BE YOURSELF,
IT MATTERS WHAT THEY SAY
-
INVESTOR REACTION
TO CORPORATIONS CONDEMNING
THE U.S. CAPITOL RIOT

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Abstract

Title: Be yourself, it matters what they say – Investor reaction to corporations condemning the U.S. Capitol Riot

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Purpose: Stakeholders exert increasing pressure on firms to speak up on controversial sociopolitical issues, thus engaging in Corporate Sociopolitical Activism (CSA). Previous research on the financial consequences of firms taking positions on polarizing issues is scarce and inconsistent. Therefore, this study analyzes the investor reaction to firms engaging in CSA by condemning the U.S. Capitol Riot. A particular focus lies on the moderating effect of the engagement's perceived authenticity.

Methodology: An event study was run on a sample of 158 firm-statements given by components of the S&P 500 in the aftermath of the U.S. Capitol Riot in early 2021. The cumulative abnormal returns (CARs) obtained in the event study served as the dependent variable for several multiple regression models used to analyze the moderating effect of the statements' perceived authenticity. The perceived authenticity is reflected in the firm's organizational ideology, the message's content, and the firm's previous engagements in CSA.

Findings: We find marginal evidence to confirm the positive effect of condemning the U.S. Capitol Riot on firm value. The results further suggest that a liberal organizational ideology and making a substantive statement positively affect the investor reaction. Building on stakeholder theory, this phenomenon can be explained by considering CSA as a means for firms to signal the alignment of their values with those of their stakeholders, leading to competitive advantage.

Originality: This paper advances the literature of nonmarket strategy and particularly contributes to the research on CSA by analyzing the investor reaction to firms condemning the U.S. Capitol Riot.

Keywords: nonmarket strategy, corporate sociopolitical activism, U.S. Capitol Riot, event study, investor reaction, stock market reaction, cumulative abnormal return, stakeholder theory, perceived authenticity

Abstrato

Título: Be yourself, it matters what they say – Investor reaction to corporations condemning the U.S. Capitol Riot

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Objectivo: As partes interessadas exercem uma pressão crescente sobre as empresas para se pronunciarem sobre questões sociopolíticas controversas, envolvendo-se assim no activismo sociopolítico empresarial (CSA). A investigação anterior sobre as consequências financeiras das empresas que tomam posições sobre questões de polarização é escassa e inconsistente. Por conseguinte, este estudo analisa a reacção dos investidores às empresas envolvidas na CSA, condenando o Motim do Capitólio dos EUA. Um foco particular reside no efeito moderador da autenticidade percebida do empenho.

Metodologia: Foi realizado um estudo de evento com base numa amostra de 158 declarações dadas por componentes do S&P 500 no rescaldo do Motim do Capitólio dos E.U.A. no início de 2021. Os retornos anormais acumulados (CARs) serviram como variável dependente para vários modelos de regressão múltipla utilizados para analisar o efeito moderador da autenticidade percebida das declarações. A autenticidade percebida reflecte-se na ideologia organizacional da empresa, no conteúdo da mensagem, e nos compromissos anteriores da empresa com a CSA.

Conclusões: Encontrámos provas marginais que confirmam o efeito positivo da condenação do Motim do Capitólio dos EUA no valor da empresa. Os resultados sugerem ainda que uma ideologia organizacional liberal e uma declaração substantiva afectam positivamente a reacção do investidor. Com base na teoria dos detentores de participações, este fenómeno pode ser explicado considerando a CSA como um meio para as empresas assinalarem o alinhamento dos seus valores com os dos seus intervenientes, conduzindo a uma vantagem competitiva.

Originalidade: Este trabalho contribui para a compreensão da CSA.

Palavras-chave: estratégia não-mercado, activismo sociopolítico corporativo, U.S. Capitol Riot, estudo de eventos, reacção do investidor, reacção do mercado, retornos anormais acumulados, teoria de stakeholders, autenticidade percebida

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I wrote this paper standing on the shoulders of giants. Those giants have been with me not only while writing this paper, but all the way through my professional, academic, and personal life. I am deeply grateful for their encouragement - and dedicate this work to them.

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1. Introduction

"All of us here today do not want to see our election victory stolen by emboldened radical-left Democrats. […] If you don't fight like hell, you're not going to have a country anymore. Our exciting adventures and boldest endeavors have not yet begun, my fellow Americans, […] and I say this despite all that's happened: the best is yet to come. […]
We're going to the Capitol and […] give them the kind of pride and boldness that they need to take back our country. So, let's walk down Pennsylvania Avenue."

Donald Trump,
45th President of the United States, the 6th of January 2021

On January 6th, 2021, following the 'Save America' rally held by President Donald Trump in Washington, D.C, hundreds of his supporters violently attacked the U.S. Capitol aiming to stop Congress' verification of the 2020 U.S. presidential election results, certifying president-elect Joe Biden.

Even before Joe Biden defeated Donald Trump in the election, Trump tried to frame the election as fraudulent (Inskeep, 2021). Building on that claim, Trump did not concede defeat when Biden's victory became clear (McKeever, 2020). Among other attempts to deny the election's results, he called on his supporters to protest in Washington, D.C. on January 6th, 2021, as part of the "Save America" rally (Snodgrass & Harrington, 2021).

During the speech he gave in the context of the rally, Trump encouraged the protesters to walk down Pennsylvania Avenue to the Capitol building (Naylor, 2021). They later broke through the barriers, invaded the Capitol, and disrupted a joint session of Congress which was convened to certify the results of the presidential election of 2020 (Duignan, 2021). In the late afternoon of January 6th, the interior of the Capitol building was cleared of protesters by the National Guard and Congress resumed its proceedings (Tan et al., 2021). Donald Trump's last reaction on the day of the riot was a Twitter message, calling the protesters to "Go home with love & in peace. Remember this day forever!" (Gearan & Dawsey, 2021).

Born out of revolution itself, the idea of protesting against authority is deeply rooted within the history of the United States and was always understood as a means to bring positive change to society (McCarthy & McPhail, 1997; Morris, 2020). Many times, U.S. citizens made use of the First Amendment, went on the streets, and stood up for what they believed in. Well known examples are the March on Washington (1963), where Martin Luther King, Jr., gave his famous "I Have a Dream" speech, the anti-Vietnam War protests (1969), and, among many others, the Black Lives Matter movement responding to George Floyd's death (2020).

Those protests were supposed to increase the awareness of a societal issue, to show the public that there are people unsatisfied with the status quo, and to increase pressure on decision-makers (Lipsky, 1968; Opp, 2009). The U.S. Capitol Riot, however, was different. Based on a strong skepticism towards the U.S. government itself, a trend that was already ongoing and further ignited by Donald Trump, the protesters did not believe that raising awareness and increasing pressure would help them to achieve their goal (Doherty et al., 2020; Fried & Harris, 2020; Nye, 1997). In consequence, they went one step further and started an intentional, direct attack on a democratic institution, aiming to overturn a free and fair election.

But society reacted. Among the first were numerous firms, sharply condemning the violent attack on democracy (McLean, 2021). Putting it into context, this engagement goes in line with a growing number of firms getting involved in controversial sociopolitical issues like LGBTQ rights, climate change, or racism (Gaines-Ross, 2017). Nike, for instance, raised awareness on the issue of racism in response to the death of George Floyd (Cohen, 2020). Airbnb criticized Trump's travel ban in the context of its "WeAccept" campaign (Benner, 2017). Delta Airlines dissociated itself from the National Rifle Association (NRA) after a school shooting in Florida (Matousek, 2018). This behavior can be termed Corporate Sociopolitical Activism (CSA), which is defined as "a firm's public demonstration of support for or opposition to one side of a partisan sociopolitical issue" (Bhagwat et al., 2020, p. 2).

Some stakeholders, especially customers, demand firms to take a stand on controversial sociopolitical issues (Sarkar & Kotler, 2020; Schmidt et al., 2022; Vredenburg et al., 2020). A prior study outlines that almost 64 percent of consumers make their decision to boycott or buy from a firm dependent on its stance on sociopolitical issues (Edelman, 2018). This is, however, a double-edged sword. Due to its polarizing nature, a partisan statement can improve the relationship with some stakeholders, yet it will almost certainly hurt the relationship with others (Bhagwat et al., 2020). At this point, many investors will ask how CSA overall affects the firm's bottom line, as they expect managers to prioritize the maximization of shareholder value (Bunting, 2021; Jensen, 2001). Nonetheless, given the immense pressure exercised by other stakeholders, there is little chance of completely evading CSA (Sarkar & Kotler, 2020). This highlights the necessity to understand how CSA works, and how it affects the firm – yet, prior research about it is scarce and inconsistent (Eilert & Cherup, 2020). To date, some scholars found a positive effect (Afego & Alagidede, 2021), others outline an adverse reaction that can reverse if moderated by specific firm- and engagement-characteristics (Bhagwat et al., 2020).

The aim of this paper is therefore twofold. Firstly, CSA will be defined and embedded in the theoretical framework of nonmarket strategies, next to Corporate Social Responsibility (CSR) and Corporate Political Activity (CPA). Secondly, an attempt will be made to identify and analyze some of the factors which drive the financial consequences of engaging in CSA. Two essential questions guide this research: (1) How do investors react to firms engaging in CSA by condemning the U.S. Capitol Riot? (2) How does the engagement's perceived authenticity moderate the investor reaction?

Building on stakeholder theory, which outlines that a firm can benefit from being in alignment with its stakeholders (Riel, 2012), we have hypothesized that firms which made a statement condemning the U.S. Capitol Riot experienced a positive investor reaction. This rationale is based on the understanding of CSA as a means for firms to communicate their core values to their key stakeholders. Given that most U.S. citizens took a negative stance to the U.S. Capitol Riot (Kahn, 2021; MaristPoll, 2021; Oliphant & Kahn, 2021; Sanders et al., 2021), we argue that a firm that joins the public opinion by signaling its opposition to the violence can expect a positive public reaction. We further hypothesize this return to be positively influenced by the perceived authenticity of the statement, which we assume to be higher if the acting firm has a liberal organizational ideology, if the statement given by the firm is substantive in nature, and if the firm has engaged in CSA more often in the past.

To test these hypotheses, an event study will be conducted to analyze the investor reaction to all S&P 500 components that made a statement condemning the U.S. Capitol Riot. The dataset contains 158 statements by 125 individual firms. The cumulative abnormal returns (CARs) obtained in the event study will serve as the dependent variable for several multiple regression models, which will be applied to check the moderating effects described above.

We find marginal evidence to confirm the positive effect of a statement condemning the U.S. Capitol Riot on firm value. The results further suggest that this effect is strongest when the acting firm has a liberal organizational ideology and when the statement is substantive in nature.

From a theoretical perspective, the paper contributes to the understanding of CSA by identifying and analyzing some of the mechanisms driving this phenomenon and its effects. The findings also hold relevant implications for managers, helping them to decide whether and how to enter the sociopolitical arena not only for what they believe is best for society, but also to create value for their firms.

The remainder of this paper is organized as follows. In the next chapter, a literature review will be conducted, including the theoretical notions fundamental to understand CSA. In the third chapter, the hypotheses tested in this paper will be introduced. The fourth chapter will describe the process of data collection and the methodology used to test the hypotheses. In the fifth chapter, the main results will be presented. The final chapter contains theoretical and managerial implications, as well as the limitations of this thesis and recommendations for future research.

2. Theoretical Background

2.1 Nonmarket Strategies

A firm can be defined as “an organization engaged in mobilizing resources for productive uses in order to create wealth and other benefits […] for its multiple constituents, or stakeholders” (Post et al., 2011, p. 11). To create wealth, it interacts and exchanges information and resources with other actors within the environment in which it operates (Anand & Daft, 2007). A firm can operate in two environments: the market environment, which “includes those interactions between the firm and other parties that are intermediated by markets or private agreements” (Baron, 1995, p. 47), and the nonmarket environment, which “includes those interactions that are intermediated by the public, stakeholders, government, the media, and public institutions” (Baron, 1995, p. 47).

Firms develop and implement strategies to achieve sustainable competitive advantage, which is crucial to remain relevant and to create wealth in the long run (Oliver, 1997; M. E. Porter, 1996). To be successful, a strategy needs to be developed for the context in which it will be applied (Baron, 1995). Thus, firms must formulate two – interconnected – strategies: one for the market environment, and one for the nonmarket environment. A market strategy is defined as “a concerted pattern of actions taken in the market environment to create value by improving economic performance” (Baron, 1995, p. 47), whereas a nonmarket strategy is “a concerted pattern of actions taken in the nonmarket environment to create value by improving its overall performance” (Baron, 1995, p. 47). In other words, a nonmarket strategy aims to shape the firm’s market environment by focusing on the societal and institutional context of economic competition (Baron, 1995; Boddewyn, 2003).

CSA belongs to the field of nonmarket strategies (Nalick et al., 2016). In the following, the two dominant nonmarket strategies, CSR and CPA, will be introduced and the current state of the literature regarding how these strategies affect the performance of a firm will be detailed. After that, the concept of CSA will be defined and contrasted to the two earlier mentioned notions. Embedding CSA in the framework of nonmarket strategies will not only allow for identifying and analyzing the main characteristics of this nascent notion, but also for comprehending how nonmarket strategies overall affect a firm and its performance.

2.2 Corporate Social Responsibility (CSR)

CSR can be defined as firms' actions that advance social good beyond what is required by law (McWilliams & Siegel, 2001). Typical examples include Lego's commitment to sustainability, Ben & Jerry's support of grassroots movements that drive social change, or Salesforce's 1-1-1 model. CSR was popularized in the academic debate in 1953 with the publication of Bowen's (1953) book *Social Responsibilities of Businessmen*, building on the idea that "business and society are interwoven rather than distinct entities" (Wood, 1991, p. 695). Even though some scholars still adapt the neoclassical view of the firm (shareholder primacy) and challenge the very basis of CSR by stating that "the business of business is [solely] to increase profits" (Friedman, 1970), there is a widely shared consensus that a firm's purpose should be to combine economic prosperity with social fairness (Bowen, 1953).

When stakeholder theory became known to a wide academic audience in the 1980s, triggered by the publication of Freeman's (1984) book *Strategic Management: A Stakeholder Approach*, it enriched the understanding of CSR as a complementing and reinforcing concept (Valor, 2005). Stakeholder theory argues that a firm can be described as a series of connections of stakeholders that the managers of the firm attempt to manage (Freeman, 1984). Stakeholders are defined as "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984, p. 46). Building on that definition, stakeholder theory can serve as a framework to analyze the groups the organization should be responsible to (Clarkson, 1995).

The majority of existing literature argues that firms can gain competitive advantage by instrumentalizing CSR as a means to strengthen the relationship with essential stakeholders (Hillman & Keim, 2001; Margolis & Walsh, 2003). Becchetti et al. (2008), for example, state that CSR can enhance involvement, motivation, and identification of employees with the firm's objectives, thus increasing productivity. Klein and Dawar (2004) find that CSR can improve customers' brand and product evaluation, which also applies to unrelated consumer judgement (e.g., new products). Godfrey (2005) adds that CSR can not only secure legitimacy, but can even protect it in case of corporate misbehavior (Schnietz & Epstein, 2005).

Scholars found many dimensions in which engagement in CSR can ultimately lead to better financial performance (Cho et al., 2019; Cochran & Wood, 1984; Waddock & Graves, 1997), which in consequence increases firm value (Jo & Harjoto, 2011). This increase in firm value can also serve as an explanation for the phenomenon that investors are willing to pay a premium for firms that invest in CSR (van de Velde et al., 2005). There are, however, also researchers challenging this view, stating that engaging in CSR can also have a neutral or even negative effect on firm performance by diverting corporate resources from purely economic to more social causes (McWilliams & Siegel, 2000).

In short, CSR covers firms' actions that advance social good beyond what is required by law. Considered empirically, the number of firms engaging in CSR has been growing over the last few years. This trend is mainly triggered by the spreading idea that firms should not only serve the purpose of making profits for their shareholders, but also have the responsibility to create shared value for society (Latapí Agudelo et al., 2019). Creating shared value can, in turn, be a competitive advantage for firms to stand out from competition (M. E. Porter & Kramer, 2019).

2.3 Corporate Political Activity (CPA)

CSR and CPA are connected (Hadani & Coombes, 2015), as CSR can become political (Frynas & Stephens, 2015). Nonetheless, CPA better explains the political role of a firm within society and the strategies firms apply to create competitive advantage by exerting influence on political actors (Lawton et al., 2013). Formally, it is defined as "corporate attempts to shape government policies in ways favorable to the firm" (Hillman et al., 2004, p. 838).

According to Lawton et al. (2013, p. 88), companies engage in political behavior for three reasons: "to pursue the firm's private interest (i.e., domain advantage), to manage public policy that might be at odds with the firm's strategic goals (i.e., domain defense), or to influence public policy that might threaten the means by which a firm achieves its goals (i.e., domain maintenance)." Typical examples of a firm's political behavior include making campaign contributions, engaging in lobbying, appointing politicians to corporate boards, forming political action committees (PACS), engaging in constituency building, and at times even bribery (Hansen & Mitchell, 2000; Hillman et al., 2004; Keim & Zeithaml, 1986). While the antecedents and tactics of CPA are well researched (Getz, 1997; Hillman et al., 2004; Hillman & Hitt, 1999; Lux et al., 2011), the outcomes are still a matter of controversy within the literature.

A majority of scholars agree that CPA can be a means for firms to influence government policies in order to gain or maintain competitive advantage (Schuler et al., 2002). There is, however, no consensus in the literature when it comes to the effect of CPA on actual firm performance. While some researchers find a positive correlation between CPA and firm performance (Chen et al., 2015; Cooper et al., 2010; Lux et al., 2011), others find this correlation only to be positive in regulated industries and even negative otherwise (Hadani & Schuler, 2013). Apart from the financial return, Hillman and Hitt (1999) point out other benefits of being well connected in the political arena: better access to information and decision-makers, reduced uncertainty, and lower transaction costs. Scherer et al. (2013) and LaPira and Thomas (2014), on the other hand, highlight the potentially negative effects of CPA on society, as it often lacks transparency and can lead to democratic deficits.

In short, CPA is connected to CSR, yet it focuses on the political role of firms within society. Firms apply strategies covered by CPA to exert influence on politics and political actors. Essentially, CPA is about gaining a competitive advantage by shaping legislation and policies in ways favorable to the firm.

2.4 Corporate Sociopolitical Activism (CSA)

Within the field of nonmarket strategies, CSA is a nascent notion (Hambrick & Wowak, 2021). It can be defined as “a firm’s public demonstration of support for or opposition to one side of a partisan sociopolitical issue” (Bhagwat et al., 2020, p. 2). A sociopolitical issue can be described as a “salient, unresolved social matter on which societal and institutional opinion is split, thus potentially engendering acrimonious debate among groups” (Nalick et al., 2016, p. 386). Typical examples of such issues are immigration, gun control, or racial injustice.

Contrasting CSA with CSR and CPA

As specified, the notion’s characteristics will be pointed out by contrasting it to CSR and CPA. Following the approach of Bhagwat et al. (2020), this will be done along two core dimensions: partisanship and publicity.

Beginning with partisanship, the focal issues addressed in the context of CSA and CPA are typically polarizing in nature, whereas for CSR they tend to be consensual (Eilert & Cherup, 2020). For instance, Apple’s engagement in educating workers in their suppliers’ factories (CSR) is considered as a good deed throughout society. Yet, Apple’s overwhelming financial support for the Democrats in the 2020 election cycle (CPA) or its statement against the Texas abortion ban (CSA) might rather trigger debates due to its partisanship.

Focusing on publicity, CSA intrinsically aims at reaching many people, as its communicated objective is to promote the firm's values (Sarkar & Kotler, 2020). CPA, on the other hand, tends to be a rather quiet approach (Lux et al., 2011). This is mainly caused by the fact that many perceive the influence of business on political decision-makers as a threat to democracy (LaPira & Thomas, 2014; Scherer et al., 2013). For CSR, the intended publicity depends on its type (Bhagwat et al., 2020). Special CSR, such as Tom's "One for One" campaign, building on the idea that for every pair of shoes purchased, one pair of shoes is donated to people in need, is designed to appeal to a broad audience. Routine CSR, like Tom's approach to increase transparency along its supply chain, follows a more discreet approach.

Apart from the two core dimensions of partisanship and publicity, there are other characteristics to which CSA, CSR, and CPA can be contrasted: the effect on the relationship to stakeholders, the idiosyncratic risk, and the amount of initial investment. An overview is given in table 1.

Table 1 – Conceptual Distinctions among CSR, CPA, and CSA

	Corporate Social Responsibility (CSR)	Corporate Political Activity (CPA)	Corporate Sociopolitical Activism (CSA)
Degree of Publicity	situational	low	high
Degree of Partisanship	low	high	high
Effect on Stakeholder Relationship	overall improving	situational	polarizing
Idiosyncratic Risk	low	situational	high
Initial Investment	high	high	low

CSA typically has a polarizing effect, as it can improve the relationship with some stakeholders, yet it often burdens the relationship with others. The reaction depends on the firm's stance and the respective stakeholder's beliefs and values (Bhattacharya & Elsbach, 2002). Therefore, CSA can increase the idiosyncratic risk: a poorly designed and implemented CSA activity has the potential to collide with stakeholders' expectations, thus hazarding a boycott or a similar response (Edelman, 2018). On the other hand, it mostly requires only a small initial investment (Bhagwat et al., 2020). CSR tends to improve the relationship to all stakeholders, as the focal issues are rather consensual within society (Mishra & Modi, 2016). It tends to decrease the idiosyncratic risk (Luo & Bhattacharya, 2009), but mostly requires a substantial initial investment (Sprinkle & Maines, 2010). For CPA, the effect on the relationship to stakeholders and the idiosyncratic risk depend on the situation (Hadani, 2020; Hond et al., 2014; Leong et al., 2013), and the associated costs are typically rather high (Eun & Lee, 2018).

The Financial Implications of CSA

Given the nascent nature of CSA within the broader nonmarket literature, research about its financial return is particularly scarce and inconsistent. Afego and Alagidede (2021) state that firms experienced an increase in firm value when they announced their intention to side with activist groups in the June 2020 boycott campaign targeted at Facebook, in which the social media company was urged to reconsider its policies on hate speech and the spread of misinformation. On the other hand, Bhagwat et al. (2020) outline that CSA, in general, elicits an adverse reaction from investors. However, they found this effect to be reversed if the CSA activity aligns with the stakeholders' values.

Freeman's stakeholder theory can, at least partly, explain this phenomenon. According to this theory, managers must not only focus on maximizing profit to fulfill shareholders' expectations, but also have to satisfy a variety of constituents (stakeholders), who can influence firm outcomes. McWilliams et al. (2006, p. 3) utilize this approach for legitimizing CSR, writing that "it can be beneficial for the firm to engage in certain CSR activities that non-financial stakeholders perceive to be important, because, absent this, these groups might withdraw their support for the firm." Wood (1991, p. 695) rephrases this, stating that "society grants legitimacy and power to business. In the long run, those who do not use power in a manner which society considers responsible will tend to lose it."

The same line of argumentation can be applied to CSA. Stakeholders like customers (Schmidt et al., 2022; Vredenburg et al., 2020), activist groups (Baron & Diermeier, 2007; Nalick et al., 2016), employees (Gartner, 2021), and shareholders (Cundill et al., 2018) exert increasing pressure, further amplified by social media (Gomez-Carrasco & Michelon, 2017; Jurgens et al., 2016), on firms to speak up on societal issues. As these actors grant legitimacy to a firm, which is crucial for its survival (Johnson et al., 2006; Suchman, 1995), satisfying their demands will benefit the firm in the long run (Riel, 2012).

However, stakeholders do not only demand firms to engage in CSA. They demand *authentic* engagement. As more and more firms become actors in the sociopolitical arena (Eilert & Cherup, 2020), stakeholders start to scrutinize the underlying motives (Holt, 2002) – and their judgement can have a substantial effect on business returns and firm value (Du et al., 2010). Building on existing research about the authenticity of CSR activities (Alhouti et al., 2016; Joo et al., 2019; McShane & Cunningham, 2012; Mohr et al., 2001), scholars started to investigate the concept of authenticity in the context of CSA.

Their findings can be summarized as follows: firms should only engage in CSA if they do so authentically (Moorman, 2020; Sarkar & Kotler, 2020; Schmidt et al., 2022). Grayson and Martinec (2004) define brand authenticity as the perceived consistency of a brand's behavior, in a way that reflects its core norms and values. Bringing this definition to life and analyzing the concrete factors contributing to the perceived authenticity of CSA activities is of the utmost importance for managers, as stakeholders tend to reward authenticity (Vredenburg et al., 2020) and penalize inauthenticity (Li & Soule, 2021).

In short, firms face substantial pressure from their stakeholders to engage in CSA. Stakeholder theory outlines that organizations must manage their stakeholders (Freeman, 1984) and predicts, empirically underpinned by recent studies (Edelman, 2018), potential gains for firms that align their societal stance with the ideology of their main stakeholders (Riel, 2012). Yet, perceived authenticity is a decisive factor when it comes to the success or failure of CSA. From a practitioner's point of view, two questions remain: does engagement in CSA benefit the firm? And if so, how does the engagement's perceived authenticity moderate this relationship?

3. Research Hypotheses

3.1 Investor Reaction to CSA

Stakeholder theory argues that firms can benefit from not only focusing on the maximization of profit to fulfill shareholders' expectations, but by also satisfying a variety of stakeholders (Riel, 2012). This is based on the rationale that stakeholders grant legitimacy and power to a firm, which is crucial for its long-term survival (Wood, 1991).

Essential stakeholders, such as consumers (Barton et al., 2018; Sprout Social, 2018), employees (Gartner, 2021), and even shareholders (Cundill et al., 2018), want firms to take a stand on sociopolitical issues. In the context of the U.S. Capitol Riot, there is reason to believe that most of these stakeholders were against the violence. Several polls conducted by market research institutes between the 6th and the 8th of January 2021 state that 71 percent (Sanders et al., 2021), 83 percent (Kahn, 2021), or even 88 percent (MaristPoll, 2021) of respondents opposed the U.S. Capitol Riot. Furthermore, according to a survey conducted between the 6th and 7th of January 2021, almost half of all respondents state that they would have a more favorable view of firms taking a public stand against the U.S. Capitol Riot (Sakal, 2021). The same survey further points out that 43 percent of respondents would be more likely to purchase products from those firms. Based on the argument that it is beneficial for a firm to be aligned with its stakeholders and the fact that most Americans opposed the U.S. Capitol Riot, the first hypothesis is formulated as follows:

Hypothesis 1. Firms that made a statement condemning the U.S. Capitol Riot experienced a positive investor reaction.

3.2 The Moderating Effect of the Statement's Perceived Authenticity

However, it is not enough for a firm to engage in CSA. Indeed, it is crucial that stakeholders perceive the engagement as authentic. According to Vredenburg et al. (2020, p. 445), a firm can achieve authenticity in the context of CSA by aligning three factors: "(1) its core purpose and values […]; (2) the messaging type and content […]; and (3) its corporate practices […]." The following hypotheses will therefore be based on these factors.

The Organizational Political Ideology

A firm's purpose and values are closely connected to its organizational political ideology. Gupta et al. (2017, p. 1021) define ideology as the "prevailing beliefs among organizational members about how the social world operates, including convictions about what outcomes are desirable and how they should be achieved". Following their approach, in this paper organizational ideology will be characterized by adopting the dimension of liberalism versus conservatism.

From an empirical perspective, liberal-leaning firms tend to be more open to social activism (Gupta & Briscoe, 2020). On a broader scale, liberal-minded people overall lean towards supporting corporate activism: a study conducted by Sprout Social (2018) finds that almost 78 percent of respondents identifying themselves as liberal want brands to take a stand, while just about 52 percent of respondents who self-identify as conservative feel the same. The survey further states that 82 percent of liberals perceive brands as credible when voicing their opinion, compared to 46 percent of conservatives.

When it comes to the U.S. Capitol Riot, most people opposed the violence. However, the strength of opposition varied among different groups: voters identifying themselves as democratic/liberal were quite decided in condemning the actions, whereas voters identifying themselves as republican/conservative were more divided (Kahn, 2021; MaristPoll, 2021; Sanders et al., 2021). This is worth mentioning insofar, as liberal-minded people are not only more likely to appreciate a firm's entry into the sociopolitical arena, but they are also more likely to appreciate a firm doing it by condemning the U.S. Capitol Riot. Furthermore, it can be argued that liberal-leaning firms tend to attract a liberal stakeholder base and vice versa. Employees want to work for firms that share their ideals (Collier & Esteban, 2007; Posner et al., 1985) and customers are attracted by brands that align with their values (Edelman, 2018).

In short, there is a higher chance that liberal-leaning firms engage in CSA. Liberal citizens – who likely form the stakeholder base of liberal-leaning firms – expect firms to take a stance on sociopolitical issues. If firms conform to these expectations, liberal citizens are more likely to perceive them as credible. In addition, the opposition to the U.S. Capitol Riot was more pronounced among democratic/liberal citizens than among republican/conservative citizens. Based on these facts, the second hypothesis is formulated as follows:

Hypothesis 2. Firms that have a liberal organizational ideology experienced a more positive investor reaction than firms that have a conservative organizational ideology.

The Statement's Content

The content of a message can be analyzed in many dimensions, yet the paper at hand will study the impact of symbolic and substantive statements on the reaction of investors. This distinction has already received some attention in the field of CSR when it comes to assessing the perceived authenticity of CSR actions. In this context, symbolic actions were defined as "primarily externally facing documentation of corporate responsibilities" (Wickert et al., 2016, p. 1171) "to show ceremonial conformity" (Schons & Steinmeier, 2016, p. 359), while substantive actions were described as "the implementation of strategies, structures and procedures in the core business" (Wickert et al., 2016, p. 1171), essentially leading to "changes at the operational level" (Schons & Steinmeier, 2016, p. 359). In other words, symbolic actions are often referred to as "talk" or "greenwashing", while substantive actions are termed "walk". Prior studies reveal mixed results about the overall consequences of substantive and symbolic CSR actions. More specifically, symbolic actions can help improve the firm's financial results and its reputation, but they also carry a certain risk of being considered as inauthentic and thus being penalized by customers (Li & Soule, 2021). Substantive actions, on the other hand, typically have a lower risk of being perceived as inauthentic, as they require firms to commit resources to a certain cause (Schons & Steinmeier, 2016; Truong et al., 2021; Walker & Wan, 2012).

For the paper at hand, a symbolic statement will be defined as a sole condemnation of the U.S. Capitol Riot, whereas a substantive statement will be defined as a condemnation supplemented by the announcement of a consequence (e.g., the introduction or change of a corporate policy). To make it more concrete: a symbolic condemnation only describes a firm's statement of opposition, whereas a consequence would be, for example, a firm's announcement to stop all political donations for a certain period.

Research performed by scholars related to CSR outlines that substantive strategies rather reflect authentic, proactive commitments, whereas symbolic strategies rather aim at bolstering or protecting a firm's reputation (Rodrigue et al., 2013). We suppose that this perception has also become engrained in the minds of consumers, hence a better reaction to substantive statements is to be expected. In addition, a consequential statement can be considered as an indication of a substantive engagement, establishing a basis for further authenticity-supporting actions. Based on these arguments, the third hypothesis will be formulated as follows:

Hypothesis 3. Firms that made a substantive statement experienced a more positive investor reaction than firms that made a symbolic statement.

The Firm's Previous Engagements in CSA

So far, the factors analyzed to determine the financial effect of CSA were centered on the organizational ideology and the statement's nature. The last hypothesis is supposed to focus on the firm's practices. Yet, instead of checking whether firms remained true to their word and implemented the consequences announced in their statements, a promising field for further research, the effect of the firms' previous engagement in CSA will be examined.

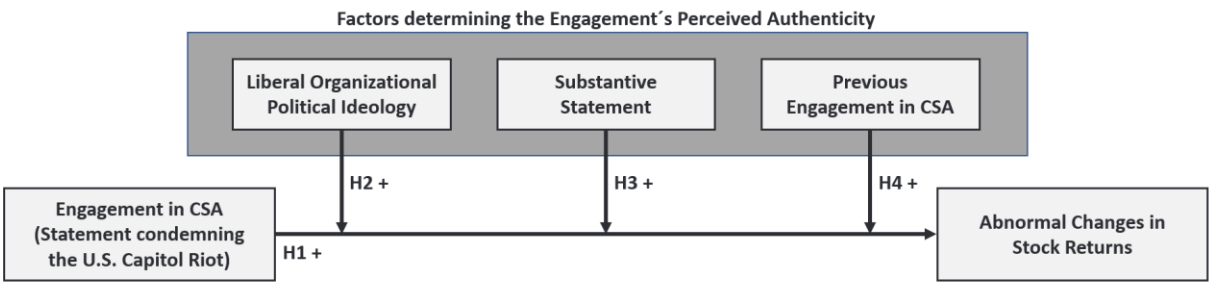
We suppose that previous engagement in CSA reflects a firm's willingness to communicate its stance on sociopolitical issues despite possible consequences – not only when it goes in line with their strategy or when the public pressure is high enough, but whenever their values demand it. In the context of CSR, T. Porter and Miles (2013) and Tang et al. (2012) confirm this hypothesis by stating that continuous and consistent engagement in CSR leads to better financial performance. For CSA, Schallehn et al. (2014) outline that consistency and continuity are powerful drivers of perceived brand authenticity.

Hence, we argue that a consistent and continuous engagement in CSA will lead to more positive investor reaction and formulate the last hypothesis as follows:

Hypothesis 4. Firms with more previous engagements in CSA experienced a more positive investor reaction than firms with fewer previous engagements in CSA.

An overview of the hypotheses is given in figure 2.

Figure 1 – Conceptual Model of the Hypotheses



4. Methodology

4.1 Data Collection

The hypotheses established in the last section are tested with a dataset of 158 firm-statements made by 125 individual firms (see Appendix A). A firm had to meet two conditions to enter the dataset: it had to belong to the S&P 500 at the end of December 2020, and it had to make a statement condemning the U.S. Capitol Riot in the period between the 6th and the 31st of January 2021. By only considering components of the S&P 500 it was ensured that all firms which could potentially enter the dataset were major stock-listed corporations with a strong connection to the U.S. and a sufficiently high trading volume. The second condition, pertaining to the fact whether a firm made a statement within the mentioned timeframe, uses a focal period that was deemed to be long enough to capture the aftermath of the U.S. Capitol Riot (6th of January 2021), while at the same time ensuring a sufficient interval between the end of the period and the start of Trump's second impeachment (9th-13th of February 2021) to avoid spillover effects.

To test the first hypothesis, the event study methodology was applied to compute the abnormal returns (ARs), which were then cumulated (CARs) and averaged (CAAR). Finally, the CAAR was tested for its statistical significance. The other hypotheses were tested by analyzing the cross-sectional variation in the CARs given changes in the explanatory variables, using ordinary least squares (OLS).

The event study was conducted using the U.S. Daily Event Study tool provided by Wharton Research Data Services (WRDS), which uses data from the Center for Research in Security Prices (CRSP). The dates of the statements were identified by utilizing different sources: LexisNexis, the firm's website, the firm´s Twitter and LinkedIn profile, and the Twitter and LinkedIn profile of the firm's CEO (see Appendix B). Only statements with an identifiable date were added to the dataset (see Appendix C). Additional data for the explanatory and control variables for each firm-statement was collected from publicly available sources (Compustat, OpenSecrets, SEC, FEC), and content analysis of the statements.

The following sections detail how the data was collected, which methods were applied to compute the results, and what measures were taken to test their robustness.

4.2 Event Study

The event study methodology was applied to analyze the investor reaction to firms that made statements condemning the U.S. Capitol Riot on the 6th of January 2021. This method assumes that an event (e.g., a company making a statement) will trigger an investor reaction, which is in turn reflected in a price change of the firm's security. The magnitude and direction of this change provide information about the investors' estimate of the event's economic effect. In other words, if investors expect a statement to have a positive effect on the firm's future cash flows, their reaction to the statement should be positive and vice versa.

Event studies are frequently applied by researchers in the field of CSR (Becchetti et al., 2012; Flammer, 2013; Godfrey et al., 2009), CPA (El Nayal et al., 2021; Hillman et al., 1999; Werner, 2017), and CSA (Afego & Alagidede, 2021; Bhagwat et al., 2020; Klostermann et al., 2021). They allow for establishing an immediate relationship between a specific event and the financial consequences resulting from that event. This relationship, however, must be interpreted with caution, because the financial consequences reflected by the investor reaction may not precisely match the final economic value derived from making a statement. Nonetheless, it can be considered as an "opinion survey" among market actors on the financial implications of that event (Oler et al., 2008).

For the event study conducted in this paper, an event has been defined as a firm making a statement condemning the U.S. Capitol Riot. The dates of the statements were collected by following the procedure explained in the last subchapter.

To prevent other firm-specific events from diluting the market reactions attributed to the statements, all observations in which confounding events occurred on the two days prior, the day of, and/or the two days after the release of the statement were excluded (El Nayal et al., 2021). Following prior studies, confounding events were considered to be mergers and acquisitions, company restructurings, earnings and dividends announcements, estimate updates, major board reshufflings, litigations, and labor unrests (Arya & Zhang, 2009; El Nayal et al., 2021; McWilliams & Siegel, 1997). Firm-specific events were identified by checking the firms' press releases using LexisNexis, and by using the information 8-K form submitted to the U.S. Securities and Exchange Commission (SEC). During this process, 49 out of 207 initial observations were excluded, thus 158 "uncontaminated" observations remained in the dataset.

The theoretical background of the event study methodology is elucidated in detail by numerous scholars (Armitage, 1995; Binder, 1998; Corrado, 2011; Kothari & Warner, 2008; McWilliams & Siegel, 1997). Therefore, this paper only outlines the theoretical basics (see Appendix D), while the parameters utilized for the application in the study at hand are detailed in the following paragraph.

The standard market model was used as the risk model to calculate the abnormal returns (ARs) for the main analysis (McWilliams & Siegel, 1997). The market-adjusted model was further employed to calculate additional estimations to test the results' robustness (Bhagwat et al., 2020). The S&P 500 was utilized as the benchmark index, because the firms in the dataset were taken from that index. The estimation window encompasses 255 trading days, laying between 285 and 30 days prior to the day the firm released the statement (El Nayal et al., 2021). The event window for the main analysis covers 3 days [-1,1]: the day before, the day of, and the day after the event (Hillman et al., 1999). A 3-day event window allows for taking into account potential leakages prior to the actual statement and the possibility that statements were made after trading hours (MacKinlay, 1997). At the same time, it is short enough to minimize the likelihood of confounding events and therefore preferable to longer event windows (Brown & Warner, 1985; McWilliams & Siegel, 1997). A 5-day event window [-1,3] was employed to calculate additional estimations in order to test the results' robustness (Bhagwat et al., 2020).

The event study was conducted using the U.S. Daily Event Study tool provided by Wharton Research Data Services (WRDS). Based on the parameters detailed before, this tool computes the abnormal returns (ARs), the cumulative abnormal returns (CARs), and the cumulative average abnormal return (CAAR).

To test hypothesis 1, the cumulative average abnormal return (CAAR) was tested for its statistical significance.

4.3 Cross-Sectional Variation in CARs

Dependent Variable: CARs

To test hypotheses 2-4, regarding the cross-sectional variation in the cumulative abnormal returns (CARs) in respect to changes in message- and firm-characteristics, the ordinary least squares (OLS) method was applied:

$$CAR_i = b_0 + bZ_i + \theta X + e_i$$

CAR_i denotes the cumulative abnormal return of firm-statement i, which serves as the dependent variable. Z_i is the vector for the independent variables for hypotheses 2-4, X is the vector for the control variables, and e_i denotes the random disturbance error.

Five models will be applied to test hypotheses 2-4. Model 0 includes only the control variables. Model 1-3 contain the control variables and add one independent variable in each model. Model 4 encompasses all independent and control variables to gain a more profound understanding of the independent and control variables' relevance in explaining the variation of the cumulative abnormal returns (CARs). This process allows for measuring and understanding the isolated effect of different blocks of independent and control variables on the variation of the dependent variable.

Independent Variables

To test hypothesis 2, which relates to the organizational ideology of the firm making the statement, the variable *Organizational Liberalism* was created. To code the variable, data on the firms´ political donations was collected from OpenSecrets for the 2020 and 2018 election cycles. Monetary contributions of a firm and the firm's employees to the Democratic Party Committee, Democratic candidates, and liberal outside groups were considered as donations to liberal recipients, whereas monetary contributions to the Republican Party Committee, Republican candidates, and conservative outside groups were considered as donations to conservative recipients. The variable *Organizational Liberalism* was coded as the total dollar amount given to liberal recipients divided by the total dollar amount given to liberal and conservative recipients. All firms in the dataset made donations during the two election cycles.

In creating this variable, we mainly follow the approach used by Gupta et al. (2017). However, a few minor adaptions were made. Instead of only considering the donations made by employees, we also include the donations made by the firm. This was done for two reasons: firstly, we believe the donations made by the firm to better reflect the dominating organization ideology; secondly, the donations made by the firm are more visible to the public, thus they rather influence the firm's perception among society. Besides, the political donations made in the 2018 and 2020 election cycles were cumulated instead of creating an individual variable for each cycle as done by Gupta et al. (2017).

To test hypothesis 3, which relates to the content of the statement, the dummy variable *Substantive Content* was created, coding substantive statements with 1, and statements that were symbolic in nature with 0. Based on a content analysis of all statements, a statement was assumed to be substantive if it announced any kind of consequence in reaction to the U.S. Capitol Riot (e.g., the introduction or change of a corporate policy), and symbolic if it was a sole condemnation of the U.S. Capitol Riot (see Appendix E). More specifically, a symbolic condemnation only describes a firm's statement of opposition, whereas a consequence would be a firm's announcement to stop all political donations for a certain period.

To test hypothesis 4, which relates to the previous sociopolitical engagement of the firm making the statement, the variable *Previous Engagement* was created. *Previous Engagement* codes the number of a firm's engagements in sociopolitical issues in the three years preceding U.S. Capitol Riot (01/01/2018-01/01/2021). Based on Bhagwat et al. (2020), the selection of sociopolitical issues encompasses the following topics: Immigration, Gun Control, LGBTQ+ Rights, and Black Lives Matter. LexisNexis was used to check whether a firm took a public stance on any of these topics before issuing a statement related to the U.S. Capitol Riot.

Control Variables

Control variables were introduced to account for firm- and industry-specific characteristics that may have influenced the investor reaction to CSA. The firm-specific control variables focus mainly on the financial structure of the firm, as literature has emphasized its role on the shareholders' perception of a firm's value (Schulze et al., 2012). The financial firm-specific control variables include the natural logarithm of the firm's total assets as a measure of the firm's size (*Size*), the debt-to-equity ratio as a measure of the firm's leverage situation (*Leverage*), and the return on assets as a measure of the firm's profitability (*Profitability*). All data used to calculate these metrics was taken from Compustat for the year 2020.

Apart from the financial characteristics, we considered the political orientation of the state in which the firm's headquarter is located. The state's government can influence local policies, which in turn affect the firm. Being in alignment with or deviating from the state's political ideology in which the firm's headquarter is located might therefore influence the investor reactions to CSA. Hence, the dummy variable *HQ Democratic State* was created, coding firms that have their headquarter in states with a Democratic orientation with 1, and firms that have their headquarter in a state with a Republican orientation with 0. The location of the firms' headquarters was taken from the U.S. Securities and Exchange Commission (SEC), and the state's vote in the 2020 U.S. presidential election, accessed via the Federal Election Commission (FEC), was used as a proxy for its political orientation.

Furthermore, the firm's primary operating market was included as a proxy for customer sensitivity (*B2C*), because we expected firms operating primarily in B2C markets to engage more often in CSA than their counterparts operating in B2B markets. The firms' primary operating market was defined based on its Standard Industrial Classification (SIC) code, following an approach well established in the literature (Luffarelli et al., 2019; Srinivasan et al., 2011) (see Appendix F). The SIC codes were taken from the U.S. Securities and Exchange Commission (SEC). The variable was coded with 1 if the firm's primary operating market was B2C, and 0 otherwise.

Finally, to control for other unobserved industry-specific factors, the firm's industry was included as another control variable (*Industry Effect*). The variable was coded using the first two digits of the SIC code obtained from the U.S. Securities and Exchange Commission (SEC).

5. Results

5.1 Event Study

Table 2 reports the results of the event study. The *CAAR* calculated by applying the market model with a 3-day event window is positive (0.39 %) and statistically significant at the $p < 0.1$ level ($p = .084$). This result goes in line with the first hypothesis, stating that a firm that made a statement condemning the U.S. Capitol Riot experienced, on average, a positive reaction by investors.

The main results are complemented by further robustness tests. The *CAAR* was additionally computed for different a risk model and different event windows: the market model with a 5-day event window [-1, 3] and the market adjusted model with a 3-day event window [-1, 1].

For the market model with a 5-day event window, the *CAAR* is positive (0.58 %) and statistically significant at the $p < 0.1$ level ($p = .067$). For the market adjusted model with a 3-day event window, the *CAAR* is also positive (0.38 %) and statistically significant at the $p < 0.1$ level ($p = .088$). The results of the robustness tests further validate the initial finding, stating that firms condemning the U.S. Capitol Riot experienced, on average, a positive investor reaction.

Table 2 – Investor Reaction to Firms Condemning the U.S. Capitol Riot

Risk Model	Event Window	CAAR	Number of CARs	t	p
Market Model	[-1,1]	0.0039	158	1.742	.084
Market Model	[-1,3]	0.0058	158	1.843	.067
Market Adjusted Model	[-1,1]	0.0038	158	1.718	.088

Notes: The table reports the event window, the CAAR (Cumulative Average Abnormal Return), the number of CARs (Cumulative Abnormal Returns), the t-test value, and the p-value of the t-test for the market model (3-day and 5-day event window) and the market adjusted model (3-day event window).

5.2 Multivariate Regressions

Table 3 provides the descriptive statistics of and the correlations between the variables used in the multiple regression models.

The high standard deviation in the CARs (0.028) indicates a high variation in the investor reactions to firms condemning the U.S. Capitol Riot. This is further supported by the considerable range between the minimum (-0.058) and the maximum value (0.096). However, as outliers were examined without finding any disqualifying peculiarities, the high variation emphasizes the need for further analyzing the factors that shape the investor reactions to CSA.

Table 3 – Descriptive Statistics and Correlations

Variables	M	SD	1	2	3	4	5	6	7	8
1. CARs	0.004	0.028	-	-	-	-	-	-	-	-
2. Organizational Liberalism	0.518	0.198	.10	-	-	-	-	-	-	-
3. Substantive Content	0.570	0.497	.24**	-.07	-	-	-	-	-	-
4. Previous Engagement	2.152	0.868	-.09	.44***	-.08	-	-	-	-	-
5. Size	6.435	2.065	.25**	.07	-.03	.31***	-	-	-	-
6. Leverage	5.036	14.271	.04	-.06	-.04	-.02	.09	-	-	-
7. Profitability	0.039	0.070	-.08	.24**	.04	.02	-.15	-.13	-	-
8. HQ Democratic State	0.816	0.388	-.07	.30***	-.08	.20*	.03	.06	.17*	-
9. B2C	0.570	0.497	.20*	.12	.02	-.01	.33***	-.01	.05	.15

*p < .1; **p < .05; ***p < .01
Notes: The table reports the mean (M) and the standard deviation (SD) for, and the correlations between, the following independent variables: *CARs* (Cumulative Abnormal Returns), *Organizational Liberalism* (ratio measuring the degree of liberalism of a firm's organizational ideology), *Substantive Content* (substantive or symbolic content of the statement), and *Previous Engagement* (number of the firm's previous engagements in CSA). It reports the same information for the following control variables: *Size* (natural logarithm of the firm's total assets), *Leverage* (the firm's Debt-to-Equity ratio), *Profitability* (the firm's Return-on-Assets), *HQ Democratic State* (democratic or republican orientation of the state in which the firm's headquarter is located), and *B2C* (nature of the firm's primary operating market). *Industry Effect* dummies were omitted from the table.
N = 158 for all variables.

Three relationships in table 3 are especially worth noting. Firstly, the correlation between the *CARs* and *Substantive Content* is positive (.24) and statistically significant (p < .05). This is in line with the second hypothesis, stating that firms with a high degree of organizational liberalism benefit from condemning the U.S. Capitol Riot. Secondly, the correlation between *Organizational Liberalism* and *Previous Engagement* is positive (.44) and statistically significant (p < .01). This supports Gupta and Briscoe (2020) in outlining that liberal-leaning firms tend to be more open to social activism. Furthermore, *Organizational Liberalism* is also positively (.30) and significantly (p < .01) correlated with *HQ Democratic State*. This can be explained by the fact that firms are affected by the local government's legislation and therefore tend to give political donations to those recipients who, in turn, form and influence the local government. Finally, the correlation between *Previous Engagement* and *Size* is positive (.31), and significant (p < .01). This is in line with Brammer and Millington (2006), who state that large firms are more likely to engage in CSR, as their visibility tends to increase with size (Amato & Amato, 2007). One could further argue that a firm's size and its primary operating market influence its visibility, given the positive (.25) and significant ($p < .01$) correlation between the *CARs* and *Size*, and the positive (.20) and marginally significant ($p < .1$) correlation between the *CARs* and *B2C*. In other words, a large firm that primarily operates in a B2C market might be able to better exploit an engagement in CSA by capitalizing on its higher visibility.

Table 4 – Results of the Multiple Regression Models

	CARs				
	Model 0	**Model 1**	**Model 2**	**Model 3**	**Model 4**
Organizational Liberalism (H2)	-	0.042*** (0.012)	-	-	0.042*** (0.011)
Substantive Content (H3)	-	-	0.012** (0.005)	-	0.011** (0.005)
Previous Engagement (H4)	-	-	-	0.001 (0.003)	-0.003 (0.003)
Size	-0.0005 (0.002)	-0.001 (0.002)	-0.0003 (0.002)	-0.001 (0.002)	-0.001 (0.002)
Leverage	0.0003* (0.0001)	0.0002 (0.0002)	0.0003** (0.0001)	0.0003* (0.0001)	0.0003* (0.0001)
Profitability	-0.016 (0.036)	-0.045 (0.034)	-0.025 (0.035)	-0.018 (0.036)	-0.052 (0.035)
HQ Democratic State	-0.002 (0.006)	-0.008 (0.006)	-0.0003 (0.006)	-0.002 (0.006)	-0.006 (0.006)
B2C	0.001 (0.011)	-0.001 (0.012)	-0.002 (0.009)	-0.0001 (0.011)	-0.004 (0.011)
Constant	-0.020* (0.011)	-0.019* (0.010)	-0.034*** (0.012)	-0.019* (0.011)	-0.032*** (0.011)
Observations	158	158	158	158	158
R2	0.416	0.472	0.451	0.417	0.506
Adjusted R2	0.230	0.298	0.269	0.224	0.331
Residual Std. Error	0.024 (df =119)	0.023 (df = 118)	0.024 (df = 118)	0.024 (df = 118)	0.023 (df = 116)
F Statistic	2.232*** (df = 38; 119)	2.706*** (df = 39; 118)	2.481*** (df = 39; 118)	2.161*** (df = 39; 118)	2.895*** (df = 41; 116)

*p < .1; **p < .05; ***p < .01
Notes: *Industry Effect* dummies were omitted from the table.

Table 3 reports the results of the multiple regression models.

Multicollinearity was examined by running a variance inflation factor (VIF) test after conducting an OLS regression including all variables. The highest value was 7.67 for *B2C*, and the mean was 3.67. Since all variables are below the threshold of 10 proposed in the literature, multicollinearity is unlikely to seriously distort the results (Meyers et al., 2017). Still, given the high value for *B2C*, the analysis was conducted again excluding this variable as a precautionary measure. However, results remained similar.

Furthermore, some firms in the dataset made more than one statement. Since this suggests that the regression model errors might be correlated and thus the estimates might be distorted, the standard errors were clustered on the firm level (Cameron & Miller, 2015).

Hypothesis 2, which predicts that firms with a liberal organizational ideology experienced a more positive investor reaction than firms with a conservative organizational ideology, receives support. In model 1, the coefficient for *Organizational Liberalism* is positive (0.042) and statistically significant ($p < .01$) and remains so in the full model. Technically, it means that, on average and ceteris paribus, for an increase of one-tenth in *Organizational Liberalism* the CAR increases by 0.42 percent.

Hypothesis 3, which theorizes that firms that made a substantive statement experienced a more positive investor reaction than firms that made a symbolic statement, also receives support. In model 2, the coefficient for *Substantive Content* is positive (0.012) and statistically significant ($p < .05$) and remains so in the full model. In fact, a substantive statement, on average and ceteris paribus, leads to an increase in the CAR by 1.1 percent, compared to a symbolic statement.

Hypothesis 4, which states that a higher number of previous engagements in CSA leads to a more positive investor reaction, does not receive support. In model 3, the coefficient for *Previous Engagement* is positive (0.001), but nonsignificant ($p > .1$). The coefficient becomes negative (-0.003) in the full model, but remains nonsignificant ($p > .1$).

Out of the control variables, only *Leverage* is marginally significant in all models, except for the second model. In the full model, its coefficient is positive (0.003) and marginally significant ($p < .1$), suggesting that a higher leverage has a positive effect on the investor reaction to firms condemning the U.S. Capitol Riot. This finding, however, must be interpreted with caution, given that the Covid-19 pandemic increased the leverage level of some firms in the dataset to unnatural levels.

All models have a higher explanatory power than the model only including the control variables. The full model explains 32.7 percent of the dependent variable’s variation, which is the highest value across all models.

5.3 Robustness Check

A robustness check was further conducted to examine the strength of the findings obtained from the multivariate regressions.

An underlying assumption of the event study methodology is that the stock markets need to be well-functioning, and that the events have to be unanticipated (McWilliams & Siegel, 1997). Well-functioning stock markets are necessary, because the abnormal returns can only reflect the anticipated financial outcome of the event if investors incorporate the newly released information into the firms' stock prices during the event window. This condition can be expected to hold true in a developed market such as the U.S. (Rounaghi & Zadeh, 2016). The second condition, which is related to the anticipation of the event, is more concerning. Some of the firms in the dataset made more than one statement, which gives rise to the risk that some firm-statements could have been anticipated. Given that the author was unable to identify a pattern for which firms made only one statement and which firms spoke up more often, this risk was neglected for the calculations. Still, the multivariate regressions were additionally conducted only including the first statement of each firm. Again, the results remained qualitatively unchanged.

6. Discussion

6.1 Theoretical Implications

This study was guided by two essential questions. The initial question addressed the investor reaction to firms engaging in CSA by condemning the U.S. Capitol Riot. Building on stakeholder theory, which outlines that a firm can benefit from being in alignment with its stakeholders (Riel, 2012), we have hypothesized that firms that made a statement experienced a positive investor reaction. This rationale is based on the understanding of CSA as a means for firms to communicate their core values to their stakeholders. Given that most U.S. citizens took a negative stance to the U.S. Capitol Riot, we argue that a firm that joins the public opinion by signaling its opposition can expect a positive public reaction.

The hypothesis was tested using the event study methodology on a sample of 158 firm-statements given by 125 individual components of the S&P 500 in the aftermath of the U.S. Capitol Riot. We found marginal reason to believe that investors react positively to firms that made a statement, independent of firm- or statement-related characteristics. The results are robust across different risk models and event windows. The finding contributes to the scarce and inconsistent research about the financial effect of CSA.

However, given the high variation in the cumulative abnormal returns (CARs), the financial effect of engaging in CSA remains considerably unpredictable for individual firms. This vagueness highlights the necessity to further examine the factors that shape the investor reaction to CSA. Therefore, the second question focused on the moderating effect of the engagement's perceived authenticity on the investor reaction. To be more specific, we assumed stakeholders to only appreciate an engagement they believe to be genuine and honest, while perceived insincerity can even trigger adverse effects (e.g., boycotts). Building on this line of argumentation, we argued that the stakeholders' reaction, and thus also the investor reaction, depend on the statement´s perceived authenticity. The perceived authenticity was expected to be influenced by a set of three factors: the firm's organizational ideology, the message's content, and the firm's previous engagements in CSA.

We found that firms with a higher degree of liberal ideology saw more positive results when condemning the U.S. Capitol Riot. This is in line with previous research and can be explained by employing two main arguments. Firstly, a firm and its stakeholders are interconnected.

Therefore, liberal firms tend to have liberal stakeholders. Liberal stakeholders, especially liberal citizens, are not only more open to a firm's engagement in CSA (Gupta & Briscoe, 2020), but were also more decided in opposing the U.S. Capitol Riot than their conservative counterparts (Kahn, 2021; MaristPoll, 2021; Sanders et al., 2021). Thus, a liberal-leaning firm, on average, was more aligned with its stakeholders when condemning the U.S. Capitol Riot than a conservative-leaning firm. Secondly, even though the U.S. Capitol Riot has elicited a mostly adverse response from the Republican camp, a condemnation by a liberal firm can be expected to be perceived as more genuine and fitting to the organizational values. In more practical terms, liberal-leaning firms like Apple, Google, or Microsoft, which are known for speaking up on controversial sociopolitical issues also in opposition to the government, will rather be perceived as intrinsically motivated and genuine in condemning the U.S. Capitol Riot than conservative-leaning firms like Valero Energy, Charles Schwab Corporation, or Marathon Petroleum.

The findings further suggest that substantive statements led to a more positive investor reaction. Researchers in the field of CSR found that stakeholders tend to perceive substantive strategies as authentic, proactive commitments of organizational resources, whereas symbolic strategies rather aim at bolstering or protecting a firm's reputation (Rodrigue et al., 2013). This also holds in the case of CSA and in the context of the U.S. Capitol Riot. A symbolic statement solely condemning the U.S. Capitol Riot can be considered as a rather low-risk action, given that the opposition to the violent event was widely shared among the public and many other firms did the same. Substantive statements, however, must be regarded as a much more drastic step. For instance, many firms announced to refrain from making political donations for a certain period, thus limiting their influence on political decision-makers. Given the much higher risk firms were taking with this step, it seems reasonable that substantive messages were perceived as more authentic.

The fourth hypothesis, stating that previous engagements in CSA have a positive effect on the investor response to firms condemning the U.S. Capitol Riot, does not receive support. Initially, we argued that more prior engagements would reflect continuity and consistency in a firm's willingness to communicate its stance on sociopolitical issues. We expected this to radiate independence in expressing their values despite possible consequences – not only when it goes in line with the firm's strategy or when the public pressure is high enough, but whenever the firm's values demand it. The results, however, do not lend support to this argument. A possible explanation might be that investors perceive a firm's continuous engagement in CSA not as authentic, but as hypocritical and driven by strategic motives. In other words, the marginal effect of engaging in CSA might be negative. However, considering the coefficient's small size and nonsignificance, further research is required to understand the effect of past engagement in CSA on present and future actions.

This paper helps to advance the body of literature in the field of nonmarket strategy, and particularly contributes to the nascent research on CSA. Up to this point, previous scholars have focused on the financial consequences of CSA in general (Bhagwat et al., 2020), on the actors that drive CSA (Nalick et al., 2016), and on the effect of CSA on brand perception (Klostermann et al., 2021). This paper chose a different approach. By analyzing the investor reaction to firms condemning the U.S. Capitol Riot, we concentrated our research on a single sociopolitical issue. Taking the characteristics of the focal event into consideration, this concept better allowed for isolating, analyzing, and interpreting the financial effects of CSA.

Furthermore, the moderating role of the engagement's perceived authenticity on the investor reaction was examined, building on a set of three variables: the firm's organizational ideology, the message's content, and the firm's previous engagement in CSA. Finding that the firm's organizational ideology and the content of the message have a significant effect on the market reaction to the engagements in CSA, the paper at hand further contributes to the understanding of the factors that shape the investor reaction to CSA.

6.2 Managerial Implications

This paper also offers clear managerial implications. Today, powerful stakeholders like customers (Barton et al., 2018; Sprout Social, 2018), employees (Gartner, 2021), and shareholders (Cundill et al., 2018) seem to exert increasing pressure on firms to voice their stance on controversial sociopolitical issues. Yet, whether succumbing to such pressures is adding or destroying shareholder value remains unclear.

The study at hand finds that the average financial effect of engaging in CSA by condemning the U.S. Capitol Riot is positive. However, the high variation in the CARs gives reason to believe that there are other factors influencing this effect. Specifically, we expected and found that the statement's perceived authenticity, as reflected in the organizational ideological alignment and the statement's substance, moderated the investor response.

These findings indicate the need for managers to thoroughly analyze the characteristics of the societal issue, the firm, and the nature of the intended commitment before taking action. The decisive factor is that a firm signals the alignment of its core values with those of its key stakeholders, and that these stakeholders perceive the signal as genuine and authentic.

Broadening the scope, our research highlights the growing importance of non-market strategy as a means for managers to not only bring change to society, but also to create value for their firms. In this context, CSA is a new tool in the toolbox of non-market strategies that can be applied to strengthen the relationship to stakeholders and to stand out from competition, thereby creating a competitive advantage.

6.3 Limitations and Future Research

There are several limitations to this paper that provide opportunities for future research. The limitations relate to the scope of the study, the event study methodology, and the variables used.

Firstly, the U.S. Capitol Riot was chosen as the focal event, allowing us to account for its special characteristics in the analysis of the results. Furthermore, only components of the S&P 500 were considered, causing the dataset to contain exclusively large U.S.-based firms. This implies that the findings are primarily applicable in the defined context and only generalizable with caution. Therefore, further research on CSA must not only focus on other specific events, but also aim at grasping the bigger picture by including other types of engagements in CSA, other countries, and other firms. It would be especially interesting to extend the research to startups to see how these nascent ventures are affected by engaging in CSA.

Secondly, the event study methodology allows for establishing an immediate relationship between a specific event and the financial consequences resulting from that event. This can be achieved by separating the normal market developments from the effect of a firm's engagement in CSA. Considering this mechanism, macro trends like the Covid-19 pandemic can confound the results, because they do not only affect the economy over a long time, but can also have an isolated effect on specific days. The focal period in the aftermath of the U.S. Capitol Riot was controlled for such abnormal influences, yet a reasonable degree of caution is required when interpreting the results. Furthermore, considering that a short-term event study was applied, the results can only reflect the event-induced effects within the frame of the event window. That is sensible, building on the assumption that investors swiftly incorporate new information in the firms' share price. At the same time, it minimizes the risk that confounding events distort the abnormal returns. However, the actual long-term effects of the event remain out of scope. Expanding on the long-term perspective, investors might begin to detect a pattern when a firm engages in CSA regularly, enabling them to anticipate future engagements at least roughly. They would then incorporate their knowledge into the firm's share price before the actual event, thus leading to distorted abnormal returns. Given the novelty of CSA, this concern was neglected in the paper at hand, but considering it might make sense for future research.

Thirdly, the variables used in the multiple regression models face some limitations. The organizational ideology was measured focusing on monetary donations, which is an established way to reflect the employees' and the organization's beliefs and values (Gupta et al., 2017). Nonetheless, this monetary measure might not accurately grasp the full picture. Furthermore, the statements were assigned to two categories: statements only stating opposition to the U.S. Capitol Riot were classified as symbolic, whereas statements that additionally announced a consequence were classified as substantive. While this method allows for creating a straightforward classification system, it fails to consider more subtle dimensions. An example will clarify this. For a firm like Charles Schwab Corporation, given the association with its chairman Charles R. Schwab, who has personally given millions to pro-Trump and Republican groups, distancing itself from Trump in response to the U.S. Capitol Riot has a more significant external effect than for a firm like Apple, which is well known for going into opposition to Trump at times. Apple's engagement, however, has a more significant external effect than for instance the one of Jacobs Engineering Group, because Apple has a broader public presence. These subtle differences might seem neglectable, yet they influence the engagement's public perception and are therefore crucial to consider for further research. Lastly, the firms' previous engagements in CSA were measured by counting each firm's prior engagements in a preselected range of topics during a predefined period using LexisNexis. These specifications offer future researchers the opportunity to focus on different topics, timeframes, and sources.

Apart from the limitations and opportunities for further research pointed out in relation to the focal event, the methodology, and the variables used, there are other promising fields to explore. In the paper at hand, the perceived authenticity of the engagement in CSA was highlighted as a moderator to its financial effect. A set of three variables was introduced to measure the perceived authenticity, yet others remain unconsidered. Further research could examine, for example, whether the fact that firms remained true to their announced consequences in the past affects the response to their future engagements in CSA. Expanding the scope, there are also other factors that might influence the financial effect of engaging in CSA: the channel or platform the firm is using to transmit its engagement to the public, the actor that is transmitting the message, or the date on which the firm is responding to a specific event. It would be fascinating to see whether there exists a "first-mover-advantage" when responding to a societal issue, like the one Ormrod and Müller (2021) find in their research in the field of CSR.

Finally, it is key to change perspectives. Firms accumulate enormous resources, evolving into market actors that can exert immense power within society. A firm speaking up on a societal issue impacts the firm itself, yet it also impacts society. The paper at hand made an attempt to analyze the engagement's impact on the firm. To analyze the engagement's impact on society remains imperative for further research.

Appendix

Appendix A: Overview of the Firms that gave a Statement

	Firm	Date		Firm	Date
1	3M	11.01.2021	**38**	CenterPoint Energy	12.01.2021
2	Accenture	07.01.2021	**39**	Cerner	11.01.2021
3	ADM	12.01.2021	**40**	Charles Schwab Corporation	13.01.2021
4	Aflac	12.01.2021	**41**	Chevron Corporation	12.01.2021
5	Allegion	07.01.2021	**42**	Chubb	07.01.2021
6	Alphabet (Class A)	06.01.2021	**43**	Chubb	12.01.2021
7	Alphabet (Class A)	11.01.2021	**44**	Cigna	12.01.2021
8	Alphabet (Class A)	25.01.2021	**45**	Cintas Corporation	12.01.2021
9	Amazon	11.01.2021	**46**	Cisco Systems	06.01.2021
10	Ameren Corp	11.01.2021	**47**	Citigroup	06.01.2021
11	American Airlines Group	07.01.2021	**48**	Citigroup	10.01.2021
12	American Airlines Group	12.01.2021	**49**	CME Group	11.01.2021
13	American Electric Power	13.01.2021	**50**	Coca-Cola Company	11.01.2021
14	American Express	06.01.2021	**51**	Cognizant Technology Solutions	07.01.2021
15	American Express	11.01.2021	**52**	Comcast	11.01.2021
16	American International Group	13.01.2021	**53**	ConocoPhillips	11.01.2021
17	Ameriprise Financial	12.01.2021	**54**	CVS Health	10.01.2021
18	AmerisourceBergen	14.01.2021	**55**	Delta Air Lines	07.01.2021
19	Amgen	07.01.2021	**56**	Delta Air Lines	27.01.2021
20	Amgen	14.01.2021	**57**	Dow	06.01.2021
21	Apple	07.01.2021	**58**	Dow	11.01.2021
22	Apple	12.01.2021	**59**	eBay	14.01.2021
23	AT&T	11.01.2021	**60**	Edison International	11.01.2021
24	AT&T	07.01.2021	**61**	Eversource Energy	13.01.2021
25	Bank of America	06.01.2021	**62**	Exelon	12.01.2021
26	Bank of America	11.01.2021	**63**	Expedia Group	13.01.2021
27	Becton Dickinson	07.01.2021	**64**	FedEx	11.01.2021
28	Berkshire Hathaway	11.01.2021	**65**	FirstEnergy	12.01.2021
29	Best Buy	11.01.2021	**66**	Ford	11.01.2021
30	Biogen	13.01.2021	**67**	Freeport-McMoRan	12.01.2021
31	BlackRock	06.01.2021	**68**	General Electric	11.01.2021
32	BlackRock	11.01.2021	**69**	General Mills	13.01.2021
33	Boston Scientific	07.01.2021	**70**	General Motors	07.01.2021
34	C. H. Robinson	08.01.2021	**71**	General Motors	11.01.2021
35	Caterpillar	07.01.2021	**72**	Goldman Sachs	07.01.2021
36	Cboe Global Markets	14.01.2021	**73**	Goldman Sachs	11.01.2021
37	CBRE	07.01.2021	**74**	Hewlett Packard Enterprise	06.01.2021

	Firm	Date		Firm	Date
75	Hilton Worldwide	11.01.2021	**117**	Pfizer	07.01.2021
76	Home Depot	27.01.2021	**118**	PPL	12.01.2021
77	HP	06.01.2021	**119**	Prudential Financial	06.01.2021
78	HP	12.01.2021	**120**	PulteGroup	13.01.2021
79	HP	15.01.2021	**121**	Ralph Lauren Corporation	08.01.2021
80	Huntington Ingalls Industries	12.01.2021	**122**	Raytheon Technologies	12.01.2021
81	IBM	06.01.2021	**123**	Republic Services	14.01.2021
82	Illumina	08.01.2021	**124**	Salesforce	06.01.2021
83	Intel	07.01.2021	**125**	Salesforce	11.01.2021
84	Interpublic Group	07.01.2021	**126**	Sempra Energy	07.01.2021
85	Jacobs Engineering Group	13.01.2021	**127**	ServiceNow	07.01.2021
86	Johnson & Johnson	06.01.2021	**128**	Southern Company	07.01.2021
87	Johnson & Johnson	14.01.2021	**129**	Southern Company	13.01.2021
88	JPMorgan Chase	06.01.2021	**130**	Stanley Black & Decker	07.01.2021
89	JPMorgan Chase	10.01.2021	**131**	Starbucks	09.01.2021
90	Juniper Networks	06.01.2021	**132**	Synchrony Financial	06.01.2021
91	L3Harris Technologies	07.01.2021	**133**	Texas Instruments	15.01.2021
92	Leidos	12.01.2021	**134**	The Hartford	19.01.2021
93	Lockheed Martin	13.01.2021	**135**	The Travelers Companies	07.01.2021
94	Marathon Petroleum	12.01.2021	**136**	The Travelers Companies	13.01.2021
95	Marriott International	07.01.2021	**137**	The Walt Disney Company	07.01.2021
96	Marriott International	10.01.2021	**138**	The Walt Disney Company	12.01.2021
97	Marsh & McLennan	11.01.2021	**139**	Thermo Fisher Scientific	19.01.2021
98	Mastercard	11.01.2021	**140**	T-Mobile US	07.01.2021
99	McDonald's	13.01.2021	**141**	T-Mobile US	10.01.2021
100	McKesson Corporation	06.01.2021	**142**	Truist Financial	06.01.2021
101	McKesson Corporation	15.01.2021	**143**	Truist Financial	12.01.2021
102	Medtronic	06.01.2021	**144**	Tyson Foods	12.01.2021
103	Medtronic	11.01.2021	**145**	U.S. Bancorp	11.01.2021
104	MetLife	13.01.2021	**146**	Under Armour (Class A)	07.01.2021
105	MGM Resorts International	09.01.2021	**147**	United Parcel Service	07.01.2021
106	Microsoft	06.01.2021	**148**	United Parcel Service	11.01.2021
107	Microsoft	22.01.2021	**149**	Valero Energy	12.01.2021
108	Morgan Stanley	11.01.2021	**150**	Verizon Communications	06.01.2021
109	Nielsen Holdings	06.01.2021	**151**	Verizon Communications	11.01.2021
110	Nike	11.01.2021	**152**	Vertex Pharmaceuticals	19.01.2021
111	Northrop Grumman	11.01.2021	**153**	Visa	06.01.2021
112	NRG Energy	12.01.2021	**154**	Visa	12.01.2021
113	Oracle	17.01.2021	**155**	Walgreens Boots Alliance	16.01.2021
114	PayPal	06.01.2021	**156**	Wells Fargo	06.01.2021
115	PepsiCo	15.01.2021	**157**	WestRock	13.01.2021
116	Pfizer	16.01.2021	**158**	Xcel Energy	12.01.2021

Appendix B: Keyword Search Terms for LexisNexis

For the search with LexisNexis, the following keyword search terms were utilized: "Firm" AND "Capitol Riot" and "Firm" AND "suspending political contributions".

Appendix C: Statements' Dates

If the date of the statement was not clearly identifiable, the first news reference for the announcement was taken, because this can be considered as the earliest point in time at which investors could have learned about the engagement.

Appendix D: Theoretical Background of the Event Study Methodology

First, the daily expected return $E(R_{it})$ of stock i on day t is calculated based on its relationship to the benchmark index R_{mt}:

$$E(R_{it}) = \widehat{a_i} + \widehat{b_i} * R_{mt}$$

The carets (^) in the formula are the coefficients of the following OLS regression:

$$R_{it} = a_i + b_i * R_{mt} + e_{it}$$

where R_{it} denotes the return of stock i in period t, a_i the intercept, b_i the slope coefficient, R_{mt} the return of the benchmark index (S&P 500), and e_{it} the random disturbance error.

Then, the abnormal returns (AR_{it}) are calculated:

$$AR_{it} = R_{it} - E(R_{it})$$

where AR_{it} denotes the abnormal return of stock i on day t, R_{it} the observed return, and $E(R_{it})$ the expected daily return. The abnormal return AR_{it} therefore captures the difference between the observed return R_{it} on a specific day and the expected return $E(R_{it})$ on the same day.

Given the 3-day event window, the daily abnormal returns AR_{it} are cumulated over the 3-day period to obtain the cumulative abnormal returns $CAR_{i(t',t)}$:

$$CAR_{i(t',t)} = \sum_{t'}^{t} AR_{it}$$

The cumulative abnormal return $CAR_{i(t',t)}$ therefore reflects the total incremental value attributed to firm-statement i during the event window $[t, t']$.

Then, the cumulative average abnormal return $CAAR$ is calculated by accumulating and averaging all individual cumulative abnormal returns $CAR_{i(t',t)}$.

$$CAAR = \frac{\sum_{i=1}^{n} CAR_i}{n}$$

where $CAAR$ denotes the cumulative average abnormal return, CAR_i the cumulative abnormal return of firm-statement i, and n the total number of observations.

Appendix E: Examples of Substantive and Symbolic Statements

Substantive statements	Twitter	As a result of the unprecedented and ongoing violent situation in Washington, D.C., we have required the removal of three @realDonaldTrump Tweets that were posted earlier today for repeated and severe violations of our Civic Integrity policy.
	Facebook	The shocking events of the last 24 hours clearly demonstrate that President Donald Trump intends to use his remaining time in office to undermine the peaceful and lawful transition of power. […] Therefore, we are extending the block we have placed on his Facebook and Instagram accounts indefinitely and for at least the next two weeks until the peaceful transition of power is complete.
	AEP	AEP forcefully condemns the violence that happened at the U.S. Capitol and the divisive actions that led up to it. […] AEP has paused all political contributions and will be reviewing our criteria for supporting candidates and organizations in the future.
Symbolic statements	Coca-Cola	We are all stunned by the unlawful and violent events that unfolded in Washington, D.C. With the election now certified, we have faith in America´s democratic institutions to ensure a peaceful transfer of power and allow the U.S. to move forward together as one nation.
	Intel	At @intel we condemn all acts of violence and attempts to unlawfully disrupt a democratic process that has long been a model for the world.
	Cisco	What is happening in our nation's capital is appalling and saddening. […] @Cisco condemns the violence we have witnessed today & call for it to end immediately.

Appendix F: Categorization of the Firms' Primary Market

B2C: 2500-2599, 2700-2799, 2830-2869, 3000-3219, 3420-3429, 3523-3669, 3700-3719, 3751, 3850-3999, 4813-4899, 5000-5079, 5090-5099, 5130-5159, 5220-7299, 7400-9999;
B2B: 2600-2699, 2800-2829, 2870-2999, 3220-3419, 3430-3522, 3720-3750, 4800-4812, 5160-5219;
Other: all else

The categorization is based on Luffarelli et al. (2019) and Srinivasan et al. (2011).

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