

Beyond Net Income: Marketing Activities and the Moderating Role of ESG Performance in Comprehensive Financial Performance

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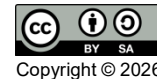
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Abstract

This study examines the relationship between marketing activities and comprehensive financial performance and investigates whether environmental, social, and governance (ESG) performance moderates this relationship. Using 3,726 firm-year observations from listed companies in Southeast Asia and China during 2019–2025, the study employs moderated regression analysis, alternative-proxy robustness tests, and two-stage least squares (2SLS) estimation. Comprehensive financial performance is measured as total comprehensive income relative to total assets, while marketing intensity is proxied by marketing and advertising expenses relative to total assets. The reported results indicate a positive association between marketing activities and comprehensive financial performance. Aggregate ESG performance and its environmental, social, and governance pillars exhibit positive interaction effects, suggesting that stronger ESG performance is associated with a stronger marketing–performance relationship. The environmental pillar shows the highest reported explanatory power among the individual ESG models. This study extends research on marketing and corporate sustainability by examining comprehensive financial performance in emerging Asian markets.

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1. Introduction

Marketing activities are strategic investments that shape product awareness, purchasing decisions, sales revenue, profitability, and firm value (Leelavathy & Kamali, 2024; Behl et al., 2023). However, their financial implications extend beyond revenue generation because marketing involves resource allocation and expenditure that must ultimately contribute to corporate performance (Matemane et al., 2025; Olim et al., 2025; Beninger & Robson, 2025). In parallel, firms face increasing expectations to achieve non-financial objectives, particularly environmental, social, and governance (ESG) performance (Patel et al., 2021). Marketing can communicate corporate values and sustainability commitments to stakeholders, while green marketing and sustainability-oriented communication may strengthen corporate reputation and stakeholder legitimacy (Tzanidis et al., 2024; Luo & Ye, 2024). Nevertheless, whether marketing activities generate stronger financial outcomes when accompanied by superior ESG performance remains an important empirical question.

An additional consideration concerns how corporate financial performance is measured. Conventional profitability indicators primarily capture net income, whereas total comprehensive

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income incorporates both net income and other comprehensive income. The latter includes changes in equity arising from non-owner transactions that may reflect valuation adjustments and other economic events. Consequently, incorporating total comprehensive income into return-on-assets and return-on-equity measures offers an alternative perspective on corporate financial performance (Black & Neururer, 2024; Kusuma et al., 2021). This measurement approach broadens the assessment of corporate outcomes beyond realized earnings, although comprehensive income should not automatically be interpreted as a superior predictor of future performance without empirical validation.

Previous studies have examined the relationship between marketing activities and financial performance (Saif-Alyousfi, 2022; Mousa et al., 2021; Grandhi et al., 2021), as well as the relationship between marketing activities and sustainability performance (Andriana et al., 2025; Muniba Ali et al., 2023; Hirunyawipada and Xiong, 2018; Kalia & Aggarwal, 2023). Some findings suggest that marketing activities improve financial outcomes (Sklénarz et al., 2024; Godlewski & Nhung Le, 2024) and sustainability-related outcomes (Cuevas-Vargas et al., 2022; Fang & Zaman, 2025). Conversely, marketing and ESG initiatives may impose substantial costs that constrain profitability (Rahman et al., 2020). These contrasting findings suggest that the financial contribution of marketing may depend on organizational conditions and the way performance is evaluated.

Despite this growing literature, two gaps remain relevant. First, limited evidence addresses whether aggregate ESG performance and its individual environmental, social, and governance pillars moderate the relationship between marketing activities and financial performance. Second, the relationship has received comparatively limited attention when financial performance is measured using total comprehensive income rather than net-income-based profitability. Addressing these gaps may clarify whether sustainability performance complements marketing activities and whether the resulting relationship extends to a broader accounting-based measure of corporate performance.

Stakeholder theory (Freeman, 1984) provides a basis for understanding this potential complementarity. Firms must respond to the expectations of consumers, investors, employees, regulators, and communities, while marketing communicates corporate offerings and commitments to these stakeholders. Strong ESG performance may therefore reinforce the credibility of marketing activities and strengthen stakeholder responses. Agency theory (Jensen & Meckling, 1976) further highlights the importance of resource allocation, information asymmetry, and managerial accountability. From this perspective, marketing expenditure may contribute to financial outcomes, while ESG performance may condition how effectively these activities translate into corporate performance. These arguments motivate examining ESG both as an aggregate measure and through its environmental, social, and governance dimensions.

This study examines 3,726 firm-year observations from listed companies in Indonesia, Malaysia, the Philippines, Thailand, Singapore, and China over 2019–2025. It investigates the association between marketing activities and comprehensive financial performance and evaluates the moderating roles of aggregate ESG performance and its three individual pillars. Comprehensive financial performance is measured as total comprehensive income divided by total assets, while marketing activities are proxied by marketing and advertising expenses relative to total assets. By integrating marketing, sustainability, and accounting perspectives, this study extends the examination of marketing-related financial outcomes to a broader performance measure in emerging Asian markets. It also provides comparative evidence on whether the environmental, social, and governance dimensions differ in their moderating roles.

2. Literature Review

This study draws on stakeholder theory and agency theory to explain the relationship between marketing activities, environmental, social, and governance (ESG) performance, and comprehensive

financial performance. Stakeholder theory argues that corporate objectives extend beyond shareholder wealth maximization to include the expectations of consumers, employees, regulators, communities, and other stakeholders (Freeman, 1984). From this perspective, marketing activities serve not only to promote products and generate sales but also to communicate corporate values, strengthen stakeholder relationships, and establish organizational legitimacy. ESG performance may complement these activities by providing evidence of a firm's commitment to environmental responsibility, social welfare, and sound governance (Santyo Rusandy & Kusuma, 2026; Marjukah et al., 2025).

Agency theory provides a complementary explanation by emphasizing the potential conflicts of interest between shareholders and managers arising from information asymmetry (Jensen & Meckling, 1976). Transparent financial reporting and effective governance can help stakeholders assess managerial decisions and corporate resource allocation. In this context, marketing expenditure represents a resource commitment intended to support commercial performance, whereas ESG performance may signal managerial accountability and a broader orientation toward sustainable value creation. The integration of these perspectives suggests that marketing effectiveness may depend not only on expenditure intensity but also on the quality of a firm's relationships with stakeholders and its sustainability practices.

Marketing Activities and Comprehensive Financial Performance

Marketing activities can improve financial performance by increasing product awareness, influencing purchasing decisions, expanding customer reach, and strengthening market positioning. These mechanisms can translate into higher sales revenue and profitability, although their effectiveness depends on the resources committed and the firm's ability to convert marketing expenditure into economic benefits. Previous research has investigated the relationship between marketing activities and financial performance, including profitability and other corporate outcomes (Saif-Alyousfi, 2022; Mousa et al., 2021; Grandhi et al., 2021). Evidence reported in the literature indicates that marketing activities can contribute positively to financial performance (Sklénarz et al., 2024; Godlewski & Nhung Le, 2024). Nevertheless, marketing expenditure also imposes costs, meaning that greater expenditure does not necessarily guarantee superior financial outcomes.

This study extends the discussion by examining comprehensive financial performance rather than relying exclusively on net-income-based profitability. Total comprehensive income comprises net income and other comprehensive income, thereby incorporating certain valuation changes and other gains and losses recognized outside conventional net income. Building on previous work concerning comprehensive-income-based performance measurement (Kusuma et al., 2021; Kusuma et al., 2022; Kusuma & Luayyi, 2024), comprehensive financial performance is operationalized as total comprehensive income divided by total assets. This measure captures a broader accounting-based representation of corporate performance, although it may also reflect valuation movements that are not directly attributable to marketing decisions.

Marketing activities may support this broader performance measure through improved commercial outcomes and the resulting capacity to sustain business operations and investment. However, the relationship between marketing expenditure and comprehensive financial performance remains an empirical question because other comprehensive income can be influenced by factors beyond operational performance. Accordingly, the first hypothesis is formulated as follows:

H1. Marketing activities are positively associated with comprehensive financial performance.

ESG Performance as a Moderator

ESG performance may condition the relationship between marketing activities and comprehensive financial performance. Stakeholder theory suggests that firms are more likely to strengthen stakeholder relationships when their commercial activities are consistent with broader environmental and social expectations. Marketing messages supported by credible sustainability practices may strengthen corporate reputation, stakeholder trust, and product differentiation. Previous studies have examined the relationship between marketing activities and sustainability performance (Andriana et al., 2025; Muniba Ali et al., 2023; Hirunyawipada and Xiong, 2018; Kalia & Aggarwal, 2023). Other research has identified positive relationships between marketing activities and non-financial outcomes (Cuevas-Vargas et al., 2022; Fang & Zaman, 2025).

However, sustainability initiatives can require substantial financial resources and may reduce short-term profitability when their costs exceed immediate benefits (Rahman et al., 2020). This tension suggests that ESG performance should not be assumed to strengthen marketing effectiveness under all circumstances. Instead, its moderating role depends on whether sustainability-related capabilities and stakeholder perceptions complement the firm's marketing activities. When ESG performance reinforces the credibility of corporate communication, marketing expenditure may be associated with stronger financial outcomes. This reasoning leads to the following hypothesis:

H₂. ESG performance positively moderates the relationship between marketing activities and comprehensive financial performance, such that the relationship is stronger at higher levels of ESG performance.

The Moderating Roles of Environmental, Social, and Governance Performance

Although aggregate ESG scores provide an overall assessment of corporate sustainability performance, the environmental, social, and governance pillars represent distinct dimensions that may influence marketing effectiveness through different mechanisms. Examining them separately can therefore provide a more detailed understanding of the conditions under which marketing activities are associated with comprehensive financial performance.

Environmental performance may strengthen marketing effectiveness when firms demonstrate credible environmental responsibility through resource efficiency, waste management, and environmentally conscious production. Such practices may differentiate products and reinforce sustainability-related marketing messages. Environmental concerns have increasingly become relevant to corporate reputation and stakeholder assessments, suggesting that environmental performance may complement marketing activities. Nevertheless, the strength of this relationship requires empirical examination.

Social performance may also reinforce marketing effectiveness through corporate responsibility toward employees, consumers, and communities. Responsible labor practices, consumer protection, and community engagement can support stakeholder trust and strengthen corporate reputation. When marketing communications are consistent with social performance, firms may be better positioned to establish lasting customer relationships and improve the financial returns associated with marketing expenditure.

Governance performance provides another potential moderating mechanism. Transparency, accountability, and effective oversight can strengthen confidence in corporate communication and support disciplined resource allocation. From an agency-theory perspective, sound governance may reduce information asymmetry and improve managerial accountability, potentially increasing the effectiveness of marketing activities in generating financial outcomes.

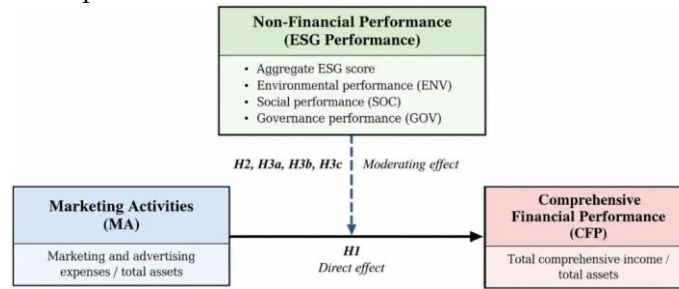
These arguments suggest that the three ESG pillars may complement marketing activities through environmental differentiation, social legitimacy, and governance credibility, respectively. However, their relative moderating strengths cannot be established theoretically alone and must be evaluated empirically. Accordingly, the following hypotheses are proposed:

H3a. Environmental performance positively moderates the relationship between marketing activities and comprehensive financial performance.

H3b. Social performance positively moderates the relationship between marketing activities and comprehensive financial performance.

H3c. Governance performance positively moderates the relationship between marketing activities and comprehensive financial performance.

Figure 1. Research Conceptual Framework



Source: authors' compilation

The research conceptual framework is presented in Figure 1. The framework illustrates the relationship between marketing activities and comprehensive financial performance, with non-financial performance serving as a moderating variable. Marketing activities represent the independent variable, while comprehensive financial performance, measured using total comprehensive income relative to total assets, represents the dependent variable. Non-financial performance is represented by the aggregate ESG score and its three individual pillars: environmental, social, and governance performance. The framework proposes that marketing activities are positively associated with comprehensive financial performance (H1) and that this relationship is strengthened by higher aggregate ESG performance (H2). Furthermore, the framework examines whether environmental, social, and governance performance individually strengthen this relationship (H3a, H3b, and H3c, respectively). By evaluating both aggregate ESG performance and its individual dimensions, the framework provides a structured basis for assessing whether sustainability performance conditions the relationship between marketing activities and comprehensive financial performance.

3. Methodology

Research Design, Data Sources, and Sample Selection

This study employs a quantitative explanatory design to examine the relationship between marketing activities and comprehensive financial performance (CFP), with environmental, social, and governance (ESG) performance as a potential moderator. The sample covers listed companies on seven stock exchanges in Southeast Asia and China during 2019–2025. The Southeast Asian exchanges comprise the Indonesia Stock Exchange (IDX), Malaysia Stock Exchange (MYX), Stock Exchange of Thailand (SET), Singapore Exchange (SGX), and Philippine Stock Exchange (PSE). The Chinese exchanges comprise the Shanghai Stock Exchange (SSE) and Shenzhen Stock Exchange (SZSE). Financial data and ESG scores were obtained from the Thomson Reuters Eikon database.

The initial population consisted of 8,447 listed companies, yielding 3,726 firm-year observations for the final analysis through purposive sampling. The selection criteria required the availability of financial statements and ESG information during the observation period. Observations with incomplete

data, negative earnings, or negative total comprehensive income were excluded, consistent with the criteria described in the manuscript. The resulting dataset is treated as an unbalanced panel because the number of usable observations may vary across firms and years.

Table 1. Sample Distribution by Stock Exchange

Stock exchange	Initial population	Final observations
IDX	918	425
MYX	1,014	597
SET	864	276
SGX	782	328
PSE	268	113
SSE	2,115	950
SZSE	2,486	1,037
Total	8,447	3,726

Source: Thomson Reuters Eikon database; authors' compilation.

Variable Measurement

Comprehensive financial performance (CFP) is the dependent variable, measured as total comprehensive income divided by total assets. This measure incorporates other comprehensive income alongside net income and therefore extends the conventional accounting-based assessment of firm performance (Būmane, 2018; Kusuma et al., 2025).

Marketing activities (MA) constitute the independent variable and are measured as marketing and advertising expenses divided by total assets (Chen, 2020). Aggregate non-financial performance (NFP) is represented by the ESG score. To examine whether specific sustainability dimensions condition the relationship between marketing activities and CFP, the environmental (ENV), social (SOC), and governance (GOV) pillar scores are also examined separately (Zahid et al., 2023).

Two firm-level control variables are included. Firm size (SIZE) is measured as the natural logarithm of total assets, while leverage (LEV) is measured as total debt divided by total equity (Arisyahidin et al., 2025; Kusuma, Marjukah, et al., 2025). Country, industry, and year indicators are incorporated to account for differences across national settings, industrial sectors, and observation years.

Empirical Models and Estimation Strategy

Panel regression and moderated regression analysis are employed to test the proposed relationships. The baseline model examines the association between marketing activities and CFP:

Equation (1). Baseline model

$$CFP_{it} = \alpha + \beta_1 MA_{it} + \beta_2 SIZE_{it} + \beta_3 LEV_{it} + \gamma' Country_i + \delta' Industry_i + \lambda' Year_t + \varepsilon_{it}$$

The moderating role of aggregate ESG performance is assessed by adding the ESG score and its interaction with marketing activities:

Equation (2). ESG moderation model

$$CFP_{it} = \alpha + \beta_1 MA_{it} + \beta_2 NFP_{it} + \beta_3 (MA_{it} \times NFP_{it}) + \beta_4 SIZE_{it} + \beta_5 LEV_{it} + \gamma' Country_i + \delta' Industry_i + \lambda' Year_t + \varepsilon_{it}$$

In these equations, *i* denotes the firm and *t* denotes the year; α is the constant; β , γ , δ , and λ represent regression coefficients; and ε is the error term. Country, industry, and year indicators account for the corresponding categorical differences.

The moderation hypothesis is evaluated primarily through the interaction coefficient β_3 . A positive and statistically significant coefficient indicates that the association between marketing activities and CFP becomes stronger as the relevant ESG score increases. To assess the individual ESG dimensions, Equation (2) is estimated separately by replacing NFP with ENV, SOC, and GOV. Separate

estimation allows the moderating role of each pillar to be evaluated without combining the three dimensions in a single interaction specification.

The empirical analysis comprises the baseline model, the aggregate ESG moderation model, three individual-pillar models, a robustness specification using alternative proxies, and a two-stage least squares (2SLS) specification intended to address potential endogeneity. The manuscript identifies changes in marketing activities (ΔMA) and ESG performance (ΔNFP) as instrumental variables. The validity of these instruments, however, cannot be established by their inclusion alone. Instrument relevance must be assessed using first-stage results, while the exclusion restriction requires a defensible theoretical and empirical justification. Accordingly, 2SLS estimates should not be interpreted as causal evidence unless the necessary identification assumptions and diagnostic tests are adequately supported.

Table 2. Variable Definitions and Measurements

Variable	Role	Operational measurement
CFP	Dependent	Total comprehensive income / total assets
MA	Independent	Marketing and advertising expenses / total assets
NFP	Moderator	Aggregate ESG score
ENV	Moderator	Environmental pillar score
SOC	Moderator	Social pillar score
GOV	Moderator	Governance pillar score
SIZE	Control	Natural logarithm of total assets
LEV	Control	Total debt / total equity
Country	Control	Country indicator variables
Industry	Control	Industry indicator variables
Year	Control	Year indicator variables

Source: Authors' operationalization based on the cited literature and Thomson Reuters Eikon data.

Robustness and Estimation Considerations

Robustness analysis uses alternative measures described in the manuscript, including return on equity based on comprehensive income and marketing expenses scaled by sales. These alternative proxies help assess whether the main findings depend on the operational definitions of the dependent and independent variables. The sample and variable definitions should remain consistent across specifications wherever possible, and each model should report coefficient estimates, standard errors, statistical significance, and the number of observations.

For transparent statistical inference, the final analysis should document the selected panel estimator, the rationale for that choice, and the treatment of heteroskedasticity and within-firm error dependence. The original manuscript also includes return on assets based on net income as a control variable. Because this measure shares an accounting component and denominator with CFP, its inclusion may create mechanical overlap. Its role should therefore be justified and its influence assessed through an alternative specification that excludes it. Finally, the sample-selection records should reconcile the initial population, exclusion criteria, and final firm-year observations before publication.

4. Results

Descriptive Statistics and Correlation Analysis

Table 3 presents the descriptive statistics and Pearson correlation matrix. The mean values of comprehensive financial performance (CFP), marketing activities (MA), and aggregate non-financial

performance (NFP) are 0.024, 0.033, and 55.028, respectively. The mean scores for environmental, social, and governance performance are 58.191, 52.405, and 53.617, respectively.

The correlation analysis shows that MA is positively correlated with CFP ($r = 0.657$, $p < 0.01$). MA is also positively correlated with NFP ($r = 0.543$, $p < 0.01$), environmental performance ($r = 0.575$, $p < 0.01$), social performance ($r = 0.542$, $p < 0.01$), and governance performance ($r = 0.531$, $p < 0.01$). These associations provide preliminary evidence of relationships between marketing activities, financial performance, and ESG performance. However, correlation results alone cannot establish causality or confirm the proposed moderating effects.

Table 3. Descriptive Statistics and Correlation Matrix

Panel A. Descriptive statistics				
Variable	Mean	Min.	Max.	SD
CFP	0.024	0.002	0.103	0.892
MA	0.033	0.011	0.042	0.786
NFP	55.028	40.850	78.101	0.847
ENV	58.191	42.460	77.041	0.781
SOC	52.405	48.370	76.323	0.849
GOV	53.617	45.050	68.393	0.636
SIZE	22.528	9.316	30.404	1.704
LEV	1.639	1.227	1.815	0.685
ROA	0.044	0.028	0.062	0.769
Panel B. Selected Pearson correlations				
Variable pair		Correlation		
CFP-MA		0.657***		
CFP-NFP		0.602***		
CFP-ENV		0.421**		
CFP-SOC		0.408**		
CFP-GOV		0.411**		
MA-NFP		0.543***		
MA-ENV		0.575***		
MA-SOC		0.542***		
MA-GOV		0.531***		

Note: CFP = comprehensive financial performance; MA = marketing activities; NFP = aggregate non-financial performance; ENV = environmental performance; SOC = social performance; GOV = governance performance; SIZE = firm size; LEV = leverage; ROA = return on assets. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

4.2. Moderated Regression Results

Table 4 reports the results of the baseline and moderated regression models. In Model 1, MA has a positive and statistically significant coefficient ($\beta = 0.057$, $t = 11.494$, $p < 0.01$), supporting H1. This result indicates a positive association between marketing activities and CFP, conditional on the included control variables.

In Model 2, the interaction between MA and NFP is positive and statistically significant ($\beta = 0.062$, $t = 18.623$, $p < 0.01$), supporting H2. The pillar-specific models also report positive and statistically significant interaction coefficients for environmental performance ($\beta = 0.061$, $t = 17.672$, $p < 0.01$), social performance ($\beta = 0.065$, $t = 18.938$, $p < 0.01$), and governance performance ($\beta = 0.061$, $t = 19.485$, $p < 0.01$). These findings support H3a, H3b, and H3c, respectively.

The environmental model reports the highest adjusted R^2 (0.4892), followed by the social model (0.4431) and governance model (0.4322). Thus, the environmental specification has the highest reported explanatory power among the three pillar models. However, adjusted R^2 alone does not demonstrate that its interaction effect is statistically stronger than the effects of the other pillars.

Table 4. Results of Hypothesis Testing with Moderated Regression Analysis

Variable	Model 1	Model 2	Model 3	Model 4	Model 5
MA	0.057***	0.068***	0.064***	0.066***	0.063***
NFP	—	0.074***	—	—	—
MA × NFP	—	0.062***	—	—	—
ENV	—	—	0.073***	—	—
MA × ENV	—	—	0.061***	—	—
SOC	—	—	—	0.068***	—
MA × SOC	—	—	—	0.065***	—
GOV	—	—	—	—	0.064***
MA × GOV	—	—	—	—	0.061***
SIZE	0.034**	0.035**	0.033**	0.038**	0.032**
LEV	-0.021*	-0.023*	-0.021*	-0.028*	-0.025*
ROA	0.054**	0.055**	0.054**	0.057**	0.051**
Country controls	Yes	Yes	Yes	Yes	Yes
Industry controls	Yes	Yes	Yes	Yes	Yes
Year controls	Yes	Yes	Yes	Yes	Yes
Adjusted R^2	0.4136	0.4519	0.4892	0.4431	0.4322

Note: Models 1–5 represent the baseline, aggregate ESG, environmental, social, and governance specifications, respectively. The original manuscript reports t-statistics in parentheses alongside coefficients; these should be retained in the final journal table. ***, **, and * indicate significance at the 1%, 5%, and 10% levels, respectively.

4.3. Robustness and Endogeneity Analysis

The manuscript reports that the positive relationships remain when CFP is measured using return on equity based on comprehensive income and MA is measured as marketing expenses relative to sales. The reported 2SLS results also retain positive coefficients for MA and the interaction terms. These findings are directionally consistent with the main regression results. Nevertheless, instrument relevance and the exclusion restriction must be established before the 2SLS estimates can be interpreted as resolving endogeneity. Overall, the reported evidence supports positive associations between marketing activities and CFP and positive moderating relationships involving aggregate ESG performance and its individual pillars.

5. Discussion

Marketing Activities and Comprehensive Financial Performance

The results support H1, showing a positive association between marketing activities and comprehensive financial performance (CFP). The baseline regression reports a positive coefficient for marketing activities (MA) of 0.057, with a t-statistic of 11.494 ($p < 0.01$). This finding is consistent with previous research linking marketing activities to corporate financial outcomes (Saif-Alyousfi, 2022; Mousa et al., 2021; Grandhi et al., 2021; Sklenarz et al., 2024; Godlewski & Nhung Le, 2024). Marketing

activities can improve product awareness, communicate product value, and support customer acquisition, potentially contributing to sales and financial performance.

The present study extends this discussion by measuring performance using total comprehensive income relative to total assets rather than relying exclusively on net income. As discussed by Kusuma et al. (2021, 2022) and Kusuma and Luayyi (2024), incorporating total comprehensive income provides a broader accounting perspective that includes other comprehensive income. The positive MA coefficient therefore indicates an association between marketing intensity and a more comprehensive accounting-based performance measure. However, it does not establish that marketing expenditure directly causes every component of comprehensive income to increase. The relationship should be interpreted in the context of the study's observational design and variable measurements.

From an agency-theory perspective, marketing expenditure represents a managerial allocation of corporate resources whose financial value depends on its effectiveness (Jensen & Meckling, 1976). From a stakeholder perspective, marketing can also communicate product quality and corporate commitments to relevant stakeholders (Freeman, 1984). Together, these perspectives suggest that the financial relevance of marketing may depend not only on expenditure intensity but also on how effectively companies translate marketing resources into market responses and stakeholder confidence.

The Moderating Role of Aggregate ESG Performance

The positive and statistically significant interaction between MA and aggregate ESG performance supports H2. The estimated interaction coefficient is 0.062 ($t = 18.623$, $p < 0.01$). This result indicates that the positive association between marketing activities and CFP becomes stronger at higher levels of ESG performance, conditional on the model specification.

This finding extends research examining marketing and sustainability performance separately (Hirunyawipada and Xiong, 2018; Kalia & Aggarwal, 2023; Andriana et al., 2025; Muniba Ali et al., 2023). It suggests that ESG performance may provide a context in which marketing activities are more strongly associated with financial outcomes. Marketing communicates a company's value proposition, while credible environmental, social, and governance practices may reinforce stakeholder perceptions of that proposition. Nevertheless, the regression results do not directly measure consumer trust, purchasing decisions, or investor responses; these mechanisms remain plausible explanations rather than tested mediators.

The finding is consistent with stakeholder theory, which emphasizes the importance of addressing stakeholder expectations beyond shareholder returns (Freeman, 1984). It also highlights that ESG performance should not automatically be interpreted as a substitute for effective marketing. Instead, the positive interaction suggests that the two may be complementary in their association with CFP. This interpretation remains conditional on the reliability of the measures and the adequacy of the regression specification.

The Moderating Roles of Environmental, Social, and Governance Performance

The pillar-specific results support H3a, H3b, and H3c. The interaction coefficients are positive and statistically significant for environmental performance (0.061; $t = 17.672$), social performance (0.065; $t = 18.938$), and governance performance (0.061; $t = 19.485$), all reported at $p < 0.01$. These findings indicate that each ESG dimension is positively associated with the strength of the marketing-CFP relationship in its respective model.

Environmental performance has the highest adjusted R^2 among the three pillar-specific models (0.4892), compared with 0.4431 for social performance and 0.4322 for governance performance. This result indicates greater explanatory power for the environmental specification within the reported models. It does not, however, prove that the environmental interaction is statistically larger than the

other interaction effects. Formal coefficient-comparison tests would be needed to substantiate that ranking.

Substantively, the environmental result is consistent with the possibility that environmental initiatives provide a relevant context for marketing, particularly when companies communicate environmentally responsible products or practices. Social performance may complement marketing through relationships with employees, customers, and communities, whereas governance may reinforce the credibility of corporate communication through transparency and accountability. These interpretations align with stakeholder-oriented arguments and prior work on sustainability and firm outcomes (Cuevas-Vargas et al., 2022; Fang & Zaman, 2025; Rahman et al., 2020). However, the present analysis does not independently test these specific mechanisms.

Robustness, Endogeneity, and Interpretation

The manuscript reports that the principal findings remain positive in alternative-proxy models and 2SLS estimations. This consistency provides preliminary evidence that the reported associations are not confined to a single measurement specification. Nevertheless, robustness across proxies does not eliminate all potential sources of bias. In particular, the use of changes in marketing activities and ESG performance as instruments requires evidence of instrument relevance and a defensible exclusion restriction. Without adequate diagnostic results, the 2SLS estimates should not be treated as definitive causal evidence.

Overall, the findings contribute to research on marketing and corporate sustainability by examining their joint association with comprehensive financial performance in Southeast Asian and Chinese listed firms. Their contribution lies in the integration of marketing intensity, aggregate and pillar-level ESG measures, and a performance measure based on total comprehensive income. Further research using validated instruments, alternative marketing measures, and direct tests of stakeholder mechanisms could clarify how and under what conditions these relationships arise.

Policy Implications and Recommendations

The findings suggest several implications for corporate decision-makers and policymakers in Southeast Asia and China. First, corporate managers should evaluate marketing expenditure alongside financial outcomes and ESG performance rather than treating marketing solely as a promotional cost. The positive association between marketing activities and comprehensive financial performance indicates the importance of monitoring whether marketing resources correspond with broader accounting outcomes, including total comprehensive income.

Second, firms should integrate marketing strategies with credible environmental, social, and governance practices. The positive interaction terms suggest that stronger ESG performance is associated with a stronger marketing-performance relationship. Environmental initiatives may warrant particular managerial attention because the environmental specification has the highest adjusted R^2 among the three pillar-specific models. However, firms should not neglect social responsibility or governance, and should avoid environmental claims that cannot be substantiated.

Third, regulators and capital-market institutions can support better corporate decision-making by encouraging transparent, comparable disclosure of ESG indicators and marketing-related expenditure. Consistent reporting would help investors and other stakeholders evaluate whether sustainability claims are supported by measurable corporate practices. Policymakers should also promote reliable sustainability information and discourage misleading environmental communication.

These recommendations should be implemented with appropriate caution. The reported evidence is associational, and further testing is required before concluding that particular marketing or

ESG interventions will cause improved financial performance. Future evaluations should therefore combine transparent reporting with robust empirical assessment.

6. Conclusion

This study examines the relationship between marketing activities and comprehensive financial performance (CFP), focusing on the moderating role of aggregate environmental, social, and governance (ESG) performance and its individual pillars among listed companies in Southeast Asia and China during 2019–2025. Using 3,726 firm-year observations, the findings indicate a positive association between marketing activities and CFP, measured as total comprehensive income relative to total assets. The results also show that aggregate ESG performance positively moderates this relationship. At the pillar level, environmental, social, and governance performance each exhibit positive and statistically significant interaction effects. Among the pillar-specific models, the environmental specification has the highest adjusted R^2 , indicating the greatest explanatory power within the reported model comparisons.

These findings contribute to marketing and accounting research by connecting marketing intensity and sustainability performance with a broader accounting-based measure of corporate financial outcomes. They suggest that the relationship between marketing activities and financial performance should be considered alongside companies' ESG performance rather than evaluated exclusively through marketing expenditure. For managers, the results highlight the importance of aligning marketing strategies with credible sustainability practices and transparent governance.

Several limitations should be acknowledged. Marketing activities are measured through marketing and advertising expenses, which may not capture the full range of contemporary marketing practices. ESG scores also depend on the coverage and measurement methodology of the data provider. Furthermore, the sample is restricted to listed companies in Southeast Asia and China, limiting generalizability to other institutional settings. Although the manuscript reports consistent findings in alternative-proxy and two-stage least squares analyses, causal interpretation requires adequate evidence of instrument validity and robustness.

Future research could employ broader marketing indicators, alternative sustainability measures, and samples from additional regions. Further investigation of the mechanisms linking marketing, ESG performance, and comprehensive financial outcomes would clarify when these relationships are strongest and how they develop across different institutional contexts.

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