restaurant sector. *Global Food Security*, 28, 100495. https://doi.org/10.1016/J.GFS.2021.100495
- Payne, G., Blanco-González, A., Miotto, G., and del-Castillo, C. (2021). Consumer ethicality perception and legitimacy: Competitive advantages in COVID-19 crisis. *American Behavioral Scientist*, 00027642211016515. doi: 10.1177/00027642211016515
- Porter, M. E. and Kramer, M. R. (2007). Strategy and society: the link between competitive advantage and corporate social responsibility. Strategic Direction, 23(5). https://doi.org/10.1108/sd.2007.05623ead.006
- Reinartz, W., Haenlein, M. and Henseler, J. (2009). An empirical comparison of the efficacy of the covariance-based and variance-based (SEM). International Journal of Research In Marketing, 26(4), 332–344. doi:10.1016/j.ijresmar.2009.08.001
- Schamp, C., Heitmann, M., and Katzenstein, R. (2019). Consideration of ethical attributes along the consumer decision-making journey. Journal of The Academy of Marketing Science, 47(2), 328–348. doi:10.1007/s11747-019-00629-x
- Smith, J. R., Terry, D. J., Manstead, A. S. R., Louis, W. R., Kotterman, D. and Wolfs, J. (2008). The attitude-behavior relationship in consumer conduct: the role of norms, past behavior, and self-identity. *The Journal of Social Psychology*, 148(3), 311–334. doi:10.3200/SOCP.148.3.311-334





- Suchman, M. (1995). Managing legitimacy: strategic and institutional approaches. Academy of Management Review, 20(3), 571-610. doi: 10.2307/258788
- Tyler, T. R. (2006). Psychological perspectives on legitimacy and legitimation. *Annual Review of Psychology*, 57(1), 375-400. doi: 10.1146/annurev.psych.57.102904.190038
- Valor, C., Lloveras, J., and Papaoikonomou, E. (2021). Role of emotion discourse and pathic stigma in the delegitimization of consumer practices. *Journal of Consumer Research*, 47(5), 636–653. https://doi.org/10.1093/jcr/ucaa028
- Waldron, T. L., Navis, C., and Fisher, G. (2013). Explaining differences in firms' responses to activism. *Academy of Management Review*, 38, 397-417. https://doi.org/10.5465/amr.2011.0466
- Walsh, M. F., Page Winterich, K. and Mittal, V. (2010). Do logo redesign help or hurt your brand? The role of brand commitment. *Journal of Product & Brand Management*, 19 (2), 76–84. https://doi.org/10.1108/10610421011033421
- Woods, T., Asgari, A. and Rossi, J. (2018). Trust signals and legitimacy in local products for local markets. *Choices*, 33(3), 1-8. doi:10.22004/ag.econ.276741
- Yang, K., Kim, J., Min, J., and Hernandez-Calderon, A. (2021). Effects of retailers' service quality and legitimacy on behavioral intention: the role of emotions during COVID-19. *The Service Industries Journal*, 41(1-2), 84-106. doi:10.1080/02642069.2020.1863373