

Developments in Marketing Science:
Proceedings of the Academy of Marketing Science

Kirk Plangger *Editor*

Thriving in a New World Economy

Proceedings of the 2012 World Marketing Congress/Cul-
tural Perspectives in Marketing Conference



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Thriving in a New World Economy

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We are extremely pleased to welcome you to Buckhead (Atlanta) and the AMS Cultural Perspectives Conference, now a component of the World Marketing Congress. The AMS continues to grow as the preeminent international marketing society. Authors from almost 50 different countries submitted close to 200 competitive submissions to this conference. This resulted in 45 sessions over the three days of the conference, plus the plenary session with our Global Marketer Sheryl Adkins-Green. The program offers marketing scholars a wide variety of interesting topics to explore, with many sessions presenting research that links previous marketing knowledge with present day global issues. We hope the meeting is professionally engaging, and we are confident you will find the conference interesting and thought provoking. As well, we are equally confident that you will enjoy the food, shopping, and various cultural activities in the Atlanta area.

Thanks to all who submitted papers and to the 125 people who served as reviewers. A special thanks to our Executive Vice-President and Director, Harold W. Berkman and to Florence Cazenave, Director of Marketing and Communication. Finally, we appreciate the efforts of the track chairs that coordinated paper submissions and reviews. Most of their work goes on behind the scenes, but the program would not be possible without their help. Please accept our sincere thanks to all attendees for being such an important part of the 2012 program.

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The Franchisor/Franchisee Relationship: How can this Relationship be Strengthened from the Franchisee's Perspective?

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Interpersonal Trust and Within-Nation Regional E-Commerce Activity

John Girona, Florida Atlantic University, USA

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BUILDING INITIAL RELATIONSHIPS: THE EMERGING TASKS OF SALES IN NEW BUSINESS DEVELOPMENT

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INTRODUCTION

Contemporary textbooks on sales management acknowledge that the content and task of the sales function varies according to the circumstances, from a simple order taker to the creative selling of intangibles. However, the role of sales in the literature tends to be about the content of the formal sales function in established businesses where the product or service is given and ready to be sold. The role of sales is described as a function that contributes to conceiving, producing, and delivering customer value by understanding customers' and/or sellers' needs and fulfilling them with the bundle of goods and services fitting those needs (Weitz & Bradford, 1999). When new products/services are developed, the role of sales is said to be to identify customers' needs and wants, often in collaboration with the marketing function (Ernst, Hoyer, & Rübsaamen, 2010). At its broadest the scope of the sales function is defined as developing and managing customer relationships (Anderson, 1996; Jackson et al., 1994; Wotruba, 1996).

When new business venture is developed, as an independent start-up or part of an ongoing concern, new customer relationships must be established and the circumstances are not the ones traditionally assumed in the sales literature. The product or service is not a given and the new venture starts from a product/service concept that needs to be translated into an actual solution and embedded in a series of arrangements (necessary for carrying out the first transactions), which tends to be done jointly with the customer. Since the new venture tends to start as a "pre-organizational" structure (Gartner, 1985) a formal organization unit sales tends to be absent. The question addressed in this paper is: what is the role of sales in developing the initial customer relationships of a new business venture, what are the critical tasks and how are these carried out?

METHODOLOGY

The exploratory nature of our research and the need to develop a theory-in-use commend the application of a qualitative research, particularly useful when seeking to understand questions of process (Kirk & Miller, 1986; Kohli & Jaworski, 1990). In depth case studies are advocated for understanding interaction between a phenomenon and its context (Dubois & Gadde 2002). To illustrate the role of sales and the critical issues in developing initial relationships we present a case of new business venturing in a pharmaceutical company. The information – here in the form of case history - was obtained through personal in-depth interviews and from secondary data. Six managers were interviewed repeatedly during the past two years for a total of 31 interviews that have been transcribed but analysed without any specific software since the interviews were topically complex. Our approach and sample size is consistent with established guidelines for exploratory research (McCracken, 1988). The identities of the companies are disguised for confidentiality.

RESULTS AND DISCUSSION

Healsana Industrial Business

Healsana SA, a Swiss pharmaceutical company founded in 1943, became in the 1970s a significant player in the emerging market for phytopharmaceuticals. The company expanded in the 1980s when it developed a method of producing standardized extracts from medicinal plants, such as ginseng. In 1992 the company was bought by Dyer, one of the 20 largest pharmaceutical companies in the world. Healsana's products were sold through the Dyer sales organization in all markets but Healsana maintained full business autonomy as long as it provided the products to Dyer's sales and avoided the pharmacy channel. Since 2001, Healsana with full support of Dyer has aimed to grow its top line by marketing the same line of phytopharmaceutical products in other channels under a distinct brand. After an initial surge, sales went flat because most of the sales went through agents and the actual sales volumes were not sufficient to support an own international sales organization. As part of Dyer the company further developed its manufacturing and R&D capacity and brought management routines such as quality insurance, certification and logistics, up to the high standards of the pharmaceutical industry which turned out to be an interesting asset when it decided to develop the "industrial business" (IB) in 2009.

In less than three years the IB developed to 10-15% of total sales, most of it with a handful of customers. The beginning appears accidental when the COO at a trade fair happened to meet the sales director of Axel, a fast growing, mid-sized Belgian company distributing nutraceuticals and natural medicines in several European markets, who that many small suppliers do not understand the scale of Axel's operations. The meeting triggered interest for the industrial business and a month later Healsana presented its business to Axel and within months started supplying its product line under Axel's brand and began contract manufacturing for a few other nutraceutic formulations. Axel appreciates the single sourcing and values the "pharmaceutical" standards in operations and documentation of Healsana that also agreed to double certain production equipment limit the risk of interruptions in supplies and developed contract manufacturing for products and forms not previously produced. The Axel business developed to about 5% of sales and a number of joint development projects are underway.

In the meantime the company was approached by Cotze, a small commercial outlet with direct sales in Switzerland and France of a mussels shell extract allegedly beneficial for human joints. The owner grumbled over difficulties small suppliers of the extract have in packaging and administrative routines. When Healsana learned more about Cotze's operations it agreed to produce and supply the extract in various forms as the sole supplier to Cotze. The business took off and grew to about 3% of Healsana's sales. Cotze plans to enter other European markets and Healsana is discussing the possibility of selling the product under own label in other markets offering royalties to Cotze.

The experience has convinced Healsana about the potential of becoming a "certified and prestigious" contract manufacturer and the company has started scouting for various small businesses proposing new product formulas keeping in mind the possibility of acting as an international distributor or offering the same products to businesses like Axel. In parallel, Healsana started to investigate the opportunity to integrate nutraceutical elements in various consumer products and is currently engaged in talks with a handful of potential partners.

The Tasks of Sales in Developing Initial Customer Relationships

The case highlights the ambiguity of the sales function, in line with research on the functional differentiation of new businesses (Ardichvili et al., 1998). While there is a clear need to create novel solutions and to communicate with the emerging business partners there is no formal sales function in Healsana IB. If we define sales as a function accountable for the development and maintenance of customer relationships, we must conclude it has been important an important function and, considering the actual achievements, operating successfully. The sales function has been exercised jointly by several actors with different functional backgrounds within the company but also the contribution of external partners have been important. It is consistent with the claim that delegating responsibility to a formal unit tends to lessen the incentive for other company functions to contribute (Gronroos, 1990).

Furthermore, the case suggests that a major task of the sales is to negotiate boundaries of the new venture in relationships with customers which in emergent relationships means to negotiate how to allocate activities between parties (Geiger & Finch, 2009). What starts as delivery of existing products becomes within short contract manufacturing of products new to Healsana. Similarly, Healsana complements contract manufacturing for Cotze by 'in-licensing' its products for international sales. When new possibilities are perceived, the allocation of activities and accountability is redefined. Setting such moving and permeable boundaries requires interpretation and construction of meaning in interaction with the relationship partners are crucial task of the sales function. The emergent cognitive structures offer rules for defining the boundaries of the firm, reshaping the key relationships, generating value, etc. (Doz & Kosonen, 2010, p. 371).

The development of economically viable customer relationships requires conceiving and implementing solutions and defining workable arrangements (related to the administrative, logistical, information processing and financial procedures and routines) among the parties. Since it is done jointly, between actors in interaction (Ford et al., 2010), it entails considerable costs of confronting different views and logics and of mutual adjustments. A glimpse of this is present in the case as the requirements for documentation and test results by Axel's customers favours Healsana, which keeps developing specific routines to satisfy Axel. Developing initial customer relationships represents an investment that requires maintenance to prevent loss of its value. Unlike a sales transaction, the development of customer relationships is never accomplished, therefore continuity in management's commitment on both sides of the relationship is essential.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

Finding customers and developing a business relationship with them is a condition for the survival of a new business venture. Since first customer relationships are grafted onto a pre-existing context, enacting a workable configuration of the relationships cannot be done unilaterally and always involves interaction with the customer (Ramani & Kumar 2008; Tuli et al., 2007). New product service solutions and relational arrangements are conceived and implemented jointly with the customer. It starts from the 'unknown' and proceeds to the tangible effective actual configuration of the relationship on which the economic outcomes depend. The relationship needs to be configured so as to link the resources and activities of the own venture and those the venture builds on, to those of the customer. Issues that need to be addressed are so numerous that it is impossible to establish a blueprint of solutions a priori; rather putting in place novel solutions requires extensive experimentation and "is not a matter of superior foresight ex ante – rather, it requires significant trial and error, and quite a bit of adaptation ex post" (Chesbrough, 2010, p. 356). In complex relationships the actual configuration may even be difficult to assess properly in hindsight which is the reason why the initial business relationships imprint the emergent organization (Aaboen et al., 2011; Hite, 2005; Kelley & Rice, 2001). The solutions and arrangements enacted in the initial relationships develop to routines on which the capabilities of the emergent business build (Baum et al., 2000).

When a new venture starts developing initial customer relationships the key task of sales is to link and bridge the two organisations rather than to define the transaction conditions. We have identified four main issues in relating the businesses involved: (1) mobilizing effective support in both organizations; (2) negotiating boundary setting and related construction of meaning for those involved; (3) experimenting, and (4) persistent commitment. The challenge is to handle these jointly with the counterparts. Both the literature and the case show the importance of interaction between the parties that goes way beyond interactive communication and customer orientation (Kohli & Jaworski, 1990). In explaining relationship performance, the way in which parties match is more important than the features and characteristics of individual parties. One partner's abilities cannot compensate for a lack of incentive and capabilities of the counterpart. Outcomes of emergent relationships depend on how the interaction between the parties unfolds and thus on capabilities such as the capacity to coordinate appropriate behaviour vis-à-vis the other actor (Thibaut & Kelley, 1959). We identified two capabilities as central in the effective development of initial customer relationships: the capacity to meet the unexpected and the capacity to simultaneously operate the opening and closure of the cognitive representation of the situations met and solutions identified.

The capacity to meet the unexpected relates to building resilience (Hamel & Välikangas, 2003) and competencies for change (Peteraf & Helfat, 2003). Building competencies for change is a matter of mindfulness in the sense of fostering non-routine experiment orientation in the organization and accepting the temporary nature of success. The capacity to simultaneously manage opening and closure when devising novel solutions in new customer relationship is critical because the capacity to open established cognitive schemata allows identifying elements of new solutions necessary to configure the new relationship while the capacity to operate closure is necessary to materialize the solutions identified. To conclude, we suggest that when initial relationships are established and developed there is a need for an 'open sales' function, one more involved with other functions in the own organization which is an issue that should be investigated in further research.

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THE FRANCHISOR/FRANCHISEE RELATIONSHIP: HOW CAN THIS RELATIONSHIP BE STRENGTHENED FROM THE FRANCHISEES' PERSPECTIVE?

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INTRODUCTION

Franchising plays a major role in the U.S. economy by providing growth and jobs. The International Franchise Association reported in 2009, the franchising sector was accountable for 9.5 million jobs and provided nearly \$845 billion of economic output to the U.S. economy. Furthermore, for every new franchise business an estimated 20.6 either direct or indirect jobs are created and an additional \$2.2 million output is achieved (Chabowski, Hult, and Mena 2011). The International Franchise Association also reported that there has been a 15 percent increase of franchising establishments in a 9 year period (2001 – 2009) from 767,483 to 883,292. Given these financial indicators, franchising has a major impact on the U.S. economy.

According to Blut, Backhaus, Heussler, Woisetschlager, Evanschitzky, and Ahlert (2011), a strong relationship between the franchisor and the franchisee can directly impact system success. However, this relationship is more complex than traditional business relationships because it is both a business relationship as well as a legally binding relationship (Bernstein 2004). Therefore, a closer examination is warranted (White 2010). Despite these relationships being more complex than traditional business, the academic literature primarily focuses on the franchisor-franchisee relationship from a single viewpoint. Specifically, the literature primarily examines the system from the franchisor perspective and not the franchisee perspective (Combs, Ketchen, and Hoover 2004; Grunhagen and Mittelstaedt 2000; Saraogi 2009). For notable examples see Croonen 2010; Davies, Walfried, Manolis, Prince, and Winsor 2009; Dickey 2003; Grunhagen and Dorsch 2003; Grunhagen and Mittelstaedt 2005; and Weaven and Frazer 2003. While understanding the relationship from the franchisor perspective is important, the franchisee can view the relationship differently than the franchisor (e.g., McIntyre, Gilbert, and Hite 2002).

Hence, a better understanding of the franchise system will aid in the economy by providing positive growth and jobs. Grunhagen, DiPietro, Stassen, and Frazer (2008) conclude that “strengthening and protecting franchisees’ interest in an effort to take care of unit owners is usually in the franchisors’ best interest”. Therefore, a need to explore which marketing activities are best suited for strengthening the franchisor/franchisee relationship and promote franchise profits exists (Doherty and Alexander 2006; Hunt and Nevin 1974). To advance our understanding of the franchisor-franchisee relationship, the purpose of this study is to examine which services provided by the franchisor to the franchisee are perceived by the franchisee as supportive. For a franchisee, the quality of support they receive from the franchisor has to meet or exceed their expectations and the economic and psychosocial expectations of the working relationship need to be met (Davies et. al 2009).

METHODOLOGY

To accomplish the purpose of this study, the support literature will be examined. Building on the support literature, this study will examine support provided by the franchisor as opposed to focusing on support provided within an organization as the traditional support literature does. This will allow for the research to address context specific (franchisor-franchisee) aspect of support. Specifically, the research question becomes: What aspects of the franchisor-franchisee relationship aid in increasing a franchisees’ perception of franchise support? By understanding which aspects of the franchisor-franchisee relationship aid in increase franchisee’s perceptions of franchise support; a franchisor will be able to emphasize those factors and strengthen the relationship.

This study will examine the antecedents of franchisees’ perceived franchise support. Specific antecedents examined will include advertising, brand value/recognition, and training services provided by the franchisor. In order to examine this relationship, primary data will be used via survey. Panel data has been chosen to insure complete surveys.

IMPLICATIONS FOR THEORY AND PRACTICE

Previous research has indicated the need to examine this relationship (White 2010). This is not a traditional business relationship and is more complex because of the legally binding relationship (Bernstein 2004). Therefore, furthering the understanding as to which marketing activities are best suited for strengthening the franchisor/franchisee relationship exist (Doherty and Alexander 2006; Hunt and Nevin 1974). Clearly examining the antecedents leading to perceived franchise support will provide not only franchisors but also the academic community a better understanding of franchise support.

References available on request.

INTERPERSONAL TRUST AND WITHIN-NATION REGIONAL E-COMMERCE ACTIVITY

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INTRODUCTION

The value of trust plays a critical role in social and economic exchanges (Adler & Kwon, 2002; Butler, 1991; Giffin, 1967; Kumar, Scheer & Steenkamp, 1995; Morgan, 1994). Trust also has a significant impact on e-commerce activity (Bhattacharjee, 2002; Gefen, 2000; Green & Pearson 2011; Kassim, & Abdullah, 2008; McKnight & Chervany 2001; Tan & Theon, 2003). Furthermore, trust levels and trust development processes have been shown to vary cross-nationally (Doney, Cannon, & Mullen, 1998; Gefen & Heart, 2006), and affect differences in e-commerce between nations (Greenberg, Wong-On-Wing, & Lui, 2008; Kim, 2008; Mahmood, Bagchi & Ford, 2004; Schumann, Von Wangenheim, Stringfellow, et al., 2010). However, cross-cultural studies of the relationship between trust and e-commerce activity have only been conducted at the national level with no studies to date investigating the relationship of trust to e-commerce activity among within-nation regions. This gap in the literature is troublesome given that a number of scholars have demonstrated that within-nation regional differences are a key area in need of further research (Fukuyama, 1995; Lenartowicz & Roth, 2001; Locke, 1995; Peterson & Smith 2008; Stelzl & Seligman, 2009). Therefore, the role that trust plays in e-commerce activity among within-nation regions should be further investigated. This paper explores within-nation regional differences in e-commerce activity and investigates whether trust is significantly related to regional e-commerce activity.

CONCEPTUAL FRAMEWORK

Trust and E-Commerce

Trust has been shown by numerous scholars to be an essential facilitator for mutually beneficial socioeconomic interactions and exchanges (Doney, Cannon, & Mullen, 1998; Nahapiet & Ghoshal, 1998; Nielson & Nielson 2009; Whiteley, 2000; Zaheer, McEvily, & Perrone, 1998). Trust facilitates coordination and cooperation amongst parties (Putman, 1993; (Kramer & Tyler, 1996), and thus aids in the formation and continuance of exchange relationships (Fukuyama, 1995; Garbino & Lee, 2003; Garbino & Maxwell, 2010; Rempel, Holmes, & Zanna, 1985). Furthermore, in the presence of higher levels of trust, people are more willing to take risks (Nahapiet & Ghoshal, 1998; Ring & Van de Ven, 1992), due to the belief that deception and opportunism will not occur (Nahapiet & Ghoshal, 1998; Putman 1993). The higher levels of risk that individuals are willing to bear serves to increase information sharing, transparency and performance, as well as reduce transaction costs, uncertainty and the need for costly monitoring (Dirks & Ferrin, 2001; Nielson & Nielson, 2009; Putman, 1993; Zaheer, et al., 1998). Trust also plays a critical role in e-commerce (Urban, Sultan, & Qualls 2000), as several studies have demonstrated that trust has a substantial impact on people's willingness to make purchases online (e.g. Angriawan & Thakur, 2008; Choi & Geistfeld 2004; Gefen 2000, 2006; Kim 2008; Pavlou 2003; Teo & Liu 2007).

Variations in the Conceptualization of Trust

The academic literature is riddled with numerous conceptualizations of trust. For instance, *benevolence trust* refers to the trustor's belief that the trustee will act in a way that is mutually beneficial to both parties and will not engage in deceptive or self-serving behavior (Mayer et al., 1995; Selnes & Gonhaug, 2000; Singh & Sirdeshmukh, 2000). Therefore, benevolence trust focuses on the trustor's perception of the trustee's motivation. *Competence trust* involves a trustor's belief that the trustee is competent and capable of delivering on their obligations and therefore centers more on the trustee's ability rather than motivation (Singh & Sirdeshmukh, 2000). In addition, Shapiro, Sheppard and Cheraskin (1992) argue for three other types of trust (1) *deterrence-based trust* which emphasizes costs and benefits, (2) *knowledge-based trust* grounded in familiarity of the trustee, and (3) *identification-based trust* formed out of common values. As seen from these examples, trust has been conceptualized differently by various scholars. However, there is general agreement in the literature that trust has a number of positive effects (Nielson & Nielson, 2009). What seems most important is to recognize that trust has multiple dimensions which vary in their applicability to different contexts (Rousseau et al., 1998). Therefore, clarification is in order as to what conceptualization of trust is used in this study specifically.

A typical measure of trust used in many studies of e-commerce is that of consumers' trust in an online retailer (McKnight, Choudhury, & Kacmar, 2002). This type of trust may be composed of varying degrees of benevolence trust and competence

trust that consumers exhibit towards a merchant (Garbino & Maxwell, 2010). Alternatively, trust may not be partitioned out in any way and may simply be a more general assessment of consumers' overall trust in a retailer (Teo & Liu, 2007). While these represent differences in how researchers choose to assess consumers' perceptions of trust in a retailer, the commonality still remains that these types of studies assess levels of trust in a particular target, i.e. the online merchant. While examining consumers' levels of trust in an online retailer certainly has merit, another interesting facet to investigate is that of consumers' trust in other people as a way of predicting propensity to engage in e-commerce. In other words, if an individual displays higher levels of trust towards others, are they more willing and open to engage in e-commerce? Exploration along these lines coincides with Whiteley's (2000) conceptualization of interpersonal trust.

Interpersonal Trust

Whiteley (2000) defines *interpersonal trust* as "citizens' willingness to trust other members of society" (p. 447). Based on social capital theory research by Coleman (1988, 1990), Putman (1993) and Fukuyama (1995), Whiteley empirically demonstrates that interpersonal trust plays an important role in the economic performance of both societies and organizations. The line of theory regarding interpersonal trust's affect on economic growth may be extended to that of e-commerce activity. Since interpersonal trust has been shown to be positively related to economic growth, it should also be positively related to e-commerce activity. This prediction follows from the line of reasoning about why interpersonal trust has a positive impact on economic growth. Specifically, the explanation that interpersonal trust leads to economic growth because it increases willingness to interact and exchange with people that one does not know very well (Whiteley, 2000), strongly coincides with the conditions needed for one to engage in e-commerce. Given that higher levels of interpersonal trust increase willingness to interact and exchange with others one does not know very well, trust is likely to encourage people to be willing to engage in e-commerce since they are more willing to interact and exchange with online merchants who they do not know very well. This leads to the paper's major research hypothesis.

H1: Interpersonal trust will be positively and significantly related to within-in nation e-commerce activity.

Importance of studying within-nation regions

As mentioned, this paper will examine within-nation regional differences in e-commerce that go beyond between nation differences. The main reasons for examining regions are twofold: (1) substantial research has investigated between-nation variance in a number of phenomena including that of e-commerce activity (e.g. Bagchi, et al., 2004; Choi & Geistfeld, 2004; Peterson et al., 2010; Teo & Liu, 2007), however within-nation regional examination has been neglected, and (2) studying only at the national level may cause us to overlook important within-nation geographical variance (Peterson & Smith 2008; Tung, 2008).

METHODOLOGY

Sample, Variables, and Data

The within-nation regions used in the study sample came from Italy, Spain, and Portugal. There were 44 regions in total (Italy: 20, Spain: 17, Portugal: 7). The theoretical basis for choosing to conduct research on regions within these nations is based on country cluster work by Ronen and Shenkar (1985), which examined data from eight other multiple country studies to identify a number of country clusters. Ronen and Shenkar identified a Latin Europe cluster comprised of France, Belgium, Italy, Spain and Portugal and was further divided this cluster into two subgroups: (1) France and Belgium and (2) Italy, Spain and Portugal (Ronen & Shenkar, 1985). Thus there is a reasonably strong theoretical basis for choosing to examine regions within Italy, Spain and Portugal for the present study.

The independent variables used in this study were measures of interpersonal trust along with control variables of regional GDP per capita, regional population density and region size in square kilometers. These variables were used to investigate the dependent variable of regional e-commerce activity among within-nation regions of Italy, Spain and Portugal. E-commerce activity is operationalized here as the percentage of individuals in a region who purchased goods or services over the internet for private use within the last twelve months.

Data for the dependent variable of within-region e-commerce activity as well as the control variables of regional GDP per capita, regional population, density and region size in square kilometers were obtained from the Eurostat database (Eurostat, 2011). The years examined for this study were from 2007 to 2010. These years correspond to all of the yearly e-commerce

data currently available from Eurostat for the regions being analyzed. Data for the study's independent variable, regional interpersonal trust was obtained from the World Values Survey (WVS) official webpage (World Values Survey, 2011). Five waves of the World Values Survey have been conducted over the past thirty years and a combined file of the first four waves is available, which was subsequently used for this study.

Scale Items and Aggregation

Whiteley (2000) used three items from the World Values Survey to build an interpersonal trust scale. These items were (1) general trust in people, (2) trust in family members and (3) trust in fellow nationals. In his study, those items were factor analyzed and shown to load onto a single factor. Along those lines, the study conducted for this paper first investigated those items for possible inclusion in a measure of regional level interpersonal trust by factor analyzing those items at both the individual and regional level in order to determine if the factor structure at each level matched that found by Whiteley. This is consistent with the guidelines for aggregation of individual level items to higher levels of analysis offered by Peterson and Castro (2006). Results of the individual level factor analysis for our sample resulted in a single factor with an Eigen value greater than one and all items loading highly onto this factor (.60 or higher). These results closely match those found by Whiteley; however results of the factor analysis on the regionally aggregated items did not. Loadings of the items for general trust in people (.892) and trust in family members (.879) were quite high, providing evidence that these items behave similarly at the regional and individual levels. Nevertheless, the loading for the regionally aggregated trust in fellow nationals item (-.289) did not resemble that found at the individual level at all, providing evidence that the item does not behave the same way at the regional and individual levels. Given this, the aggregated trust in fellow nationals item was dropped from our prospective measure. Consequently, we assessed the reliability of a scale comprised of the other two items. Results of that analysis were promising generating a Cronbach's alpha of .76. Therefore, we decided that the regional level interpersonal trust scale would only include the general trust in people and trust in family members items, whereas the trust in fellow nationals item would be included as a separate independent variable.

RESULTS

Multivariate regression analysis utilizing White's (1980) procedure for robust estimation was used to assess the relationship between e-commerce and the control variables of GDP per capita, population density and region size. Results of the regression analysis indicated that the variables of GDP per capita as well as region size were both positive and significant. However, population density was insignificant, therefore, the variable was dropped as a control variable in further analyzes. Following these analyzes, hierarchical regression was conducted once again using White's procedure for robust estimation. First, regression was performed assessing a model with the aforementioned significant control variables of GDP and region size. Next the interpersonal trust scale was added to assess its significance and whether an incremental change in variance would be explained by its inclusion. Finally, the trust in fellow nationals variable was added to assess its significance along with the presence of any incremental change in explained variance. Tests for heteroskedasticity, skewness and kurtosis indicated that those issues were not present in any of the models. Results for each hierarchical regression are displayed in [Table 1](#).

Results of the models reveal that the control variables of GDP and region size were both positively and significantly related to within-nation regional e-commerce on their own, and the model with their inclusion showed an R^2 of .48. Next, interpersonal trust was also positively and significantly related to within-nation regional e-commerce activity. In addition, the significance of the control variables remained the same with GDP and region size still significant. Furthermore, R^2 increased from .48 to .51, an increase of .03; this change in R^2 was significant. The model with the addition of trust in fellow nationals indicated that trust in fellow nationals was also positively and significantly related to within-nation regional e-commerce activity. In addition, interpersonal trust was still significant as was the control variable of GDP, however region size was no longer significant. Moreover, R^2 increased from .51 to .66, an increase of .15; this change in R^2 was also significant.

Therefore, since both interpersonal trust and trust in fellow nationals were positively and significantly related to within-nation regional e-commerce, and models with their inclusion both exhibited significant increases in R^2 , we can conclude that H1 was supported.

DISCUSSION, IMPLICATIONS AND CONCLUSION

The results of this study demonstrated that interpersonal trust is significantly related to within-nation regional e-commerce activity and that the addition of interpersonal trust shows a significant increase in the overall variance explained by our

model. These findings have important implications for researchers and practitioners alike as both should further recognize the importance of within-nation regional differences when conducting research projects or engaging in business activities. Furthermore, online merchants should also be aware of the important role that interpersonal trust levels play in the propensity of consumers to engage in e-commerce. Consequently, online merchants should consider courting consumers in regions that display higher levels of interpersonal trust as they may be more willing and open to engage in e-commerce than are people in regions with lower levels of interpersonal trust. Moreover, a further implication of this study is that the within-nation regional interpersonal trust measure used here may well be useful for studying other within-nation regions besides the ones used in our sample and also for examining other phenomena besides that of e-commerce activity.

This paper makes several contributions to the academic literature. First, this study demonstrated that interpersonal trust is positively and significantly related to within-nation regional e-commerce activity. Second, the study further demonstrated the importance of analyzing within-nation regions and extended research in that area by examining the relationship between interpersonal trust and within-nation regional e-commerce activity levels. Third, this study offers another extension of within-nation region research by developing a within-nation regional interpersonal trust scale. Forth, this study highlighted the value of trust in e-commerce and provided further support for its importance by way of its empirical investigation. Finally, by utilizing interpersonal trust, the study further moves research in the area of e-commerce beyond that of simply assessing trust in a specific online retailer by investigating the impact of people's general trust in others as another important aspect of trust that should be incorporated into e-commerce research. Therefore, this study plays a part in extending knowledge in the areas of within-nation regions, interpersonal trust and e-commerce, and may be used as a building block for future research endeavors.

References available upon request.

Table 1: Hierarchical Regression Results			
	Model 1: Control Variables Only	Model 2: Interpersonal Trust + Control Variables	Model 3: Interpersonal Trust + Trust In Fellow Nationals + Control Variables
Variable	Standardized Beta Coefficients	Standardized Beta Coefficients	Standardized Beta Coefficients
GDP	0.70**	0.56**	0.54**
Region Size	0.19**	0.15*	0.03
Interpersonal Trust		0.23*	0.29**
Trust in Fellow Nationals			0.40**
F	23.04**	18.21**	30.86**
R ²	0.48	0.51	0.66
df	41	40	39
ΔR^2		0.03*	0.15**
N = 44			
** $p < 0.01$, * $p < 0.05$			

Session 1.2. Understanding the Sales Force

Session Chair: Lou Pelton, University of North Texas, USA

A Study to Consider how Salespeople believe They can Build a Long Term Service

Jasmin Baumann, University of East Anglia, UK

Kenneth Le Meunier-Fitzhugh, University of East Anglia, UK

Leslie Le Meunier-Fitzhugh, University of East Anglia, UK

Conceptualizing Multichannel Consumer/Salesperson Interactions for a High-Tech Product

Cindy Rippe', Nova Southeastern University, USA

Pricing and Sales Force Compensation Strategies: Are they Motivating or Demotivating your Sales Force?

Wendy Ritz, Kennesaw State University, USA

Experimental Examination of Performance Consequences of Change Implementation for Sales Force Integration

Joon-Hee Oh, Georgia State University, USA



A STUDY TO CONSIDER HOW SALESPEOPLE BELIEVE THEY CAN BUILD A LONG TERM SERVICE RELATIONSHIP WITH THEIR CUSTOMERS

Jasmin Baumann, University of East Anglia, UK
Kenneth Le Meunier-FitzHugh, University of East Anglia, UK
Leslie Le Meunier-FitzHugh, University of East Anglia, UK

ABSTRACT

Organisations have to invest in the relationship with their customers before transactions can take place that generate revenue. This is particularly true in service relationships and presents a challenge for salespeople – how to create the right sort of trusting connection that can lead to a beneficial exchange relationship. Art specialists can be considered to be the sales personnel of fine arts auction houses (Thornton, 2008). Their roles include providing expert information, offering advice, acting as a seller and intermediary, relationship cultivation and being the main point of contact for customers. This study will consider how to build and maintain long-term service relationships from the salesperson's perspective. Six fine arts auction houses have participated in the study (from 6 countries including the US). They are leading businesses in their own markets, have an international customer base and maintain offices in different cities within their territory. Exploratory semi-structured interviews were conducted with 18 specialists from these auction houses (i.e. three per organisation). The data was analyzed using qualitative content analysis.

Trust is commonly acknowledged to be one of the key variables in establishing customer relationships (Swan, Bowers and Richardson, 1999). The vast majority of specialists deem mutual trust to be not only important, but essential, for their connection to and dealings with their customers. When discussing the elements of trustworthiness, most respondents identified 'competence' first. Competence does not only denote a specific set of skills, but also technical and market knowledge (Selnes, 1998). The second aspect of a specialist's perceived trustworthiness can be categorised as 'honesty'. According to the specialists, honesty means delivering on promises, transparent processes, providing reliable provenance information, guidance and advice. A third antecedent identified may be labelled 'benevolence' and comprises a trustee's perceived benign attitude towards the trustor, i.e. the willingness to do them good without extrinsic rewards (Sirdeshmukh, Singh and Sabol, 2002). Trust evolves in situations marked by vulnerability and uncertainty in which an individual's state of incomplete knowledge about another actor's behaviour requires them to trust that person (Rousseau, Sitkin, Burt and Camerer, 1998). Thus, customers have to be convinced that the specialist has their best interests at heart and cares for their success in the auction sale. The evidence suggested that 'similarity' or a feeling of fit is important for a salesperson's perceived trustworthiness. Similarity is described as familiar or shared attitudes demonstrated by the actors, which allows them to predict and understand the other's intentions and/or behaviour (Johnson and Grayson, 2005). Mayer *et al.* (1995) point out that although the characteristics of trust are intertwined, the degree to which they are present in a trustee and observed by a trustor can vary. When analysing the data related to a specialist's trustworthiness, it became apparent that competence has the highest priority for customers, followed by honesty, benevolence and similarity.

It was found that trust in the other party, time and repeated interactions were the most common themes that emerged from the analysis. Taking time to build the relationship can be linked to the series of individual transactions, or 'acts' that build into episodes and finally sequences as outlined by Holmlund (2008). Nevertheless, Raval and Grönroos (1996) identified customers usually evaluate the relationship as a whole rather than the individual offerings or exchange episodes. One issue highlighted by several respondents is the fragility of trust, as it can also be damaged or destroyed within a few moments. Asked how trust affects their interaction with a customer, the large majority of specialists explained that the latter shares information about the object, their motives, expectations and preferences more readily in a trusting relationship, leading to the development of greater customer value.

Salespeople have to be aware that trust develops over time and across all interrelated stages of their interaction. It is not sufficient for the latter to display the identified antecedents only during the initial encounters and then rely on this trustworthy impression for the remainder of their connection. This research shows that sustained interpersonal trust impacts positively on building long-term relationships, and is developed over the course of the intertwined interaction levels of acts episodes and sequences. The wealth of experience, information and understanding regarding the customer's motives and preferences incrementally increases strengthening the relationship, resulting in greater relationship quality.

References available upon request.

CONCEPTUALIZING MULTICHANNEL CONSUMER/SALESPERSON INTERACTIONS FOR A HIGH-TECH PRODUCT

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ABSTRACT

The advent of the Internet has altered the role of the business-to-consumer salesperson in persuading the multichannel customer (MCC) to make a purchase. The literature is scant regarding in-person selling techniques to reach the MCC. This paper extends the examination of selling high-technology products to the MCC and develops a conceptual sales model incorporating bounded rationality, signals, and information asymmetries affecting purchase intention and actual purchase. The model emphasizes the MCC's satisficing purchase intention, acknowledges perceived information asymmetries for both parties, and highlights the salesperson's influence on the sales outcome for the purchase of a high-tech product through signaling.

References available upon request

PRICING AND SALES FORCE COMPENSATION STRATEGIES: ARE THEY MOTIVATING OR DEMOTIVATING YOUR SALES FORCE?

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INTRODUCTION

In business to business (B2B) markets the firms pricing strategy can either help or hinder the salesperson in growing sales. Annually, the sales force is assigned strategic revenue generating goals. Sales force control systems, of which sales force compensation is a part, are established for the purpose of directing and evaluating individual salesperson behavior and progress towards those goals. Pricing strategies and goals are created as a function of marketing in response to the dynamic environment which includes changes in customer demand and competitor strategies. As a result of divergent functional orientations, marketing is product or service focused and sales is customer focused, the goals and strategies created may also be incongruent. The purpose of this research is to use expectancy theory to examine how aligned and misaligned goals of the pricing and sales force compensation strategies shape B2B salesperson behavior.

The two main but different, goals of an organization's revenue generating strategies include market share growth and profit maximization. The first theoretical contribution this research makes is to define the nature of alignment of profit maximization and market share growth goals for the pricing and sales force compensation strategies. Second, this research will empirically show how a firm's pricing strategy affects the salesperson's perception of effort needed to improve performance as well as the perception between performance and reward. Next, the traditional effects of those perception factors on motivation are re-examined. Finally, this research enriches the sales force management literature by illustrating that the main effect of motivation on salesperson performance is not only influenced by the sale force control systems, but also by the alignment of pricing and sales force compensation strategies.

BACKGROUND

The framework of expectancy theory prescribes that motivation is a product of the amount of effort a salesperson puts forth towards job-related activities that results in an expected level of performance accompanied with the perceived link between performance and reward, in addition to the valence of those rewards (Vroom 1964). Historically, the application of expectancy theory to determine sales motivation has proved effective (Oliver 1974; Peters 1977; Walker, Jr., Churchill, and Ford 1977). The more recent expectancy theory-based research has concentrated on supportive leadership (Jaramillo and Prakash 2008), situational variables or constraints (Roberts, Lapidus, and Chonko 1994), incentive plans (Liccione 2007), and environmental factors that serve as selling constraints (Walker Jr. et al. 1977; Teas 1981; Evans, Margheim, and Schlacter 1982). All serve as the foundation of this research which focus on how goal alignment of a firm's pricing and sales force compensation strategies affect the motivation and performance of a salesperson.

Two core constructs are a part of expectancy theory: 1) effort expectancy and 2) instrumentality, or the link between performance and reward. Effort expectancy is the salesperson's perception of how much effort is required to complete or accomplish a task to produce progress towards his/her overall performance objective (Walker, Jr. et al. 1977). Levels of effort range from low, which is optimal and easy for the salesperson, to high, in which the salesperson would abstain or opt out from participating as the perception of achieving a high performance level is impossible given how much effort, would be required.

The link between performance and reward, or instrumentality, is the salespersons' estimate of the probability that his/her performance will result in the achievement of a particular reward (Walker, Jr. et al. 1977). The link between performance and reward has been referenced in several different ways, such as a positive, negative, or zero (Oliver 1974), as a high probability or low probability (Teas 1981; Walker Jr. et al. 1977), and as high level and low level (Hirschfeld, Schmitt, and Bedeian 2002). In this research, the evaluation of perceived link between performance and reward is categorized as a strong link or a weak link.

In an attempt to isolate the effect of goal alignment, this research will refrain from using the valence element of expectancy theory. Past research has indicated that valence and the link between performance and reward are highly correlated and that that the latter is a better predictor of performance than valence (Oliver 1974; Pritchard and De Leo 1973). Additionally, Oliver (1974), states that a salesperson could be indifferent towards a reward whereby valence would be nonexistent. In

reality, valence indifference could be the result of confusion as to which goal to work towards in the case of goal misalignment.

Goals: Market Share

Previous literature classifies pricing strategies that have a goal of increasing market share to be characterized by discount prices that offer buyers an incentive to purchase the product (Sethuraman and Tellis 1991). Sales strategies with market share growth as a goal are used to further penetrate a current distribution channel and/or as an introduction to a new market to encourage product switching (Holden and Nagle 1998). A firm that champions market share growth, signals so to the market through aggressive pricing and investments in assertive sales activities.

Goals: Profit Maximization

Research by Lancioni and Gattorna (1993), states that a firm that develops pricing strategies with the goal of profit maximization “never compromises on price” (p. 3). Firms may have a pricing goal of profit maximization when they are able to make use of economies of scale, capitalize on add-on sales with products that are mutually dependent on one another, or exploit a competitive advantage such as vertical integration (Tellis 1986). Sale force compensation contracts which have a profit maximization goal are based on gross margins and salary. When the firm establishes the performance threshold of profit margin, it ensures that the sales of products below that predetermined margin will occur less frequently (Weinberg 1975).

Effort and Instrumentality

When pricing and sales force compensation strategies are misaligned, salespeople may experience role conflict and role ambiguity (Walker et al. 1977). In this situation, salespeople are at odds as to which activities or goals they should pursue. In the instance in which the pricing goal is profit maximization and the compensation strategy is market share growth, the salesperson will need to expend an inordinate amount of effort in an attempt to create value for the customer and save the sale.

When the salesperson perceives instrumentality, the link between performance and reward, they are considering the organizational elements that enable the performance as well as the reward type (Teas 1981). This research prescribes that goal alignment of the pricing and sales force compensation strategies provides a clearer representation, hence a stronger, perceived link between performance and reward.

Extrinsically motivated salespeople perceive completing the task or achieving the goal as a way to win the reward or compensation bonus (Weitz, Sujan, and Sujan 1986). Expectancy theory offers that motivation is the result of a multiplicative relationship between the salespersons’ perceived level of effort required to complete or accomplish a task to produce an overall performance objective and the link between performance and reward (Broedlirig 1975). Consider the example of a salesperson compensated on increasing sales volume who sells products that have a market share-focused price strategy that uses discounted prices. The salesperson is likely to consider combination as an expeditious way to gain entry into new markets or increase market share with current customers. Hence, salesperson will likely perceive low effort to complete the task of increasing sales volume with a strong perceived link between performance and reward. The multiplicative relationship of low effort and strong link between performance and reward are optimum elements for high motivation.

Past literature has confirmed that motivation is the desire to expend effort on specific sales tasks that will lead to improved performance on one or more dimensions and to increase rewards for the salesperson (Walker et al. 1977). Salesperson motivation levels given aligned and misaligned pricing and sales force compensation strategies can provide clues towards salesperson activities that may be desirable or undesirable. Levels of performance are proposed to challenge performance beliefs solely based on motivation as a result of compensation.

METHODOLOGY

The relationships in this paper will be tested using a 2x2 experimental, scenario-based design. The variables manipulated will be: the goal of the pricing strategy (market share vs. profit margin), and the goal of the sales force compensation strategy (market share vs. profit margin). The variables measured will be effort expectancy adapted from Teas (1981),

instrumentality adapted from Teas (1981), motivation from Amabile, Hill, Hennessey, and Tighe (1994), and performance from Roberts et al. (1994). At least 120 respondents will be needed to obtain the rule of thumb for experimental designs of this type of 30 respondents per cell (Hair, Black, Babin, and Anderson 2010).

DISCUSSION

The effects of a firm's pricing strategy on the sales force are often left unexamined, increasing the likelihood of misplaced salesperson effort and incorrect perceptions regarding the link between performance and reward. The consequence of misaligned goals may decrease performance. Managers can learn to identify misalignment and take action whereby ensuring the optimal opportunity for achieving goals.

References Available Upon Request.

EXPERIMENTAL EXAMINATION OF PERFORMANCE CONSEQUENCES OF CHANGE IMPLEMENTATION FOR SALES FORCE INTEGRATION

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ABSTRACT

This study designs and conducts a laboratory experiment that replicates the experimental study of Weber and Camerer (2003). In the replication, however, this study includes a more realistic aspect of real-world strategic changes, the different employee cultural compositions within the post-change groups. The findings confirm that cultural conflicts are one of the major reasons for post-change performance deterioration. This study also finds that cultural dominance is present in the post-change group and affects the post-change performance when the group includes a different composition of salespersons from the pre-change groups. The managerial implications are provided to help build a strategy for successful strategic changes to manage the post-change integration process, because dominating post-change group structures are common in the real world. This study also investigates the learning process within the experimental setting and finds that the development of collaborative learning contributes to competitive knowledge development, which in turn contributes to organizational performance.

References available upon request

Session 1.3. Entrepreneurship & Family Business in the Global Marketplace

Session Chair: Joseph F. Hair, Kennesaw State University, USA

Understanding Market Orientation among Small Businesses in Rural Ghana

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Kirsten Cowan, University of North Texas, USA

Trang Tran, University of North Texas, USA

Franchising, Knowledge Transfer, and Development in Emerging Markets

Audhesh Paswan, University of North Texas, USA

Rajasree Rajamma, Fairfield University, USA

Opportunities and Challenges for Family Businesses Pursuing Global Markets

Vijay Patel, Kennesaw State University, USA

Torsten Pieper, Kennesaw State University, USA

Joseph F. Hair, Kennesaw State University, USA



UNDERSTANDING MARKET ORIENTATION AMONG SMALL BUSINESSES IN RURAL GHANA

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Cowan, Kirsten, University of North Texas, United States of America

Tran, Trang, University of North Texas, United States of America

ABSTRACT

The challenges imposed by developing and emerging markets in marketing strategy formulation have long been the concern of marketing scholars (Kotler 2000; Schultz 2006). Some countries in the region, such as Ghana, are making strides toward more democratic governance (Whitfield 2005). While the Ghanaian marketplace is a potentially fruitful research domain it is also no doubt challenging. While review of the extant literature reveals an increasing interest in the adoption of market orientation concepts for managerial application in sub-Saharan African market settings, the small business domain appears overlooked. To that end, the purpose of this paper is to assess the patterns of market orientation within the small business sector in rural Ghana and thus makes a contribution to the marketing literature.

The researchers conducted a pilot study involving covert observation techniques (see Stafford and Stafford 1993; Gill and Johnson 1997; Omar 1997) and face-to-face interviews, with a convenience sample of ten small businesses. The observation involved monitoring the activities of small businesses including customer care/service, pricing tactics, distribution, marketing communications, and product/service quality (see also Appiah-Adu 1998). The data were transcribed and content coded to reveal the underlying themes (Goodwin et al. 1997). Through the interview and observations, it appears customer care is a top priority. Rural small businesses in Ghana are also employee-oriented. While no formal research is conducted in these small businesses, they do continually solicit feedback, provide value and anticipate needs, which underlies the philosophy of market orientation, according to Gray and Hooley (2002).

References available upon request.

FRANCHISING, KNOWLEDGE TRANSFER, AND DEVELOPMENT IN EMERGING MARKETS

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INTRODUCTION

Recent global events have made it clear that the well-being of developed economies is intricately connected with the well-being of the citizens from the rest of the world, especially emerging and underdeveloped economies. Developed economies must do more to enhance the well-being of the emerging and underdeveloped economies, than just offer charity, else, the growth of developed economies will be exploitative and unsustainable. However, emerging and underdeveloped economies (EUEs) differ from developed economies on several dimensions, e.g., social, cultural, economic, legal and regulatory environment; knowledge bases as well as absorptive capacity; and the number and quality of key economic player (Arikan 2010; Burgess and Steenkamp 2006; Cohen and Levinthal 1990; Paswan and Trang 2012). These economies also suffer from an unfavorable gap in the demand and supply of resources such as basic needs related resources, skilled human resource, and knowledge resources. This is where developed economies can help, not by providing charity, but by providing a catalyst which empowers the citizens to help themselves. Based on the literature on entrepreneurship in emerging economies (Paswan and Trang 2012), we propose that entrepreneurship at the grass roots level in the form of small and medium private enterprises may be the answer, and franchising could be the catalysts to jump start this process by providing the right knowledge (which does not necessarily mean opening more McDonalds or KFCs in emerging economies).

GROWTH, SMES AND FRANCHISING

Literature highlights the positive relationship between the growth of private enterprises, especially the small and medium private enterprises and the development of emerging economies – e.g., prosperity, quality of life/standard of living, employment for self and others, talent development, experience and training, healthy competition, increase in goods and services, reduction in crime and vices, tax payment, closer interaction among stakeholders, and flexible business operations (Bateman 2000; Cecora 2000; Hallberg 2000; Ronnås and Ramamurthy 2001; Shane and Venkataraman 2000). Literature also suggests that entrepreneurship and growth of entrepreneurial enterprises need appropriate conditions (e.g., Arikan 2010; Amit, Glosten and Muller 1993; Layton 2009; Low and MacMillan 1988; Paswan and Trang 2012). This is where franchising can help in the form of either home grown franchise firms or international franchise firms from developed economies. While they may not be able to completely eradicate all the problems, they could help jump start the entrepreneurial activities by providing knowledge, a tried and tested business model, and even facilitate resources by developing a sense of comfort among lending institutions. Literature on franchising in emerging economies (Alon 2006; Bhasin and Venkataramany 2010) allude to this and suggest that several emerging economies are viewing franchising as a catalysts to entrepreneurial growth at the grass root level. Thus, we propose that:

P1: Franchising could provide an impetus for the growth of small and medium private enterprise in the emerging and underdeveloped economies in an organic manner if approached strategically.

Franchising is not just about selling burgers and pizzas. It is about developing and perfecting a business system and then selling the know-how to the prospective franchisees. The key to franchise success seems to be managing (e.g., developing, perfecting, disseminating, and improving) an intangible resource (knowledge) across independent entities such as franchisors and franchisees (Paswan and Wittmann 2009). Franchisees in turn provide the required local market knowledge along with the capital and human resources. Literature suggests that knowledge is a complex resource which enhances unit level efficiency (Darr, et.al. 1995), and has the potential to create capabilities and competitive advantage (cf. Cross et al. 2001; Paswan and Wittmann 2009). Researchers also suggest that sharing knowledge is a way to effectively leverage knowledge and gain competitive advantage (Kwok and Gao 2005). Knowledge sharing also helps franchisors ensure that the franchisees know what to do and adhere to a tried and tested script and in turn help protect against the dilution of franchise brand image. Since most franchisees tend to be small and medium enterprises and often gravitate towards franchising because it offers a relatively safer (i.e., tried and tested) business model with significant knowledge (through training and information) to operate the business in an effective and efficient manner, franchising may provide the right impetus for the growth of small and medium enterprises (i.e., franchisees). Against this background, the following is proposed:

P2: A key driver for the growth of small and medium private enterprise in emerging and underdeveloped economies is the extent and type of knowledge shared between franchisor and franchisees. (Figure 1)

Related theoretical frameworks could be used to explain these broad propositions. First is the social capital theory which focuses on the resources embedded in the social relationships and their benefits. Social capital refers to ‘the ability of actors to secure benefits by virtue of membership in social networks’ (Portes 1998). The pivotal concept of social capital theory is the relationships and networks that exist among the actors that lead to collective actions for achieving a common good. Through such networks, actors gain access to resources that otherwise may not have been accessible. Social capital theory has been studied in various contexts such as knowledge management, human resources management, regional economic development, poverty reduction, and a variety of sociological subject areas. Specifically, the relational linkages in social networks help in the transfer of resources (e.g., technical and managerial know-how) among the actors in the network (Wasserman and Faust 1999). Second, several theoretical frameworks explain the emergence and growth of entrepreneurship (Shane and Venkataraman 2000). More recently, Arikan (2010) used the complex system perspective to explain the evolution of entrepreneurs. The complex adaptive system (CAS) consists of multiple interdependent subsystems and actors, and the complex interaction among these, and is characterized by feedback mechanism and nonlinearity. Together, this complex and nonlinear adaptive system creates a synergistic environment for entrepreneurial growth. The CAS perspective offers a more dynamic perspective to the emergence of entrepreneurship than others (Arikan 2010). Examples of findings from studies using CAS include the following – i.e., quality human capital is associated with more risky projects, higher productivity, and non-linear economic growth; positive impact of infrastructure on the growth of private enterprises, jobs, and well-being of society at large; the importance of institutions and institutional reforms in the development of entrepreneurial firms (for a review see Paswan and Trang 2012).

IMPLICATIONS

The proposed framework (figure 1) has important implications for the policy makers in emerging and underdeveloped economies, franchise systems expanding beyond their national boundaries, and researchers interested in growth of entrepreneurship in emerging economies. Care should be taken to ensure that international franchisors’ entry into emerging and underdeveloped economies should be seen from a more strategic perspective – i.e., first few franchised units should be seen as a training ground and an incubator for other franchisees/entrepreneurs. If done strategically, this growth could be non-linear and organic in nature. Further, franchising efforts in the emerging and underdeveloped economies may have implications for social entrepreneurship.

This framework is also crucial because franchising in developed economies may be reaching a saturation point, and future growth will come primarily from emerging economies (Aliouche and Schlenrich 2011; Alon 2006; Dant, Grünhagen and Windesperger 2011). Given some of the obvious uniqueness associated with emerging and underdeveloped economies, knowledge could not only be used to enhance the efficiency as well as effectiveness of the whole system from business perspective, but also a catalyst for the emergence and development of social entrepreneurship. We hope that it provides an impetus for more research, both conceptual and empirical, in this area.

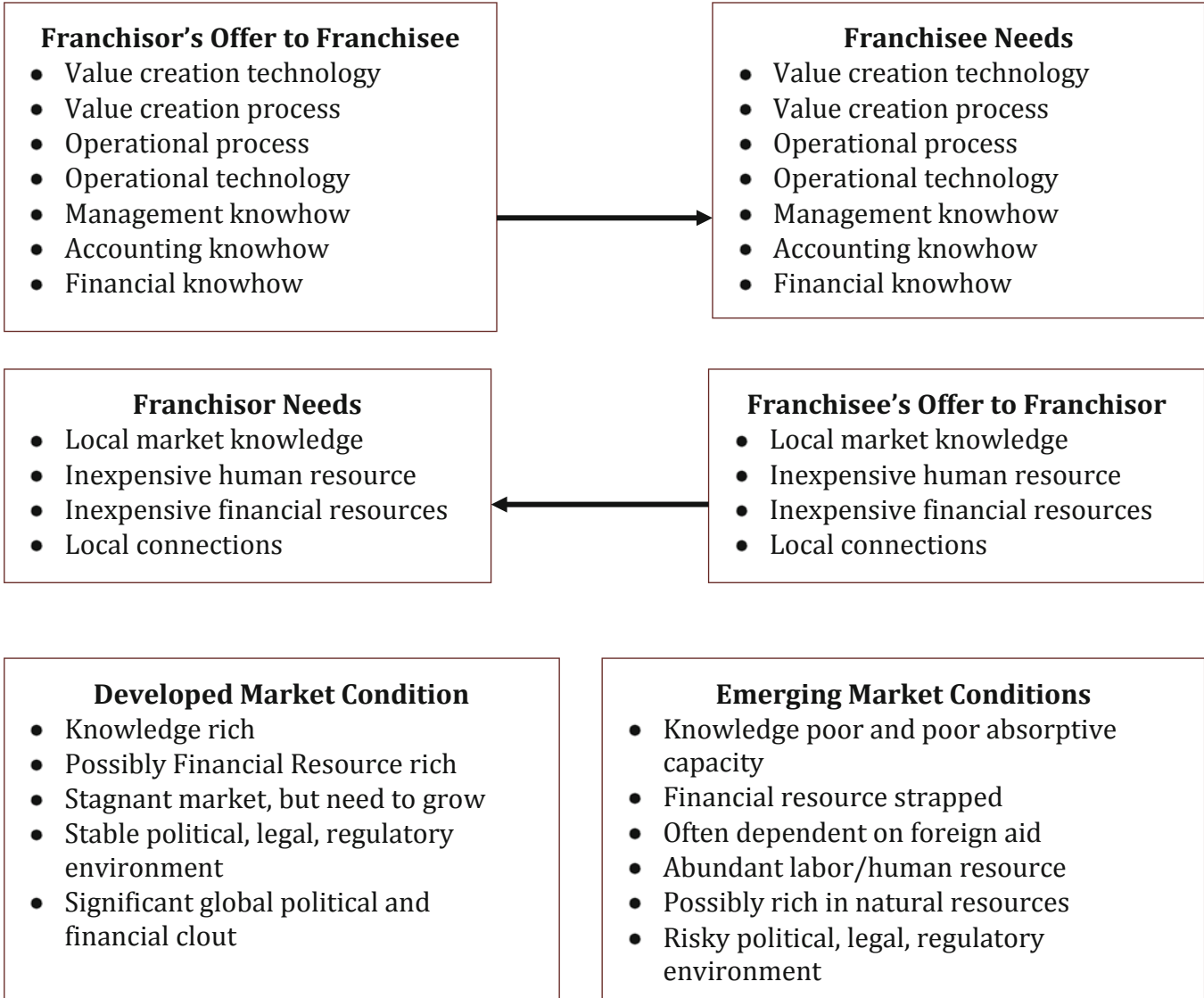
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Figure 1: Knowledge Transfer across Developed and Emerging Economies

- Franchisors need to grow, by replicating their business format, and protect their brand image.
- Emerging markets need to ensure economic and social well-being for its citizens, develop industry and entrepreneurship



OPPORTUNITIES AND CHALLENGES FOR FAMILY BUSINESSES PURSUING GLOBAL MARKETS

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ABSTRACT

Global expansion is virtually an imperative for family businesses and is no longer avoidable as a strategic choice. Globalization strategies are far from the norm, however, among small and medium size family enterprises. This article reviews the primary opportunities and drivers for globalization, highlights the distinct characteristics of family businesses that may enhance or constrain global expansion, and provides a framework for strategically evaluating business capabilities and global market opportunities.

INTRODUCTION: IS GOING GLOBAL NOW A REQUIREMENT FOR FAMILY BUSINESSES?

There is widespread agreement that small and medium enterprises (SMEs), which generally tend to be family businesses, must consider global expansion for both offensive and defensive reasons. Absent timely and constructive responses to global shifts, many family businesses likely face decline or failure (Etemad, 2004; Fernández & Nieto, 2005). In fact, a recent study by McKinsey and Company that applies to firms in developing as well as developed countries is quite blunt in the red flag it raises (Iwatani et al., 2011). The study concludes that, in light of emerging economic and demographic trends suggesting minimal growth in home markets, survival for many companies will likely depend on their ability to substantially increase revenues and profits from overseas ventures. Facing survival or demise undoubtedly creates urgency for family businesses to consider, or perhaps reconsider, entering the global marketplace. Thus, going global may no longer be optional.

In this article, we show the global dominance of family business as a form of organization, yet point out a remarkable lack of globalization within this group of firms. Given that a number of convergent macroeconomic and infrastructure issues portend globalization, the inherent advantages and constraints that may make family businesses more or less likely to globalize are summarized. Additionally, frameworks to evaluate the strategic choices involved in global expansion are proposed. While we do not universally suggest that global expansion is advisable and a viable strategy for all family businesses, we offer suggestions and tools to those family firms that are considering this option.

FAMILY BUSINESSES ARE PREDOMINANT GLOBALLY

Family businesses, those businesses where a family has effective control over the strategic direction of the business and where the business in turn contributes significantly to the family's wealth, income, or identity, represent the dominant form of organization around the world (Astrachan & Shanker, 2003; IFFERA, 2003). Family businesses are estimated to contribute as much as 90 percent of the global GDP (Family Firm Institute, 2011). In the USA, family businesses represent between 80 and 90 percent of all enterprises and contribute around 60 percent of GDP and total employment (Astrachan & Shanker, 2003). Family businesses come in all sizes, ranging from small mom-and-pop stores to global corporations like Walmart or Ford Motor Company. In fact, empirical research indicates that 35 percent of S&P 500 firms are family-controlled (Anderson & Reeb, 2003).

Most family businesses, however, fall into the category of small to medium sized enterprises, typically with less than 500 employees in the USA and less than 250 employees in the EU (Ayyagari, Beck, & Demircuc-Kunt, 2007). Evidence suggests family businesses and their activities are significant drivers for national and global economies (Zahra, 2003). Based on the aggregate impact of family businesses, substantial governmental resources are available to incentivize going global. Firms seeking to globalize can therefore take advantage of governmental support to mitigate the risks of going global.

Family businesses vary in terms of their levels of involvement in global markets. Some become global enterprises relatively quickly, others expand internationally at a much slower pace, and some remain entirely national or even local. For example, recent data show that only 30 percent of family businesses in the United States with sales in excess of \$1 million actually generated sales from outside the USA (MassMutual, Kennesaw State University, & Family Firm Institute, 2007). While pathways and scale of expansion may be different for family businesses, the opportunity for global expansion is real.

MACRO IMPERATIVES ON GOING GLOBAL

Following the financial crisis in 2007 and 2008, firms in the majority of developed countries faced slow growth at best and recessionary economies at worst (Pradhan, 2011). In contrast, emerging economies such as the BRIC countries (Brazil, Russia, India and China) were expected to continue robust growth into the foreseeable future. BRIC countries contributed 30 percent of global economic growth during the period 2000-2008, up from only 16 percent in the previous decade. In contrast, the contribution of G7 countries fell from 70 percent of growth in the previous decade to only 40 percent. To a lesser yet significant extent, the so-called N-11 countries such as Korea, Mexico, Indonesia, and Turkey contributed 10 percent of global growth in the years between 2000 and 2008. Recent shifts in economic growth are therefore both substantial and noticeable (O'Neill & Stupnyska, 2009).

The obvious conclusion for firms large and small in developed economies is that most growth opportunities in the near term will be found in emerging countries. Even more sobering is the growing sophistication and cost advantages, such as skilled and unskilled labor, that firms in emerging economies enjoy. Equally challenging is that firms from developing countries will likely seek to extend their international reach, thereby encroaching on established domestic markets in the USA and the EU.

The scope of the growth opportunities in developing and emerging economies is significant as the middle classes in the BRIC and N-11 economies continue to grow. For example, the Chinese urban middle class is expected to grow at a 6.7 percent compounded rate in terms of spending over the next 15 years, with total spending estimated at \$1.3 trillion. The Chinese people's demand for Western style goods and services, such as luxury and branded items, is already evident in the success of global first-movers such as McDonald's, Coca-Cola, and P&G. While giant multinational enterprises (MNEs) may have distinct advantages, there is no reason to believe that family owned businesses cannot compete in the global arena. Pursuing international growth opportunities is an attractive and perhaps even necessary option. The alternative is to face increasing competition in domestic markets and become 'sitting ducks', which seems imprudent in light of marginally growing or even stagnating home markets (Farrell, Gersch, & Stephenson, 2006).

GLOBAL EXPANSION: AN OFT OVERLOOKED OPPORTUNITY

Growth is a major strategic decision for all business enterprises, and global expansion is one available option for firms to consider. But it is a complex pathway not often chosen by small to medium family enterprises. For example, only four percent of all firms in the USA are involved in exporting, much less locating facilities in other countries. Moreover, small and medium family businesses in the USA have been relatively slow to pursue global markets and rather conservative in approaching these opportunities (Okoroafo, 1999). Similar low levels of international market involvement are evident worldwide despite robust governmental efforts to promote international expansion (Bernard, Jensen, Redding, & Schott, 2007; Graves & Thomas, 2006). Yet, the luxury of serving only domestic markets is eroding quickly as firms in developed economies face intense competition and shrinking or slow growth markets (Gallo, 2011).

Global expansion can take several approaches. Exporting is the approach that often comes to mind first due to the inherent low risk associated with this entry strategy. But, strategic alliances with firms in promising markets, greenfield strategies such as establishing facilities for sales and/or manufacturing, and global sourcing of products to offset cost constraints are other possibilities to consider (Abdellatif, Amann, & Jaussaud, 2010; Zahra, Ireland, & Hitt, 2000). The positive payback from globalization is exemplified by the supply chain partnership between the family-owned businesses of Cutco Cutlery Corporation and the Abdoolally Ebrahim Group (AEG). Cutco Cutlery Corporation, a manufacturer of high-quality knives in Olean, New York (USA), has a strategic partnership with AEG in Hong Kong. Cutco works with the housewares division of AEG to identify Chinese manufacturing sources for the popular kitchen tools (e.g., ice cream scoops and vegetable peelers) offered by Cutco and its Vector Marketing sales force. This ten-year partnership between the two companies has proven beneficial for both companies. Cutco is a first generation family business that is actively grooming a second generation of family members for management positions, and AEG is a third generation family business. Cutco CEO Jim Stitt noted that while the family aspects of AEG were not essential in the selection criteria initially, they have definitely been important in the continuing relationship between the two companies.

STRATEGIC CHOICES: STRATEGIC THINKING FRAMEWORK

Strategic choices require strategic thinking and a distinct process. Among the factors involved in developing choices by thinking strategically are the ability to sense environmental factors, assess resources and find innovative approaches to

leverage capabilities for building sustained competitive advantage. Strategic thinking is therefore an important precursor to developing and implementing strategic choices (O'Regan, Hughes, Collins, & Tucker, 2010).

Expanding globally is a strategic choice that should be preceded by strategic thinking. Strategic thinking identifies available resources and assesses potential opportunities. Strategic thinking also seeks to develop preemptive options before market opportunities are lost (e.g. major distribution channels locked in or preferred partners allied with competitors). Generally speaking, involvement of as many family generations and management leadership as possible is beneficial for strategic thinking. When one generation is not involved actively in the family business, the other generations may need to assume the responsibilities of missing or weak generations. Or, non-family members must be brought into the business to execute the required tasks.

Bringing the intergenerational strategic perspectives into alignment involves a process of internal debate and discussion. This process is challenging when only family members are involved and often even more challenging when non-family members must be brought into the process. To facilitate the synthesis and evaluation process, a template for strategic thinking is shown in [Figure 1](#).

The template facilitates evaluating the push-pull factors and the family business characteristics and can be applied to separate product and service offerings as well as target country evaluations. To interpret the matrix, the push and pull factors must be individualized to each company in terms of specific impact. Similarly, the available family business resource base and alignment are unique to each firm. The upper right quadrant (Global Star Potential) implies early action and support for global expansion – the need to globalize is imperative given high push-pull factors and the availability of sufficient resources and close family alignment. The lower left quadrant (Consolidate Domestic Position) suggests that expanding internationally should be avoided, at least in the short run. In this case neither the push-pull drivers nor the resource base is present. Thus, a defensive position is warranted. Creative approaches to supplementing resources are necessary for cross-border market opportunities in the upper left quadrant (Globalize with Alliances). In this case the motivation to go global is high but resources need to be augmented through partners/alliances or accessing existing networks. The lower right quadrant (Globalize with Acquisitions/Joint Ventures) may represent an opportunity to further examine niche markets or those expected to grow in the future (e.g., developing countries). The template can facilitate brainstorming global market opportunities and help identify obstacles to overcome. It can also assist in organizing complex discussions among the top management team and board of directors.

The template is most effective when endorsed by the CEO and board of directors, as well as teams with multiple inter-generational representation. Given the complexity of global expansion, the template is likely better suited as a basis for ongoing discussions rather than a one-time quick fix exercise. An extended process can help overcome gaps in perspectives of family members and management, thereby providing a basis for better alignment that is key to any high-risk strategic decision, such as global expansion.

CONCLUSION

Macroeconomic shifts make it imperative for family firms, the dominant form of enterprise organization globally, to find pathways to globalize. Strategic thinking, an important prelude to making strategic choices, helps to assess the balance of push and pull factors and family issues which all family firms must align for successful pursuit of global opportunities. The framework suggested in this paper focuses the broad choices within a 2x2 matrix which suggests a range of choices dependent on resources, internal alignment, and environmental factors affecting the family firm.

Figure 1: Global Market Opportunities: A Classification



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Session 1.4. Embedding Ethics in Corporate Practice

Session Chair: Ilona Szöcs, WU Vienna, Austria

Cowboy Ethics: Marketing Gimmick or Business Ethics Tool?

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COWBOY ETHICS: MARKETING GIMMICK OR BUSINESS ETHICS TOOL?

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ABSTRACT

The ten principles of cowboy ethics, as developed by James Owen (2004), have gained attention and application, particularly in Western U.S. states, in recent years, as evidenced by their adoption by both business and government entities. This paper examines Owen's principles for parallels to commonly used ethical frameworks drawn from moral philosophy. A sample of students enrolled in a Marketing Ethics class at a Western U.S. university completed an open-ended survey matching ethical frameworks to the cowboy ethics principles. Though levels of agreement were not particularly high, parallels were most often drawn between cowboy ethics principles and Utilitarianism, the Golden Rule, the Professional Ethic, and the TV Test or Open Forum Rule. Further research of a more structured nature may help to identify clearer roots for the cowboy ethics principles.

INTRODUCTION

When James Owen's book on cowboy ethics hit the bookstore shelves, it may have seemed a clever gimmick for selling a book of pretty nice western photographs. Over time, however, Owen's approach has resonated with various audiences in substantial ways. This exploratory study examines the traditional values espoused in Owen's code of the west (Owen 2004).

BACKGROUND

The cowboy image is a powerful icon, encompassing both the mythic legend and the actual history of working cowboys in the American West. Although there is some criticism of identification with cowboy mythology (Western 2002), reliance on cowboy folklore as a metaphor for hard work and getting things done continues, as evidenced by the article "Cowboy Up" in a recent issue of the American Marketing Association's publication *Marketing News* (Sullivan 2012). James Owen's book, *Cowboy Ethics: What Wall Street Can Learn from the Code of the West* (2004), provides a distillation of principles derived from cowboy culture. Owen's work has drawn a great deal of attention. His book has been cited in publications related to fields from banking to crisis and humanitarian intervention. His code has been adopted and integrated into the cultures of at least two companies in Wyoming. Response to this book has led to further publications, as well as development of the Center for Cowboy Ethics and Leadership in Austin, Texas. A video set in Wyoming was released in 2010, and educational programs for schools have been developed.

Owen's approach in developing his ten principles resembled the content analysis an academician might use (Owen 2010). He read Western novels, watched Western movies, and identified the ethical themes that emerged, stating these as "ten timeless principles to live by" (Owen 2004, p. 69). He specifically noted in the book that his intent was to identify principles rather than rules, to bring about change within industry. And although for most people the cowboy is a historic figure associated with past times, Sullivan's recent article about Jeffrey Hayzlett, "Cowboy Up," focuses on his cowboy background and its importance to him as a change agent in business today (2012).

The importance of guiding principles for marketing and business ethics cannot be overstated. In their work related to global business citizenship, Wood, Logsdon, Lewellyn, and Davenport (2006) identified the need for universal principles for business. Due to the global nature of business today, various organizations have developed codes or principles that could be applied worldwide by multinational corporations. The United Nations' Global Compact (2008) is a fairly comprehensive example. Laczniak and Kennedy (2011) analyzed several of these global principles to identify hyper norms, the societal norms underlying these principles.

Owen's principles (2004) take an opposite approach; rather than stating them in broad, global terms, he crafts them in the language of American Western rhetoric, thus:

1. Live each day with courage
2. Take pride in your work
3. Always finish what you start
4. Do what has to be done
5. Be tough, but fair

6. When you make a promise, keep it
7. Ride for the brand
8. Talk less and say more
9. Remember that some things aren't for sale
10. Know where to draw the line

Wording notwithstanding, these principles seem to reflect some very basic ideals. An obvious source of basic ideals is moral philosophy, the root of frameworks upon which most codes of ethics draw. Ethical approaches may be characterized as consequentialist, duty-based, contract-based, or virtue-based (Murphy, Laczniak, Bowie, and Klein 2005). Consequentialist, or teleological, approaches focus on outcomes. Duty-based, or deontological, approaches rely on rules to determine the ethicality of actions. Contract-based approaches emanate from relationships and the expectations of the parties involved. Virtue ethics relates to the guiding purpose of life being to attain goodness and virtue; in order to do so, one should form good habits and practices. The purpose of this exploratory study is to analyze the code of the west to see whether particular ethical approaches derived from moral philosophy are present in its principles.

METHOD

An open-ended survey approach was employed to identify parallels between the ten cowboy ethics principles and frameworks representing well-known ethical frameworks. Students in a marketing ethics class were shown Owen's ten principles and the video about cowboy ethics early in the semester. Through Murphy et al.'s (2005) marketing ethics book, in addition to slides and notes, students were exposed to a wide variety of ethical approaches incorporating teleology, deontology, social contract theory, and virtue ethics. Late in the semester, after students had covered all frameworks and had substantial opportunity to apply them to various marketing situations, they were given an optional assignment for credit in which they were asked to consider each of the ten cowboy ethics principles and identify any frameworks covered in the course that seemed to underlie that principle or provide a parallel to it. In addition, they were asked to explain the link or parallel they identified.

RESULTS

Of the 29 students who participated in this exercise, each identified at least one ethical framework they believed provided a parallel to each of the cowboy ethics principles. Since this was an open-ended task, some students identified many more than others, so it may not be reasonable to assume that all students considered all frameworks, as might be designed in a more structured questionnaire. [Table 1](#) contains the full list of ethical frameworks identified with at least one of the cowboy ethics principles.

Despite the small sample size, a few items stood out in their parallels to particular ethical approaches. Only Principle #9, "remember that some things are not for sale," had no parallels identified by more than 14 percent of the respondents. The other nine principles had 20 percent or more match at least one framework. Utilitarianism, the Golden Rule, the Professional Ethic, and the TV Test or Open Forum Rule were most often matched to one or more of the cowboy ethics principles. A summary of the most-often-matched items is given in [Table 2](#).

While these results provide only descriptive information, they represent a first attempt at identifying the underlying norms related to cowboy ethics.

DISCUSSION AND CONCLUSIONS

This study represents a simple first attempt to identify frameworks from moral philosophy that may underlie the principles espoused in cowboy ethics. There are obvious limitations in the small sample size and use of students as coders for this study; however, since the students were in an ethics course, they did have some grounding in the ethical approaches included. Although percentage of respondents matching specific ethical frameworks to cowboy ethics principles is not extremely high for most items, the task was entirely open ended, relying upon respondents' memory and top-of-mind associations. Thus, the findings indicate some level of agreement without prompting. If a more structured instrument were designed and administered to a group with similar knowledge and background, higher levels of agreement might emerge.

While no generalizations can be drawn from these findings, they could provide a springboard from which to design a more structured instrument. Further research also could include interviews with executives of companies that have adopted cowboy ethics as guiding principles. Whether these tenets drawn from the American West can provide the universal

principles desired by international organizations remains to be seen, but they certainly have captured the imaginations of a number of people in the last few years. The call to “cowboy up” continues as more than a marketing gimmick.

TABLES

Table 1. Ethical Frameworks Identified by at Least One Respondent

Ethical Framework	Total Times Included
Utilitarianism	47
Deontology	18
Maxims	11
Golden Rule	56
Professional Ethic	44
TV News Test/Open Forum Rule	48
When in Doubt, Don't	19
Slippery Slope	24
Angel/Mother/Founder on Your Shoulder	33
Never Knowingly Do Harm	14
Kant's Categorical Imperative	21
Rawls' Social Justice Framework	19
Liberty Principle	9
Difference Principle	7
Virtue Ethics	35
Integrity	34
Fairness	22
Trust	19
Respect	18
Empathy	8
Ross's Prima Facie Duties	11
Beneficence	5
Fidelity	10
Gratitude	9
Justice	5
Self-improvement	2
Nonmaleficence	5
AMA Ethical Norms	
Dependability	1
Honesty	5
Responsibility	7
Fairness	3
Respect	6
Openness	2
Trust	1
Integrative Social Contracts	1
Social Responsibility	13
Teleology	8
Ethical Egoism	2
Total	602

Table 2. Frameworks Related to Cowboy Ethics Principles

Cowboy Ethics Content Items	Percent of Respondents Including Item
#1 Live each day with courage	
Virtue Ethics	24%
Virtue -- Integrity	21%
#2 Take pride in your work	
Professional Ethic	45%
TV News Test/Open Forum Rule	34%
#3 Always finish what you start	
Utilitarianism	28%
Golden Rule	21%
#4 Do what has to be done	
Utilitarianism	31%
TV News Test/Open Forum Rule	21%
#5 Be tough, but fair	
Utilitarianism	24%
Golden Rule	38%
Virtue – Fairness	24%
#6 When you make a promise, keep it	
Golden Rule	38%
Virtue – Integrity	21%
#7 Ride for the brand	
Utilitarianism	24%
Professional Ethic	24%
Angel/Mother/Founder on your Shoulder	21%
Virtue – Fidelity	21%
#8 Talk less, say more	
TV News Test/Open Forum Rule	24%
Angel/Mother/Founder on your Shoulder	21%
#9 Remember that some things are not for sale	
Golden Rule	14%
Virtue – Integrity	14%
Virtue – Respect	14%
#10 Know where to draw the line	
Golden Rule	21%
TV News Test/Open Forum Rule	21%

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Session 1.5. Customer Evaluation and Cultural Embeddedness

Session Chair: Juan Carlos Sosa-Varela, Universidad del Turabo, Puerto Rico

Linking Values and Behaviour to Understand Sustainable Consumption Pattern of Indians

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Conform or Resist? Immigrant Females and Consumer Empowerment

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LINKING VALUES AND BEHAVIOUR TO UNDERSTAND SUSTAINABLE CONSUMPTION PATTERN OF INDIANS: A STRUCTURED ABSTRACT

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INTRODUCTION

Consumption and in particular sustainable consumption behaviour is expounded to be very unpredictable in literature. Most of the behavioural studies and models have not been able to predict consumer actions in different contexts and situations. The reason could be the fact that consumption is much more than just a social and economic process of buying goods, it is a mean of forming and expressing identity, a mean of articulating the characteristics of human mind that have developed due to cultural and societal influences. In this research, we are trying to explain consumption pattern by linking them to the personal values and beliefs of individuals. Personal values have been found to be an important factor in determining the type of product an individual would buy.

In this research, the focus is on Indian consumers and the objective is to identify unique characteristics of the value-system of Indians in order to predict their behavioural patterns. Values recognized in present values scales such as VALS, LOV, Schwartz Values Survey can't be generalized to all cultures since different cultures have different adaptations and conceptualizations of same values. Here we attempt to build a values scale, representing Indian beliefs, incorporating perspectives from ancient Indian texts, views of modern Indian thinkers and philosophers, besides values recognized in literature. Further the relationship between values and sustainable consumption behaviour is explored and the importance of attitude formation in this relationship is investigated. Thus this study extends the research on importance of personal values in consumer behaviour domain and with the development of suitable methodology for data collection, has important implications for researchers and marketing managers.

RESEARCH BACKGROUND

This research seek answers to the following questions: What are the values that Indians strive for? Do these values have certain characteristics which make them unique? Are some values universal, some Indian specific? Are those values related to consumption patterns of individuals? Are some values in India are more likely to influence sustainable consumption behaviour? Answers to these questions would be the major theoretical contribution of this research.

It is extremely difficult to find a systematic "theory of value" anywhere in the recent literature and it is very difficult to figure out what body of theory, if any, a particular author using the term 'value' is drawing on (Graeber, 2001, p. 1). Researchers have classified values in many ways. Some have classified them as instrumental or adjectival and terminal values (Rokeach, 1973; Lovejoy, 1950). Others have further identified underlying goal dimensions of these values, e.g. Crosby et al. (1990) proposed three underlying unipolar dimensions for instrumental values and one bipolar dimension underlying terminal values. Schwartz and Bilsky (1987) also presented ten underlying goal dimensions for the values given by Rokeach. Additionally the frameworks identified in literature to classify and measure personal values misses in explaining some of the important attributes of a cross cultural scale. While predictive utility of VALS, LOV and Rokeach Values instrument has rarely been investigated by researchers, Shwartz Values Survey has also been criticized for not capturing the distinctive characteristics of a culture with rigorous data. Moreover a thorough review of literature that explores value system of Indians, presents many characteristic aspects of Indian values, not found in the current Values scales. Indian conception of values is largely inclined towards spirituality, the kind of notion mostly ignored in present values studies. This necessitates the need to develop a values scale, suitable to Indian context, the research gap we intent to fill in this research study.

Researchers in marketing trying to predict consumption pattern of people have struggled to explain the trend with accuracy. It has been suggested (Vinson et al. 1977) that value orientations is an important determinant of present and future preferences for products and services. It is accepted that cultural differences in consumer behaviour is largely due to the influence of culture on consumer's values, that further impacts consumption choices and decisions of people. Vinson et al. (1977) proposed that different global values, domain specific values, product evaluation and choice of product or service are related. We intent to study the relationship between Indian values and their behavioural decisions. Throughout history, Indian philosophy has given a lot of importance to the understanding of values as means to attain the goals of life. Hence it would be worth exploring the differences in the impact of universally accepted values and Indian specific values on the buying behaviour of consumers in India.

Researchers have adopted the concept of personal values to explain the choice of food (Steenkamp, 1993; Serralvo et al. 2010), automobiles (Pitts and Woodside, 1983), fair trade products (Doran, 2009), recreation activities (Beatty, Kahle, Homer and Misra, 1985) television viewing behaviour (McCarty and Shrum, 1993), segmentation of consumers (Boote, 1981), environment preserving behaviour (Neuman, 1986; Nordlund and Garvill, 2002) and brand choice (Serralvo et al. 2010; Dibley and Baker, 2001). While exploring the link between values and consumption behaviour, we focus on studying the behavioural decisions of people guided by their value system in context of sustainable consumption behaviour. Environmental objects are comparatively unfamiliar to individuals initially; therefore role of values in the formation of environmental attitudes is more important (Stern and Dietz, 1994). In case of environmental entities, people shall be involved in seeking information about threats to the environment, consequences of particular actions and therefore realization of the conflicts of those consequences with their beliefs. In such scenario, values may act both as amplifier for the information as well as filters for information (Stern and Dietz, 1994).

Indians have always demonstrated a respect for nature and a concern for the protection of natural environment including animals, forests, water bodies and other forms of nature so as future generations are not devoid of living in the similar environmental surroundings. Indian perspective on importance of environment is based on traditional and religious beliefs about the relationship between man and nature, dependence of humans on nature and responsibility of society towards preserving environment. “*Various religious prevalent in India such as Hinduism, Islam, Jainism, Buddhism have traditions that provide an enduring spiritual, intellectual and cultural foundation for an environment friendly value system and a balanced sustainable lifestyle*” (Kala and Sharma, 2010). Thus Indian environmental views are elements of core set of personal beliefs and values. An understanding of how these core beliefs and related values are structured and are persuading people to buy sustainable products is the key concern of this research study. It has been explored whether certain values are more expected to impact sustainable consumption behaviour.

RESEARCH QUESTIONS

The primary research focus of this study is “*Exploring the relationship between Values and Sustainable Consumption behaviour of individuals in the Indian context*”. To elaborate the scope of the research, an attempt to answer the following research questions has been made:

- Are there some unique Indian values?
- Do values impact consumption behaviour?
- Are some values more likely to influence sustainable consumption?

The first research question would allow us understanding the extent to which associations exist between current values scales and Indian values and would enrich the knowledge of what people value in India. This is essential to predict the relationship between values and behavioural orientations in India. Values that are universal are perceived to be associated to the generalized processes originating due to value priorities. Values that are Indian specific should present a picture of culture related aspects of associations with behavioural actions. Second research question would enable us to understand consumption decisions in India with reference to deeply held cultural and social values and beliefs. Through last research question, we investigate whether context specific values exists. This understanding of context importance would explain differences in the human behaviour found in different contexts.

METHODOLOGY

The first part of this research focuses on the measurement of Indian specific values. More specifically, we are interested in capturing Indians’ own descriptions of their values, evident as beliefs, principles and behavioural patterns. It has been argued that a pre selection of value dimensions would not be preferred as value dimensions are likely to differ in different cultures. As a result, generation of value dimensions suitable to Indian context is suggested and this issue has been addressed in the first stage of research methodology. Developing a measure with desirable reliability and validity holds prominence in designing methodology for data collection.

Study 1 Procedure

Generation of Dimensions:

Data would be collected by means of self-administered questionnaire survey. Statements for values and beliefs have been generated using deductive approach.

Items selection: Instead of pre-selecting value dimensions, items that represent the beliefs and values of Indians have been collected from the following sources:

- The traditional Indian texts explaining the values of life as envisaged in Indian philosophy.
- Values conceptualizations as recognized important by modern Indian thinkers and philosophers.
- Views of intellectuals in public domain, who talk or write about Indian values
- Values as directly or indirectly discussed and presented in Indian and International Journals

It was felt that to thoroughly examine the moral worth of individuals' life and to capture all aspects and perspectives of individuals' view of life, an inclusion of substantial amount of thoughts and contemplations on Indian values should be realized.

Personal interviews were also conducted that were largely unstructured and individuals were asked to talk specifically about their own personal values and Indian values in general. Initially a pool of 128 items were collected which were reduced to 64 items, only those value items were retained that were present in atleast in two literature sources. Brief conceptualization of each item was presented using their initial sources and then these items were compared with 57 Schwartz items for similar items check. Values items that were either not present in the Schwartz scale or were found to have different conceptualization in Indian context were further subjected to face and content validity check. Finally a pool of 27 items was retained for reliability and validity analysis of values scale. We present next the proposed methodology to complete this research study.

Sample Individuals for Reliability and Validity check of 27 value items: Two different samples would consist of management students from Indian Institute of Management, Bangalore. Students from different courses would be contacted to formulate samples for data collection. Some of the characteristics of these samples are:

- These students are from different parts of the country, therefore representing diverse sub-cultures
- These represent one of the most educated clusters of Indian population

An absence of data from all ages is an issue but as Georgas, Berry, Vijver, Kagitcibasi and Poortinga (2006, pp. 115) suggested that the samples of university students represent the age group and level of education at the cutting edge of cultural changes in terms of values and attitudes. Thus responses from students would represent the major changes occurring in the values set up in India.

Study 2 Procedure

In the second part of the research, our focus would be to study the link between values of Indians and their sustainable consumption behaviour. Following methods would be adopted for data collection:

Questionnaire Survey

Sample would consist of those Indians who own the electric car "Reva". Valuing concern for environmental degradation due to harmful emissions from car is the domain of this research study. For our purpose, data should capture values that impacted the decision to buy Reva. In addition to it, we would also assess the involvement level of Reva owners in other environmental friendly consumption behaviours using modified version of 17 questioned environment friendly scale by John Thøgersen and Folke Olander, (2002). This would help us in identifying different set of values related to different levels of sustainable consumption behaviour of respondents.

Research Design

Data will be collected through self reported questionnaires. Likert scales will be used.

Variable Measures:

Measurement of values: Values scale obtained through study 1 shall be used for measuring values of the respondents. The values scale may be shortened to avoid response fatigue, concentrating on the values items that are closely related to environmental values. For questionnaire survey, a sample of 250 respondents is desired, which would be collected from Reva owners in different parts of the country. Also around 50 customers would be interviewed, in order to better understand the relationship between different values and different level of sustainable consumption behaviour depicted among respondents.

In depth interviews using Laddering technique:

In order to improve the quality and efficiency of our final study, inferences and predictions shall be made by conducting in-depth interviews of around 50 Reva owners who responded positively to the questionnaire survey. The interviews would be conducted using laddering technique. A series of "Why" questions that determine the key linkages between the attributes of a

product that are important to a consumer, consequences of consuming that product and values of the consumer linked with product consumption would be asked. The distinctions at these three levels of abstraction would provide an understanding about how the product information is processed from underlying values perspective.

EXPECTED RESULTS AND DISCUSSION

The expected outcome of this research is a values scale that represents the principles that are intrinsically desirable to Indians. The research would also present an improved understanding of the relationship between values and the behavioural patterns of individuals in sustainable consumption context.

Although Schwartz Values scale is referred by most of the researchers in diverse contexts for cross-cultural studies, importance of the inclusion of individual culture specific items in values scale has remain under researched. Literature acknowledges that the differences in values has been identified but little attempt has been made to understand the meaning and expression of these values using cultural studies.

CONTRIBUTIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

First major contribution of this research would be the development of a values scale, suitable to Indian context. Such a values scale is not only imminent but is very significant to understand the psychology of Indian consumers . The scale would present not only moral values but also the social, environmental, cultural values of Indians. Further by studying context specific values- behaviour relationship, this study proposes a values based segmentation of consumers in the perspective of sustainable consumption behaviour of Indians.

This research would help in examining the relationships among the hierarchy of variables: beliefs, values and behaviour. This study helps marketers in formulating communication strategies to cater to the values of Indian consumers. Since the study examines the individuals' values and their influence on behaviour, communication appeals can target the values of people to be more effective in influencing their behaviour and decision making.

The research is also important to the policy makers. The output of the research would present an Indian values scale - a methodology to understand people behaviour in context of sustainable consumption- therefore would be useful for different policy managers to assess the feasibility of launching a particular programme.

References available upon request.

CONFORM OR RESIST? IMMIGRANT FEMALES AND CONSUMER EMPOWERMENT

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INTRODUCTION

Previous research has shown that men and women, within the family unit, have unequal power and, hence, ability to change the thoughts and/or actions of each other (Olson and Cromwell, 1975). Consequently, the man has greater purposeful influence over his spouse and, therefore, ability to exert his decisions (Kranichfeld, 1987). Changes to women's economic status, including access to education, work, etc. has resulted in challenges to prior beliefs about the role and purchase influence of each family member (Commuri and Gentry, 2002; Xia et al. 2006). Consequently, increased women's power within the family unit has enabled them to challenge the family status quo resulting in renegotiating consumption decisions and expenditure patterns within the family (Lee and Beatty, 2002). This renegotiating may be resisted by the husband, leading to conflict and the wife exerting resistance through various acts of consumption.

This research explores how purchasing choices are renegotiated by immigrant women as they transition in their cultural roles from a wife within a patriarchal consanguine family to a nuclear family based on equality. In particular, by focusing on the immigrant wife we will illustrate how various acts of consumption offer these women not only a means to resist their husband's patriarchy but also assert their power within family purchases.

BACKGROUND

Employment offers immigrant women further opportunities to earn money, potentially creating a change in the dynamics of their relationship and the power balance within their family, enabling them to gain greater control over their lives (Dona and Ferguson, 2004; Hondagneu-Sotelo and Cranford, 1999). Considering this opportunity, African male immigrants resort to traditional perspectives of gender roles, assuming responsibility for providing financial resources for their families, whilst the females are expected to maintain domestic chores in the role as the wife (Daley, 2007; Ishii-Kuntz and Maryanski, 2003). Consequently, immigrant females are encouraged to take private, personal roles, with little control over their lives and frequently having lower earning power and status (Borak, 2005; Lee and Cochran, 1988; Reid and Diaz, 1990). Yet, as Noor (1999) notes, although immigrant men are agreeable to the idea of having spouses that are employed, because it increases family income, many are reluctant to share household duties, leading to possible conflicts. Consequently, the immigrant wife's previous belief in patriarchy may now no longer be seen as a static construct, even within a group sharing similar class and ethnic characteristics, resulting in challenging traditional gender roles. This may then lead to renegotiating pre-existing rules and scripts that regulate gender relations, between husband and wife.

Vogler (1998) notes that although there have been numerous literatures relating the discussion of money, power and inequality within marriage, evidence suggests that it has failed to produce extensive understanding of how power operates within the household. For example, research by Barker and Robert (1993) identifies gender inequalities within marriage assumes power plays are an important casual role, however the concept of power is implicit rather than operationalized and investigated explicitly. More specifically research on money in the household operates within an explicit concept of power but tends to be narrowly defined as decision-making. Previous work by Vogler and Pahl (1994) showed a link between the methods couples use to organise money within the households and power and their sense of control over decision-making. However, Vogler (1998) later criticized this for not being based on a fully worked out theory of marital power, which explains, rather than simply describes, the empirical connections. The recognition then of the importance of money as a source of power represents an important aspect of understanding how marital decision-making amongst immigrants evolves, possibly leading to conflict and acts of resistance by the wife.

Should women then be seen as passive receptors of their male spouse's economic resources? The notion that changing economic resources can empower women within the family unit has been shown to increase the magnitude of family power exerted by wives (Eggebeen and Uhlenberg, 1985). Changes to women's economic status, including access to education, work, etc. has resulted in challenges to prior beliefs about the role and purchase influence of each family member (Commuri and Gentry, 2002; Xia et al. 2006). Consequently, increased women's power within the family unit may enable them to challenge the family status quo through renegotiating consumption decision-making process within the family unit (Lee and Beatty, 2002). What is not clear from previous research is the extent that this challenging of the status quo, within a married couple, by immigrant women leads to conflict, resistance and resolution.

METHODOLOGY

To understand how immigrant women's changing economic status affects marital purchasing choices, possibly leading to acts of consumer resistance, a qualitative approach was used to capture the complexities of the lives of first generation Nigerian immigrants living in Britain. Nigerians represents one of the largest African groups, out of a population of 485,277 Black Africans living in Britain (Office for National Statistics, 2010). Participants consisting of 10 first-generation Nigerian married couples (10 husbands and 10 wives) living in Britain were recruited from London and Manchester, exceeding the "suggested minimum of eight for generating cultural themes and categories", achieving theoretical saturation (McCracken, 1988, p.17).

Participant interviews were conducted on a sequential basis. Each female participant (wife) was interviewed twice; first the wife and husband were interviewed to hear their shared story about life in Britain, their decision-making process and how they consume. The interview was then transcribed, notes written up and then analyzed. Following this process the wife was then interviewed separately, at a later date, with similar topics asked and clarification sought on points raised from the first interview. The purpose of this second interview was to partially note how female participant narratives changed (if at all) and explore the reasons why. This approach allowed for the identification of any perceived cultural subservience in their relationship and home.

The interviews were conducted by one of the author's who identified herself as a second generation female, Black, Nigerian. As this author does not speak a Nigerian language all the interviews were conducted in English. Interviews ranged from ninety to one hundred and eighty minutes, attributed to the emergent issues of being a Black woman in Britain but also reflecting on the time and narratives needed to ensure participant trust in the interviewer. The interviews were transcribed, and the subsequent data analysed, with the coded data sheets annotated to identify comparisons, metaphors and tropes in the data. Once completed the authors then compared their analysis, with particular attention given to the researcher's own cultural biases affecting the data interpretations.

FINDINGS

Setting the context- the Nigerian concept of family, with the patriarchal male, providing for his family, was one that all the female participants actively supported. In many respects participants' willingness to support their husbands is reminiscent of Qualls (1987) observation of wives maintaining traditional gender roles. However, where Qualls (1987) describes this as a passive approach to gender relations, our participants revealed their willingness to conform was not from a position of weakness. Instead conformity to Nigeria marital roles appeared to be selective, with participants reflecting on the financial power that their employment offered them. Complimenting this was the continued exposure to British cultural values of gender equality, which offered moments for personal reflection, motivating these women to question the current status quo. For example, Nicola stated '*Sometimes I find myself asking the question, 'Ah, I'm a professional woman in Britain, I have all these skills, yet when I'm home I have to behave [in] a completely different way!' So you can see where frustration can set in.*'

The need for conformity- participants noted how some purchasing choices encouraged conformity to prescribed gender roles, reflecting previous research into conflict and resolution strategies. Sheth (1974) notes that family consumption decision conflict arises as a result of differences in purchase goals and perceptions regarding decision alternatives. In some instances participants actively sought out a resolution strategy in their decision-making. For example, Patience actively consulted with her husband over a sofa purchase, as he was expected to finance the purchase, '*Well I consulted him on many occasions to buy it, but you know men when it comes to certain things, especially house things they are not bothered like that*'. This is indicative of Sheth's (1974) persuasion conflict strategy. Patience's recognition of her husband providing the finance is seen as recognition of his position within the family. In doing so, Patience satisfies her own concerns (purchasing a new sofa) in an act of assertive conflict resolution. In another example, Emma demonstrated a problem solving resolution strategy (Davis, 1976; Sheth, 1974) noting how an initial objection from her husband to a purchase a computer, was resolved through slowly reintroducing further information until he purchased the computer.

Resistance through necessity- the use of products as a means of expressing resistance and consequently renegotiating marital gender roles was often justified by participants by necessity. Husbands often worked long hours and household chores, previously deemed to be masculine roles, such as buying gardening tools, house repairs, needed to be undertaken. Consequently, the wife would organise and execute the decision to undertake these tasks, effectively using consumption as a means to assert not only their own gendered identity as a woman but also undermining the husband's patriarchal position. Amongst all participants this was the most dominant form of resistance that rejected gendered identities on products that the

husband would normally purchase; for example, Sarah-replacing an old television set, Edna replacing an old computer, and Jane purchasing materials for a new curtain rail and organizing for builders to install it, effectively demeaning her husband's role.

Resistance through subversion- whilst resistance through necessity served to renegotiate marital roles, in many consumption instances the wife actively sought out ways to subvert the husband's authority within the family unit. In doing so, participants actively desired to assert their authority from a personal, family and wider societal perspective. From a personal perspective, participants' use of consumption as subversive acts of resistance ranged from products that asserted a sense of feminine identity (such as clothing and shoes, for example; Emma, Selina) through to white and brown goods (televisions, and furniture; for example: Nicola and Patience). Acts of resistance that challenged marital roles often led participants to involve their children in their acts of resistance, effectively demonstrating the mother's increasing sense of authority within the family. Such acts ranged from publicly demonstrable (such as taking the children for an all day clothes shopping trip-Emma) through to purchasing high cost, electrical products, solely for the child's use (for example, Edna- computer for daughter, Nicola-Nintendo DS for her son). For example, Jane addressed her husband's perceived favouritism in the family by purchasing a laptop for her son, contrary to her husband's wishes, effectively renegotiating her position and power within the family.

In some instances, participants actively engaged in consumption acts that publicly challenged their husband's patriarchal position within the Nigerian community and British White society. Participants commented that within the Nigerian community there was a need for the wife to publicly support and reinforce her husband's patriarchy. Whilst this need was widely recognized, in some instances participants actively challenged this by purchasing clothes, without their husband's knowledge, that publicly demonstrated the wife's resistance within the public setting. For example, Emma secretly bought a black dress to wear to a party within the Nigerian community, instantly dismissing her husband's negative opinion.

Resistance through confrontation- whilst participants' use of market generated products allowed them to subversively resist their husband's patriarchal authority, in other instances participants openly confronted their husband's authority. This sense of confrontation was not necessarily planned but the husband's reaction resulted in the participant publicly challenging and asserting her empowered position with the family. Whilst these acts were not as prevalent as subversive acts of resistance, they typically manifested around the production and consumption of food. For example, Nicola described an incident with her husband over dinner choice, dismissing her husband's rejection of the food by expressing her resistance through eating it herself.

At other times participants, empowered by their husbands to make purchase decisions, often went against their wishes, directly challenging their patriarchal power. For example, Shirley was requested to buy a specific set of wood-work tools for her husband, made her own purchase decision on which tool brand to purchase, contrary to her husband's wishes. Consequently, her husband demanded she return the tools, and bring the refunded money home. Shirley obtained the refund and then used the money to purchase herself a pair of shoes, again contrary to her husband's demands.

Resistance through hiding- in some instances participants' resistance was neither publicly or privately demonstrated but instead occurred quietly, without any intention of informing the husband. Such acts of resistance allowed participants to express their individuality. In the majority of participants this typically manifested in food purchasing and production. Time demands and employment ensured that participants often sought convenience food, typically British food that reflected their husband's disapproval of equality and racism within British society. Those purchases symbolically resisted the husband's demands that his wife, children and home become the embodiment of Nigerian patriarchal culture. Food for personal consumption then became an illicit means for participants to take ownership of their lives. However, one participant, Margaret, openly discussed and revelled in how she had overruled her husband's wishes to build a home in his ancestral village, instead purchasing and secretly building a house in the city of Lagos.

DISCUSSION

The premise of this paper was to explore how marital roles are renegotiated by immigrant women through family consumption choices. Whilst Ishii-Kuntz and Maryanski (2003) found that African immigrant males view themselves as the provider was evident, our findings indicate that this role was only partially accepted. Instead our findings show that female Nigerian immigrants actively challenged, renegotiated and circumnavigated marital roles embedded within Nigerian culture (Kandiyoti, 1988; Lim, 1997). Our findings develop this line of enquiry further by showing how female immigrants use products to renegotiate power within the family, with even the most mundane acts of consumption becoming sites of patriarchal resistance. In particular, these findings suggest that acts of resistance appear to be motivated by opportunity. Acts

of resistance transcended family roles, hence participants may engage in act of resistance towards her husband, or actively involve their children in an act of power posturing.

Education, income and age differences, along with social class did not produce notable differences amongst participants' renegotiation of marital roles. Instead, length of residency in Britain encouraged recognition of marital roles motivated by employment opportunities.

Why then did the female participants accept their husband's patriarchy yet offer acts of resistance towards patriarchy? The answer lied in their acceptance of their shared experiences of racism and the negative consequences of racism on their husbands. All the participants acknowledged the pain and struggle their husbands experienced whilst living in Britain. Rejecting their husband's patriarchal role as head of the family would undermine their husband's authority and, potentially, undermine further their self-esteem, which had already been challenged by experiences of racism. Acts of resistance them simply became a means for the wife to temporarily readjust the power balance in their relationship and renegotiate their compromised, gender, identity. Resistance allowed female participants then an opportunity to accept and acknowledge their own psychological and socio-cultural needs, even though they consciously reinforced a patriarchy that, from a Western perspective, may be deemed to be sexist.

References available upon request.

WHAT DRIVES MASS TRANSPORT USAGE INTENTIONS: COLLECTIVISM, ENVIRONMENTALISM, OR PLAIN PRAGMATISM?

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INTRODUCTION

While existing literature talks about the choice between the use of private or public transportation and refers to the economics of transportation like travel times and reliability as well as environmental concerns (See for example VanVugt, Van Lange and Meertens 1996), there is no comprehensive empirical analysis about the drivers of a consumer's behavioral intention to use mass transit systems. The context of this study is to explore the consumer's intention to use of mass transportation systems, as compared to individual transport, using the context of mass rail transit.

Rail transit is an important mode of urban transport, and serves the purpose of decongestion as well energy efficiency in passenger commuting, and providing clean-air transportation systems (Wachs 1993). According to previous studies by Baum-Snow and Kahn (2005) cities with smaller scale light rail systems such as Dallas, Los Angeles, Sacramento, and St. Louis show large welfare gains associated with their rail systems, with over 2,000 aggregate commuting hours estimated to be saved per day. Moreover, public transit expansions may also improve inner city residents' employment prospects (Ihlanfeldt and Sjoquist 1990). While suburban rail transit has emerged as a mode of transport of choice in several parts of the developed as well as the developing world (Rahman 2008), in America we still debate whether it is justified, to the extent of playing down the advantages of the commuter rail services as myths (Rubin et al. 1999).

Baum-Snow and Kahn (2005) claim that rail transit is an especially preferable mode of suburban transit for serving commuter populations that are economically not so well off, and also when population densities in the surroundings of potential train stations is high. Besides, most mode switchers from car to rail are likely to live far from the city center. Students generally have limited economic resources at their disposal and the population density of potential student-commuters is high in the case of large public universities. Hence students in a large public Southwestern American university are taken as the targeted population of interest for this study.

An empirical study was conducted to determine what would motivate students to use the A-train – a suburban rail transit service that was subsequently introduced in summer 2011 for commuting in the Denton-Dallas railroad corridor. The research question is what drives the intention to use the mass rail transit in relation to the perceived usefulness and ease of use, the consumer's concept of personal space and individualism, and the commitment toward the environment.

BACKGROUND

In investigating the behavioral intention to use the suburban rail transit services, this study uses the theoretical lens of the technology acceptance model (Davis, 1986, 1989; Davis, Bagozzi and Warshaw 1989), and the theory of planned behavior (Ajzen, 1991), and the constructs of commitment toward the environment and homebody. The model for the study is based on the following constructs – perceived usefulness, perceived ease of use, attitude, subjective norm, perceived behavioral control, homebody, behavioral tendencies toward the environment, and the behavioral intention to use mass rail transit. Perceived usefulness is defined as the “degree to which a person believes that using a particular system would enhance his or her job performance” (Davis 1989). Perceived ease of use is defined as the “degree to which a person believes that using a particular system would be free from effort” (Davis 1989). The above are derived from the technology acceptance model. Attitude, subjective norm, and perceived behavioral control are adapted from the theory of planned behavior (Ajzen 1991). The construct of commitment toward the environment is adopted from Fraj and Martinez (2007). The construct of homebody is adapted from Bruner and Hensel (1994).

The mass rail transit service that the Denton County Transportation Authority introduced in summer 2011, to decongest the Denton-Dallas corridor, does not run directly from the UNT campus. It starts from the Denton downtown. The train does not run up to Dallas city either and passengers have to transfer at a station along the route. This might decrease the perceived usefulness and perceived ease of use components for the potential commuter-consumers. Hence we have the hypotheses:

- H1.** There is a positive relationship between perceived usefulness and behavioral intention to use the mass rail transit.
- H2.** There is a positive relationship between perceived ease of use and behavioral intention to use the mass rail transit.
- H3.** There is a positive relationship between perceived usefulness and attitude toward using mass transit.

- H4.** There is a positive relationship between perceived ease of use and attitude toward using mass transit.
- H5.** There is a positive relationship between attitude toward using mass transit and the behavioral intention to use the mass rail transit.
- H6.** There is a direct and positive relationship between subjective norm and behavioral intention to use the mass rail transit.
- H7.** There is a direct and positive relationship between perceived behavioral control and behavioral intention to use the mass rail transit.

Personal transportation contributes to 26% of the carbon footprint in the United States (Froehlich et al 2009). This brings us to the importance of a commitment toward the environment (VanVugt, Van Lange and Meertens 1996). A concern for the environment is also evident from the lessons in urban transport planning learnt from Los Angeles' third transport crisis of the twentieth century (Adler 1987; Taylor 1992; Wachs 1984, 1993). The metroplex of Los Angeles voted to pay higher taxes in order to support a greener and more sustainable form of suburban transportation, preferring rail transit expansion to the further expansion of roadways and freeways. The emphasis on rail construction and transportation demand management is because of a commitment to cleaner air, energy conservation, and the quality of life by many increasingly important community groups and environmental interests. This has significant macromarketing and public policy impact on the way citizens look at transport systems and possible solutions. Hence the following hypothesis:

- H8.** There is a direct, positive relationship between behavioral tendencies toward the environment and the behavioral intention to use mass rail transit.

There are two complimentary views on national culture (Hall 1976; Hofstede 1980). In the first, Hall (1976) proposes that cultures vary on a context continuum. Lower-context cultures emphasize personal achievement and welfare, discrete encounters, and short-term commitments. Higher-context cultures stress group welfare and harmony, commitment to long-term relationships, and a stronger sense of interpersonal bonds and loyalty. In the second, Hofstede (1980) proposes five dimensions useful in evaluating differences in cultures. The first dimension, individualist/collectivist, is similar to Hall's (1976) context continuum. In individualist cultures (low-context) individuals' accomplishments, ideas, and goals are emphasized. In collectivist cultures (high context) the emphasis is on group norms and values and the welfare of the group. Within these paradigms the United States is classified as a lower-context, more individualist culture (Hofstede 1980). Hence people might perceive traveling in a train with other passengers as an infringement of their private space, and an encroachment upon their individualism. A social dilemma analysis by VanVugt, Van Lange and Meertens (1996) regards the decision to commute by private versus public transportation as a conflict between immediate self-interest and long-term collective interest. Thus the hypothesis:

- H9.** There is a direct and positive relationship between homebody and behavioral intention to use the A-train.

METHODOLOGY

The context for the study was the intention to use the A-train which subsequently commenced services between Denton and Dallas in summer 2011. Respondents were students at a Southwestern public American university. To test the hypothesized relationships, data were collected through a paper based in-class survey. The survey instrument was reviewed by six academics for content validity. Based on their oral and written comments, the survey instrument was revised before conduct of the study. Preexisting scales from the extant literature were contextualized to fit this study whenever possible. The scale items for the construct "behavioral intention" were modified from Amin (2009). The scale items for the independent variables were adapted from different sources. The scale items for the constructs of perceived usefulness, and perceived ease of use were adapted from Seeman and Gibson (2009). The scale items for the constructs of attitude, subjective norm, and perceived behavioral control were adapted from Ajzen (1991) and Malhotra and Galletta (2005). The scale of commitment toward the environment is adopted from Fraj and Martinez (2007). The scale of homebody is adapted from Bruner and Hensel (1994). Each construct was measured by 3 to 13 scale items.

RESULTS AND DISCUSSION

578 students participated. Ten responses were invalid because all or most questions were left unanswered. 568 valid responses at a response rate of 98.27% were analyzed. Anderson and Gerbing (1988) suggests that in structural equation modeling, a sample size of 150 is required to obtain parameter estimates that have standard errors small enough to be of practical use. This criterion was met by this study. Of the valid responses, 56.2% were males, and 41.2% females. 88.2% students were in the age group of 18 to 25 years, and 66.4% were in their junior or senior year in college. 88% owned a car,

59.9% said they have used a rail transit service before, 21.3% lived in the university dormitory or housing and 51.4% usually traveled in the direction of the A-Train from UNT.

To validate the used measures, first exploratory factor analysis was conducted using SPSS 13.0. The resulting sets of items were analyzed via confirmatory factor analysis using LISREL 8.8 to verify unidimensionality. The homebody construct loaded on two distinct dimensions – I and II that may be respectively interpreted as gregariousness and collectivism based on the scrutiny of individual scale items that compose the homebody construct.

The Tucker Lewis Index or non-normed fit index (NNFI 0.95), the comparative fit index (CFI 0.96), the incremental fit index (IFI 0.96), the relative fit index (RFI 0.95), the root mean square error of approximation (RMSEA 0.067), and the critical N (256.48) each indicate a good fit. These indices meet or exceed the critical values for good model fit in the sample. These indices meet or exceed the critical values for good model fit in the sample. The one exception is the chi-square statistic, which is significant ($\chi^2 = 60806.67$, $p < 0.01$). However, in studies with large samples, it is commonly accepted that the chi-square statistic will reject valid models (Bagozzi and Yi 1988).

The reliability and convergent validity of the measures were then assessed. Individual composite reliabilities are calculated using Fornell and Larcker's (1981) suggested procedure, and the average variance extracted (AVE) for each construct is calculated also using the procedure suggested by Fornell and Larcker (1981). All of the factor loadings are significant, and composite reliabilities range from 0.72 to 0.96. Most AVEs range from 0.56 to 0.85, above the recommended 0.5 level (Bagozzi and Yi 1988; Fornell and Larcker 1981). However, the AVE for the homebody construct's dimension-I is 0.40.

Structural equation modeling was performed to analyze data and theoretical relationships between constructs. Perceived behavioral control dropped out at the initial exploratory factor analysis stage. At the confirmatory factor analysis stage, all the remaining hypotheses found support except the Dimension-II of homebody. Support is thus found for H1, H2, H3, H4, H5, H6, H8, and H9 (Dimension-I only). Hypotheses H7 and H9 (Dimension-II) are not supported.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

The significance of subjective norm, gregariousness (interpretation of homebody Dimension-I), perceived ease of use, perceived usefulness, attitude toward use of mass transit, and commitment toward the environment in explaining the motivation behind the choice of public transit over private modes of transport is important. This implies that peer pressure, environmental commitment, and an individual's personal perception of benefits of using public transit are significant drivers of the intention to use mass modes of transport, despite the United States being a "lower context" individualist society. This is key in word of mouth and other viral forms of communication in the adoption of a service with public policy ramifications, and could be investigated more thoroughly in future empirical research. The importance of environmental behavior implies that promoting a service as a sustainable or "green" service among the environmentally conscious Generation Y could be helpful. In light of the importance of the social psychology angle of consumer behavior, this study is expected to have a significant contribution in the macromarketing and public policy area.

References available upon request.

BUILDING UNDERSTANDING OF THE DOMAIN OF DESTINATION IMAGE: A REVIEW

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ABSTRACT

Research on the image of destinations began in the early 1970s with Gunn's work in 1972 on how destination image is formed and Hunt's work in 1975 on how destination image is measured which since then and after destination image today remains one of the prevalent topics among researchers (Stepchenkova and Morrison 2008; Gallarza et al. 2002; Pike, 2002). While the topic of destination image is popular among authors in human science disciplines, it is difficult to define what a 'destination image' exactly is, as this term has been defined and used differently in a variety of contexts and disciplines (Gallarza et al., 2002; Pearce, 1998; Echtner and Ritchie, 1991).

Destination image is frequently described as simply impressions of a place or perceptions of an area. Hunt (1971) defined image as perception held by potential visitors about an area. Um and Crompton (1990) defined it as a gestalt of holistic construct. A more integrative definition was given by Echtner and Ritchie (1991) as the sum of beliefs, ideas and impressions that a person has of a destination (Tasci and Cartner 2007). However, there is no clear definition of destination image regardless of the papers and each author looked into the topic from some aspects and from different disciplines.

The universally acknowledged importance of destination image has led to a substantial body of research on this topic. Not only in the field of tourism, but also in several other disciplines, including geography, environmental planning, psychology and marketing has been carried out significantly (Echtner and Ritchie 1991) from different approaches and perspectives (Gallarza et al. 2002). All the authors believed that they can promote the destinations through destination images but don't really explore the way that how people construct the image of places over time. Then the marketing perspective could be another good way to study the topic from a consumer behavior field.

This paper recapitulates the history of destination image from the early year into different stages. The objective of this paper is to provide an overview of destination image research based on a combination from tourism, marketing and consumer perspective. In order to provide a more comprehensive theoretical framework of destination image, a conceptual model from tourism and marketing perspective will be developed based on previous literature. In doing so, this paper provide an integrative review of the existing literature and suggest a conceptual model, and propose some ways that such an understanding of destination image from these new approaches can be implemented into researches and policy decisions.

In the pre-internet era destination marketing organizations (DMOs) were effective and influential in media content placement and in the coordination of destination positioning initiatives, but since the internet arrived the centralized control over destination information dissemination is almost impossible (Grover and Go 2003). Therefore, it is necessary to research and redefine the role of internet and ICT in shaping destination image. The marketing and consumer behavior researchers should go so far as to highlight the new consumer of the postmodern era. The world is more complex and filled with a variety of consumer who are ontologically disparate and who polysemically read the world around them in exceptionally nuanced and oftentimes orthogonal ways (Batat 2011). Then a conceptual framework regarding destination image should be develop in order to indicate a new perspective of postmodern research in marketing and consumer behavior. A conceptual framework that is useful in consumer research and can be used in managerial implications.

References available upon request

Session 2.1. When Firms Get Talkative: A Look at Corporations and Social Media

Session Chair: Kirk Plangger, Simon Fraser University, Canada

A Cross-Cultural Drive to Innovation: Phronetics from the Field

Ginger Grant, Sheridan Institute of Technology & Advanced Learning, Canada

LIKE it or not - Social Media Marketing in B2B-Companies

Stefanie Paluch, TU Dortmund University, Germany

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Usage and Importance of Social Media for Corporate Communication and Stakeholder Dialogue

Lina Gomez, Universitat Jaume I de Castello, Spain

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A CROSS-CULTURAL DRIVE TO INNOVATION: PHRONETICS FROM THE FIELD

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ABSTRACT

In order to build and sustain global brands, many organizations have moved beyond the bounds of traditional business thinking to incorporate an interdisciplinary approach to innovation. Marketing experts have recognized for some time that the field incorporates theory and practice from many disciplines other than the subjects taught in a traditional business school, for example: psychology, sociology, communication, semiotics, anthropology, design, urban geography, visual analytics, etc. and the relatively recent addition of behavioral economics. However, in the context of today's emerging global network economy, the proliferation of participatory online social platforms, and the open source movement, there is also a drive towards attaining an even deeper understanding of how brands can retain their essence while at the same time delivering contextual relevance to (and meaningful interaction with) customers around the world (Do, 2009). In this brief paper, the potential of using aspects of archetypal psychology (from the writings of C.G. Jung) and phronesis, a concept put forward by Aristotle, may produce a methodology that leads to enhanced communication across cultures.

INTRODUCTION

“How do I know what I think until I see what I say?”

– Karl Weick

In order to build and sustain global brands, many organizations have moved beyond the bounds of traditional business thinking to incorporate an interdisciplinary approach to innovation. Marketing experts have recognized for some time that the field incorporates theory and practice from many disciplines other than the subjects taught in a traditional business school, for example: psychology, sociology, communication, semiotics, anthropology, design, urban geography, visual analytics, etc. and the relatively recent addition of behavioral economics. However, in the context of today's emerging global network economy, the proliferation of participatory online social platforms, and the open source movement, there is also a drive towards attaining an even deeper understanding of how brands can retain their essence while at the same time delivering contextual relevance to (and meaningful interaction with) customers around the world (Do, 2009). In this brief paper, the potential of using aspects of archetypal psychology (from the writings of C.G. Jung) and phronesis, a concept put forward by Aristotle, may produce a methodology that leads to enhanced communication across cultures.

It is in the spirit of this exploration that I pose two interconnected research questions: (1) Can image be used to deepen our cross-cultural understanding of beliefs, attitudes and needs of consumers/prosumers and (2) Can visual aspects of communicating phronesis be used as an starting point for emergent research methods. These research questions will be explored in an applied research project to be undertaken over the next year.

THEORETICAL FRAMEWORK

The relationship between big business and the Jungian community has, to understate the obvious, been marked by mistrust on both sides. Many in the Jungian community believe that big business operates from a non-existent or very weak ethical foundation. Jungians believe that life, whether individual or collective, is about the search for meaning, bringing the “profit and progress” mantra of numerous big businesses and global brands into question. On the other hand, many in the business community believe Jungian or archetypal psychology is at best a fad and at worst sheer nonsense. The potential for misunderstanding and friction is evident.

However, the situation should also indicate the potential for creative discourse, particularly as it relates to cross-cultural marketing in a global context. What use is this potential interdisciplinary approach? The intersection point lies in the search for universal meaning. Both sides may expand their mutual understanding and awareness of each other's approach to bringing “meaning” to their activities and respective communities.

Today, successful organizations need to determine and clearly communicate the foundational archetypal meaning system of their brands in this open and collaborative environment wherein their global alliances, suppliers and customers are viewed as co-creators – participating in making the practical elaboration of a universal brand both personally meaningful and locally relevant.

Holt and Cameron (2004, 2010) believe that incorporating a cultural emphasis that includes society, culture and politics enables brands to stay relevant. The growing importance of utilizing a multi-disciplinary, cross-cultural developmental stance becomes a primary consideration in global branding. Culture can be considered the fabric of meaning by which we interpret our experiences and guide our actions (Steers et al, 2010). To incorporate individual experiences of culture across a global spectrum, we require a communication tool that allows for this both/and approach to local and global interpretation of a brand. Such a communication tool can be found in the use of image, as visual rhetoric.

Our experience of culture is linked to brand essence through the use of image. Jung believed in the power of working with images and stated that the symbolic process is an experience in *images and of images* (CW9i: 81). If we utilize both the old and the new, a simplified model can be constructed that will allow a marketer to move through these nuanced complexities and still hold the paradox of the opposites, local and global.

First, what matters?

If we adopt Jung's hypothesis for the purposes of this discussion, there exists then a pool of core values that is shared by the human race. This pool of common core values, Jung termed the collective unconscious. Jung believed that, unlike the personal unconscious, this pool of values and pre-existent forms, or archetypes, was a second psychic system of a collective, universal and impersonal nature. (Jung, CW9i: 90). Nevertheless, it operates on an individual level in each human being.

For further clarification, let us define what is meant by an archetype. The notion of archetype comes from Ancient Greece. The Barnhart Dictionary of Etymology translates arche as "first" or "primal" and typos as "stamp." A theory based on archetypes attempts to access the first ideas, primal imprints, or first principles of humankind. It is from such a deep extensive examination that the phrase "depth or archetypal psychology" originates. Jung also classified archetypes as having the form as well as the meaning of mythological motifs, which appeared in pure form in fairytales, myths, legends, and folklore.

As a 'first stamp', archetypal psychology is interdisciplinary, multivalent, and lends itself well to the exploration of different levels and contexts of relationship—individual consumer, tribe, city or nation. It can provide a nonthreatening framework for investigation, whether into the realm of brand essence or the depths of the human psyche. Archetypal psychology can provide an inclusive environment of exploration based on a both/and approach to business challenges rather than the often divisive either/or approach so often characteristic of corporate milieus. Any examination of an archetype includes both extremes, a multiple lens is created thereby expanding, not limiting, the field of potential. To view business from an archetypal lens encourages the perspectives of both local and global economies and ensures the primacy of relationship by preserving such multiple views (Grant, 2005).

Published in 1959, Jung described his research findings from the previous decades on what he termed "archetypes of transformation". Unlike personified archetypes (such as hero, lover, sage, child), these abstract forms of energy Jung described as "not personalities, but are typical situations, places, ways and means, that symbolize the kind of transformation in question. Like the personalities, these archetypes are true and genuine symbols that cannot be exhaustively interpreted, either as signs or as allegories." (CW9i: 80). Zaltman explored the same manifestations of energy which he called 'deep metaphor' (2008) and maintained that they are the key to understanding consumer behaviour.

Lastly, what is meant by value? Values are prioritizing, conceptual packets of energy, which drive both perception and motivate behavior. They account for the power or passion that an archetype or image has for a given individual. As with archetypes, values are basic to the human condition regardless of culture or situation (DeCiantis & Hyatt, 2011).

Second, what method?

To best answer the initial two research questions posed, my goal will be to build theory through observations and participatory interviews rather than test theory. The purpose of this study will be to explore the beliefs, attitudes and needs expressed through the use of image by self-selected participants in a trans-media environment and/or crowdsourcing. The ensuing identification will provide data for both analysis and dialogue. This process incorporates both *theoria* and *praxis* – what Aristotle termed *phronesis*, generally translated as 'practical wisdom'. Aristotle believed that *phronesis* was 'concerned with acts that are just and admirable and good for man' (2004: 162). Using Flyvbjerg's critical questions combined with the use of image will provide a rich ground for development.

Flyvbjerg (2001, 2012) posits that the principle objective for social research with a phronetic approach is to perform analysis and interpretation of values and interests aimed at social change. Four critical questions are offered as a baseline.

- (1) Where are we going?
- (2) Who gains, and who loses, by which mechanisms of power?
- (3) Is this development desirable?
- (4) What should be done?

Starting from the place of brand essence, we are attempting to define a qualitative nuance that sometimes is difficult to express in language, which by its very nature, limits our expression of knowing. Turning to the use of image allows for an expanded and more complete understanding of brand essence. Two people could simply share an image or images based on their interpretation of the meaning. Rather than prescribing what is used as an acceptable image, the request is open-ended – allowing each individual a full range of expression that could result in practical wisdom, phronesis, that is ‘good for man’.

The images are ambiguous, and evoke different meanings for each individual but instead of viewing this as a limitation, this study understands this characteristic as a strength which adds value to the process. The cross-cultural interpretation of values inherent in the brand become immediately apparent. The image becomes a vehicle for cross-cultural communication in that it provides a starting point whereby each individual claims a personal interpretation as to how that image relates to the brand, and which interpretation is subject to content analysis for both thematic and values identification. To claim a personal interpretation is also to claim responsibility for the self, to be willing to step away from collective beliefs and stand firm on potentially new ground which then can be integrated through successive iterations into a new collective belief (Nonaka & Konno 1998, Nonaka & Royama 2007). Jung believed that this process, which he called individuation, necessary to advance consciousness. In branding, such an advance in consciousness could be considered the visual expression of brand essence.

Proposed data collection

Images chosen by the participants would be collected and used as ongoing reference. Both images and values data will be collected from the crowd sourcing process. Scenario planning (Van der Heijden 2005, Chermack 2011) will be used to explore and further this process of phronetic dialogue with smaller groups. The resulting data will then be subjected to a process of visual analytics to discern possible archetypal meanings and/or patterns.

IMPLICATIONS FOR FUTURE RESEARCH

Today, the secret to winning brand loyalty is understanding and responding to a customer’s contextual stance and maintaining the core value or ideology of the brand. Fluid demographics demand the incorporation of a core value system capable of supporting both local and global perspectives, as well as an organic methodology capable of containing both old and new priorities. The use of an archetypal approach provides insight into the ability to maintain this tension of the opposites, to work, grow and prosper in an environment of paradox. Archetypal psychology infers a phenomenological view, allowing for a participatory process rather than a definitive result; it values experience over things. Thus, this way of thinking was replicated in experiential marketing practices popularized by Pine and Gilmore in 1999. It was a welcome beginning towards the complex and intangible aspects of branding practice.

Using an archetypal or values-based approach is a vehicle that can contain the complexities of global branding by bringing awareness to the “sub-stance,” to what it is that stands under the current branding practices. Archetypal theory can assist in materializing the seemingly intangible cultural interpretations of a brand; the essence of the brand becomes newly visible, even to and especially to those responsible for creating it. Finally, an archetypal paradigm offers the possibility of an integration point between the world of business branding and the world of psychological (individual) and cross-cultural (collective) theory that will better serve both communities through the use of phronetic dialogue. Such dialogue may lead to value creation by finding an unfilled customer need or the creation of a new offering entirely (Nonaka & Toyama, 2007). Utilizing a phronetic lens makes the move from knowing ‘how or what’ to knowing ‘why’.

There are some business schools that are moving towards a multicultural managing-by-values approach to global management. The importance of values and values-driven behavior has been explored in the context of organizational development and design-driven innovation (Argyris 1971, Amabile 1996, Nonaka & Konno 1998, Cunliffe et al 2002, Grant 2005, Morgan 2006, Dolan et al 2006, Nonaka & Toyama 2007, Raich & Dolan 2008, Verganti 2009, Keller & Price 2011,

Plattner et al 2011, DeCiantis & Hyatt, Flyvbjerg et al 2012). Further study is needed to explore the relational dynamic between archetypal values (as an expression of moral or ethical belief), phronetic dialogue and innovation.

An applied research project is currently underway to test this meta-methodology. This paper outlines the preliminary approach for exploration and discussion purposes. A much more comprehensive review will be conducted based on the research findings and specific research and data collection methodologies will be utilized that reflect the issues that emerge from the phronetic dialogue.

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LIKE IT OR NOT - SOCIAL MEDIA MARKETING IN B2B COMPANIES

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ABSTRACT

Social-media marketing is growing rapidly. Social media tools such as blogs, wikis and networks like Facebook and Twitter are quite common in the business-to-consumer context. However the adoption of social media in business-to-business companies is still in an early stage due to privacy, security and content ownership concerns. The aim of our paper is to investigate the current use of social media tools in B2B companies and to analyze potentials and challenges of social media activities in the capital goods industry. We aim to develop managerial implications for B2B companies of how to implement social media activities and how to use social networks effectively for communication and customer retention.

References available upon request.

USAGE AND IMPORTANCE OF SOCIAL MEDIA FOR CORPORATE COMMUNICATION AND STAKEHOLDER DIALOGUE

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INTRODUCTION

With the popularization of social media, companies have had to change their communication strategies and approach to attract customers. Social media are web-based media and mobile technologies for social interaction and communication, and it can include social networking sites (Facebook, LinkedIn), micro-blogs (Twitter, Tumblr), blogs, wikis, video sharing sites (YouTube), among others. Social media has a powerful advantage in letting users contribute and share information and ideas, in different ways that were never achieved before with traditional media. In other words, it presents a wide range of new sources of online information that are created, developed, shared, and commented on by consumers in order to know and learn about products, services, issues, and brands (Blackshaw & Nazzaro, 2004). Therefore, social media is an excellent tool for companies to generate stakeholder dialogue and engagement (Fieseler, Fleck, & Meckel, 2010; Du, Bhattacharya, & Sen, 2010). Using social media for communication presents also great benefits for companies such as competitive advantage inexpensive collaboration, real-time communication, and online archiving (Pressley, 2006, as cited in Schneider, Stieglitz, & Lattemann, 2007; Mangold & Faulds, 2010).

Nowadays stakeholders are taking a proactive role since they are requiring companies to communicate better about products and services. Therefore “marketing activities should be done in a such way that they not only benefit the organization but also the organization’s stakeholder” (Bronn, 2011, p.11). Hence, through social media channels, companies can create and promote two-way asymmetric and symmetric communication processes where they can involve and engage stakeholders in discussions that can benefit both parties.

Few investigations have studied how corporations nonprofit organizations are using social media for communication and stakeholder dialogue, but they only have focused in one social media at a time such as Facebook (McCorkindale, 2010), Twitter (Rybalko & Seltzer, 2010) and corporate blogs (Sweetser & Metzgar, 2007). This study analyzes the frequency of use of two social media platforms for corporate communication and stakeholder dialogue. Facebook and Twitter were the two platforms used due their popularity and wide use by people around the world.

METHODOLOGY

This study carried out a content analysis (Babbie, 1992) of Facebook and Twitter official profiles of the 50 most admired companies from the Fortune list of 2010. Official corporate profiles on both Facebook and Twitter were analyzed between December 1, 2010 and January 31, 2011. All corporate posts and tweets published during this period were taken into account for coding and analysis. Post and tweets were manually examined to determine the frequency usage of these platforms and the presence of companies’ feedback. Messages were also evaluated for the presence of issues and topics that enhance corporate communication including corporate social responsibility, communication of annual reports or achievements, philanthropy initiatives, awards, and messages promoting discussions.

In order to find active accounts, company’ websites were searched; most of the companies (74%) had a prominent link to their Facebook/Twitter account on the corporate homepage. To find the remaining accounts, a search was conducted on Google and the Facebook/Twitter engine. Some companies had more than one Facebook or Twitter official profile (for example the official corporate profile, the news profile, the careers profile, or a specific product profile). If official corporate profiles were not found, news profiles were taken into account for analysis. If there were corporate profiles from different countries, USA profiles were chosen.

RESULTS AND DISCUSSION

Findings showed that the companies evaluated had a greater presence in Twitter than Facebook. From the 50 companies, 43 had an active Twitter account while 39 organizations presented a Facebook account. Regardless that Twitter corporate profiles had less followers (160,510 average) compared to Facebook fans (2,104,164 average), the analyzed companies

posted more messages on Twitter than Facebook as shown in [Figure 1](#). On average, companies sent out 32 posts and 146 tweets per month. Therefore, Twitter was employed as a powerful resource in order to inform and communicate about real time issues, letting people connect to the latest information. In addition, an average of only 21 companies posted daily on Facebook and 27 sent daily messages on Twitter. When hosting social media sites, it is important to tweet or post at least once a day; companies should understand that creating a presence in social media requires time and attention for maintaining different social media profiles (Sweetser, 2010).

There was a general trend in the analyzed data that, in spite of using interactive platforms, not all companies were employing these platforms to promote regular feedback. Results indicated that 14 companies on average answered questions on a daily basis on both Twitter and Facebook. However the remaining firms were replying an average of 10 days per month on Facebook and Twitter. This shows that companies had little interest in providing feedback. The results pointed out that social media platforms were employed primarily as another one-way communication channel, missing the opportunities for providing feedback, participation and dialogic communication. There are efforts promoted by several corporations to stimulate feedback through these social media channels, but it requires more commitment to be out there, in the social media world, not only appear for a few days, and then return some time later in the next month.

The presence of subjects for enhancing corporate communication among companies is presented in [Figure 2](#). Corporate Social Responsibility (CSR) was the most reported subject between companies, 32 firms presented messages related to the ample spectrum of CSR. Previous studies reported that only 12 Fortune companies had some sort of reference to social responsibility on Facebook profiles McCorkindale (2010). Therefore, these results pointed out that there is a growing commitment in encouraging CSR initiatives through these social platforms. Social media hence could become a more efficient and interactive avenue to promote two-way CSR online communication than static corporate websites.

Over the course of the two-month period, only 3 companies disclosed their annual reports on Facebook and 6 on Twitter. This shows a lack of commitment by the analyzed corporations in revealing what they have achieved or improved during the year. The same applies for encouraging online conversations through chats or other platforms; just 4 companies conveyed special chat sessions on Facebook, and 5 through Twitter. Through social media, companies and stakeholders can learn from each other, being beneficial for both parties. Creating a strong social media platform can engage and empower stakeholders to communicate and share ideas with the company (Manchester, 2010).

Furthermore communication of awards and philanthropy initiatives were more relevant to present than annual reports or promotion of special chat discussions. It seems that messages where organizations feel recognized were more important to disclose rather than how well companies performed during the year, what they have achieved, or how they worked with stakeholders in order to listen to their opinions.

Findings also indicated that one thing is having a Facebook or Twitter account, and another completely different thing is how well a social media presence is monitored. Having a presence in the social media world requires planning, training, and monitoring, it is more than just opening a Facebook or Twitter account and leaving it in the hands of interns.

In sum, a pattern of one-way communication was observed within the Facebook and Twitter profiles. This could be due to the lack of engagement and participation of the companies at the moment of posting and tweeting corporate messages. Therefore, a multi-participatory approach is required in order to maintain a successful social media presence. Organizations should not only use these platforms because it helps them to communicate about different topics, but also for building and maintaining stakeholder relationships. But in order to achieve this, corporations should first promote stakeholder engagement. One way of promoting stakeholder involvement is to have a real and genuine presence in social media platforms.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

In order to be a successful and admired company, firms should understand well the social media phenomenon we are living today. This study presented the frequency usage of social media platforms of Twitter and Facebook, in addition to the importance than companies place for enhancing corporate communication and feedback. Twitter and Facebook were highly used by the corporations when posting and tweeting, but not at the moment of providing feedback. CSR subjects were more common to disclose among companies, but more commitment is needed to present other relevant topics for enhancing corporate communication. Social platforms seemed capable of providing great advantages to engage stakeholders in two-way communication (Rybalko & Seltzer, 2010). Therefore, this study suggests that companies should communicate messages

more frequently in the social media world. This can lead to fruitful dialogues that reflect stakeholder and multi-stakeholder satisfaction and organization expectations.

Having a real presence in the social media world is an excellent opportunity for organizations to learn about their stakeholders and engage them with the company’s purpose. Organizations need to understand that the combination of new technologies and different ways to work with customers is the successful formula to build a unique social media community in this new world economy. According to the Nielsen study (2011), 53% of active adult internet users follow a brand on social media. Therefore there is a potential niche in social media platforms to engage audiences or stakeholders in conversations. Social media is about relationships, in other words, about people. Therefore, if corporations want to engage in social media, they have to value their employees, customers, and all their stakeholders, and be ready to invest in people (Burkhardt, 2009).

FIGURES

Figure 1. Average of posts/tweets per month

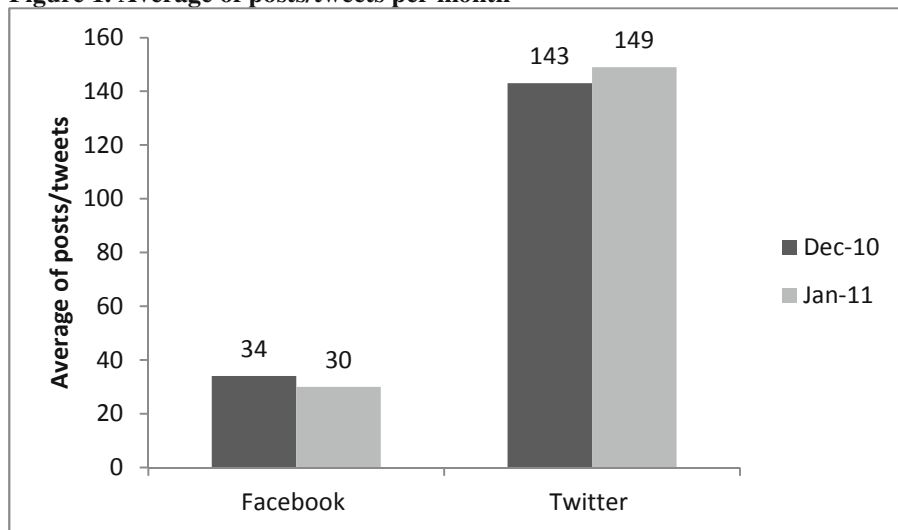
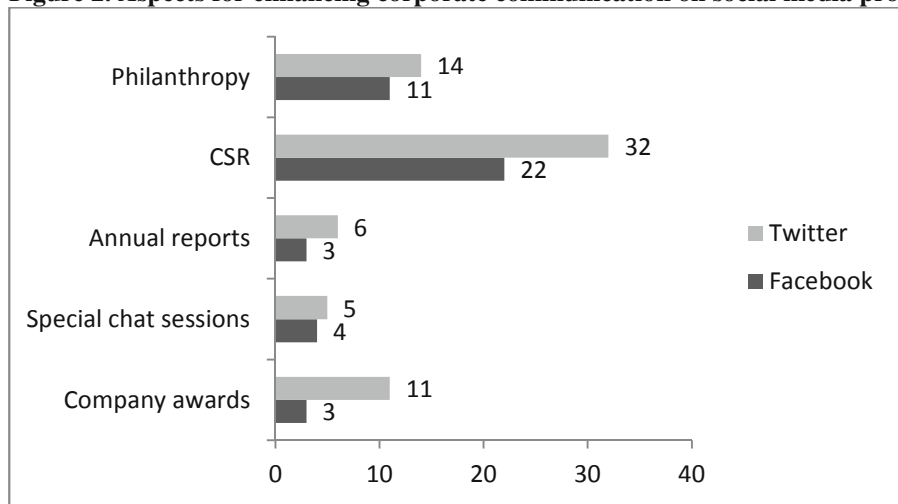


Figure 2. Aspects for enhancing corporate communication on social media profiles



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Session 2.3. Research Issues in Various Markets

Session Chair: Lucas Hopkins, Kennesaw State University, USA

A Structural Equation Model of Credit Card Debt among the Youth Market

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Charles Cui, University of Manchester, UK

Conscious and Subconscious Evaluation of Service Recovery Situation

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Michal Matukin, Human Mind & Brain Applied Research Center, Poland

Christo Boshoff, Stellenbosch University, South Africa

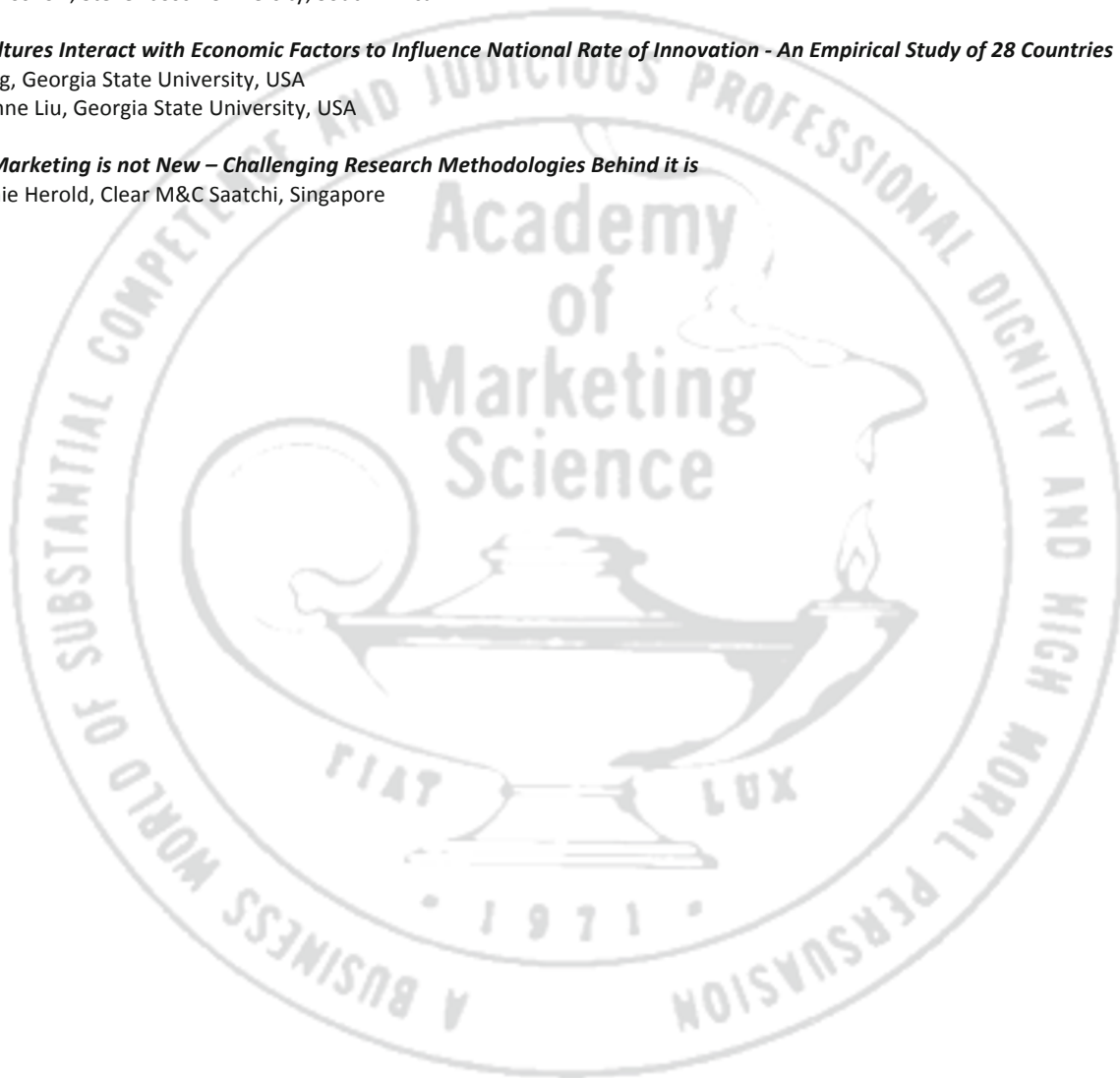
How Cultures Interact with Economic Factors to Influence National Rate of Innovation - An Empirical Study of 28 Countries

Jing Feng, Georgia State University, USA

Leigh Anne Liu, Georgia State University, USA

Ethnic Marketing is not New – Challenging Research Methodologies Behind it is

Stephanie Herold, Clear M&C Saatchi, Singapore



A STRUCTURAL EQUATION MODEL OF CREDIT CARD DEBT AMONG THE YOUTH MARKET

Sandra Awanis, University of Manchester, UK
Charles C. Cui, University of Manchester, UK

INTRODUCTION

Faced with market saturation and intense competition, the credit-card industry has turned to the youth market as the final untapped market segment to sustain profitability. However, the vulnerable status of this market segment means that they might be exposed to debt accumulation and a worrisome future. Correspondingly, marketers are expected to prioritize social responsibilities without posing harm to other stakeholders. In an effort to enrich the knowledge about youth market vulnerability to credit card, this paper reports the development of several important new constructs and a structural equation model with empirical results. Following the theory of planned behavior (Ajzen, 1991), three sequential processes of consumer attitudes and patterns of credit card usage are conceptualized. Our theory argues that attitudes towards deferred gratification and instant gratification function as antecedents to consumer susceptibility to credit card effects, which subsequently affect the degrees of problematic credit debt accumulation. A sequential study of qualitative and quantitative methods was employed and the current paper reports the main results on the validity of measurement and the structural model.

THEORETICAL BACKGROUND

The role of marketing increasingly imposes the importance of marketers to address social responsibility without posing harm to other stakeholders (Gundlach, 2007; Vaaland et al., 2008). In congruence with this the current study looks at how the emerging phenomenon of consumer vulnerability can be addressed by marketers to sustain profitability in a socially responsible way. Specifically, consumer vulnerability represents a recurring theme in marketing ethics that focuses on the incapacitated members of the consumer population and how their well-being could be facilitated in managerial decision-making (Smith and Cooper-Martin, 1997; Cui and Choudhury, 2003; Mansfield and Pinto, 2008).

The problems associated with the targeting of credit cards have been attributed to the fact that the industry is specifically targeting a “vulnerable group” - the youth market (e.g. Smith and Cooper-Martin, 1997; Braunsberger, Lucas and Roach, 2004). However, this view of construing vulnerability causes ambiguity due to its over-generalization by the fact of young age alone. Such ambiguous view of vulnerable consumers has yielded in problematic practice: costly regulations to reduce the rate of vulnerability of a particular group; the limitation of financial freedom of those who are not vulnerable to debt; and a loss of marketing opportunities.

Given these limitations, the current study proposes the need to characterize vulnerability through a topical and contextual approach. This approach is based on the “emic” perspective of social science analysis, which focuses upon understanding issues from the viewpoint of the subjects being studied (Green, 1976; Douglas and Craig, 1997; Luna and Gupta, 2001). Indeed, the recognition of the youth market as a prevailing member of the consumer culture heightens the need for a contextual study in order to provide deeper understanding of their consumption patterns and ideology (Kjeldgaard and Askegaard, 2006; Arnould and Thompson, 2005). Correspondingly, the problem associated with the youth market and debt accumulation transpired previous studies to analyze credit card usage specifically among the young consumers (e.g. Norvilitis et al., 2002; Norvilitis et al., 2006; Warwick, 2000; Roberts and Jones, 2001; Palmer et al., 2001). However, instruments used to assess the youth’s predisposition to credit card debt often do not *directly* convey information about the psychological or cognitive processes that rationalize credit card usage. Rather, many existing measures orientate around existing, indirect measures such as attitudes towards debt (Norvilitis et al., 2006) and money attitudes (Roberts and Jones, 2001). While these efforts shed important light upon the possible predictors and consequences of debt vulnerability, the question surrounding what constitutes the youth’s ideals of credit cards from their own perspectives remains unanswered.

THEORY DEVELOPMENT

In an effort to provide an emic insight of the youth market’s vulnerability to credit debt accumulation, this study adopts sequential mixed methods involving qualitative interviews and quantitative large-scale survey. Specifically, semi-structured interviews with 12 young credit card users (aged 18-25) were conducted in order to allow young credit card users to express and characterize their own credit card usage patterns. The qualitative results were then utilized as the foundation for theory and scale development.

The qualitative study's data analysis has culminated in three important findings: (1) multidimensional attitudes to use credit cards, (2) susceptibility to credit card effects and (3) problematic credit debt accumulation. Ajzen's (1985; 1997) theory of planned behavior argues that preferential attitude towards a psychological object represents a weighty indication of actual behavior. Our qualitative data analysis suggests that young adults form multidimensional attitudes towards credit card usage based on their knowledge of credit card attributes and their accessible beliefs (Ajzen and Fishbein, 2000). We conceptualize these as attitudes oriented towards deferred gratification (frugality, financial credibility and security) and instant gratification (short-term financial support, entitlement and wealth/status symbol). Our qualitative data and further literature review also indicate consumer behavior that signifies a yield towards the temptations of credit card abuse, which we refer to as susceptibility to credit card effects. Credit card effects comprise of firstly the propensity of credit cards to alleviate "pain of paying" during credit card transactions, which makes payments less salient, less memorable and eases the decision to spend (Prelec & Loewenstein, 1998; Raghurir & Srivastava, 2008; Soman, 2001). Secondly, credit cards can induce self-regulation problems (such as spending within budget), since the rewards of consumption take place earlier than the actual payment (Baumeister, 2002; Hoch & Loewenstein, 1991; Oaten & Cheng, 2007). Finally, the easy credit option associated with credit cards give rise to a culture of indebtedness, which create the tendency to disregard debt accumulation as a problem (Lea, Webley, & Levine, 1993; Lea, Webley, & Walker, 1995). The final construct embodies the degree to which an individual's financial actions are deemed as problematic debt accumulation. Our model states that attitudes oriented towards deferred and instant gratification function as antecedents to susceptibility to credit card effects, which subsequently affect the degrees of problematic credit debt accumulation. This theory is depicted in [Figure 1](#) and the hypotheses from this theory are listed below.

- H1: The stronger the young persons' attitude towards credit card to achieve frugality (saving), the less susceptible they are to credit card effects.
- H2: The stronger the young persons' attitude towards credit card to achieve financial credibility, the less susceptible they are to credit card effects.
- H3: The stronger the young persons' attitude towards credit card to achieve security, the less susceptible they are to credit card effects.
- H4: The stronger the young persons' attitude towards credit card to achieve entitlement, the more susceptible they are to credit card effects.
- H5: The stronger the young persons' attitude towards credit card to display wealth and status, the more susceptible they are to credit card effects.
- H6: The stronger the young persons' attitude towards credit card to achieve short-term financial support, the more susceptible they are to credit card effects.
- H7: The more susceptible young persons are to credit card effects, the more likely they are to accumulate problematic credit debt.

METHODOLOGY

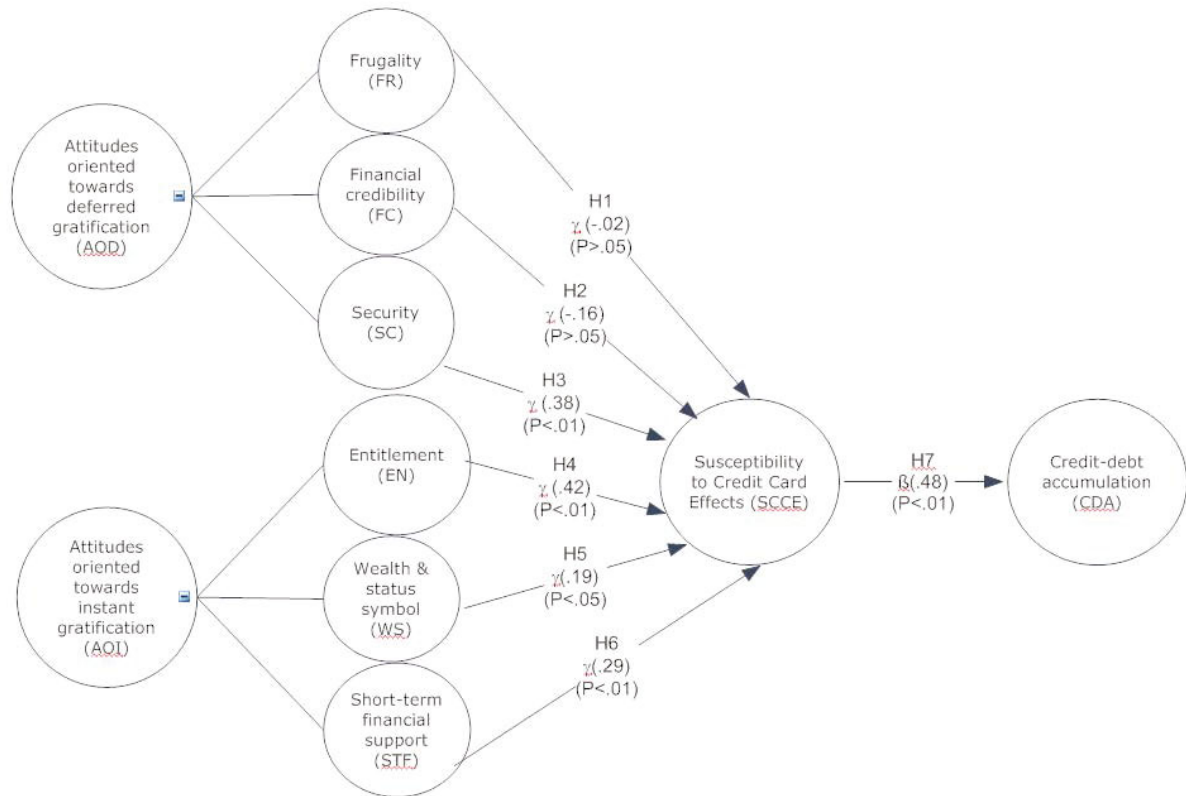
An initial pool of measurement items were rated by senior academics and subsequently pre-tested before being deployed in a large-scale survey. The survey by convenience sampling resulted in 242 responses from credit card users aged 18-25. [Table 1](#) lists the definitions for the constructs (due to page limit, measurement scale items are omitted but are available on request).

Table 1: Construct definition

Second-order construct	Operationalized (first-order) construct	Definition	Source
Attitudes oriented towards deferred gratification	Frugality (FR)	Consumer's preferential attitude towards using credit card to achieve better savings and greater value for money.	Inferred by the researcher from the qualitative data analysis. Adapted from Bernthal et al.'s conception of frugality ideology, and justified through the concept of frugality trait introduced by Lastovicka, Bettencourt, Hughner and Kuntze (1999), who defined it as a lifestyle trait characterised by the degree to which consumers are both restrained in acquiring and in resourcefully using economic goods and services to achieve longer-term goals (p.88).
	Financial credibility (FC)	Consumer's preferential attitude towards using credit card to obtain credit rating and future financing for life necessities such as mortgages and car loan.	Inferred by the researcher from the qualitative data analysis.

	Security (SC)	Consumer's preferential attitude towards using credit card to provide protection and safety of payment.	Inferred by the researcher from the qualitative data analysis.
Attitudes oriented towards instant gratification	Short-term financial support (STF)	Consumer's preferential attitude towards using credit card to provide a temporary source of income when actual income is insufficient to meet basic necessities.	Inferred by the researcher from the qualitative data analysis. Supported by Wickramasinghe and Gurugamage (2011), who used the same concept as motivations for owning credit cards.
	Entitlement (EN)	Consumer's preferential attitude towards using credit card to buy luxury or hedonic-based purchases for self-indulgence and self-satisfaction purposes.	Inferred by the researcher from the qualitative data analysis. Adapted from Berthal et al.'s conception of entitlement ideology, Mick and DeMoss' (1990) theory of self-gift and Boyd and Helms' (2006) arguments that entitlement-based purchases is a manifestation of self-narcissism.
	Wealth and status symbol (WS)	Consumer's preferential attitude of using credit card with better aesthetic characteristics (e.g. premium credit cards) to symbolise a greater degree of prestige, which in turn communicates the cardholder's greater social standing.	Inferred by the researcher from the qualitative research analysis. Supported by Feinberg et al.'s (1992) argument of credit card as a social symbol and based on Solomon's (1983) acknowledgement of product symbolism and semiotics.
	Susceptibility to credit card effects (SCCE)	The propensity to be influenced by the seemingly ease of shopping with a credit card without consideration for the financial consequences. This is characterised by (1) A deviation from 'pain of paying' during credit card transaction, which makes the act of paying easy and guiltless, (2) lack of self-imposed financial regulation, such as checking receipts or internet banking account regularly, and (3) tendency to disregard the fact that debt is a problem that may require a long period of time to pay back.	Inferred from qualitative research results. Justified through existing theories including payment coupling (Prelec & Loewenstein, 1998), perceived risk (Mitchell, 1999) and self-control failure (Baumeister, 2002).
	Credit debt accumulation (CDA)	A situation in which credit card users find themselves gradually building up an unpaid sum of money to the credit card company, as a result of repetitive failure of paying off their credit card bills.	Depicted from the MoneySense program's definition of problematic debt accumulation

Figure 1: Structural equation modeling results



RESULTS

After initial exploratory factor analysis (EFA), the eight constructs and their measurement items were specified in a measurement model and submitted to confirmatory factor analysis (CFA) with LISREL8.80. We followed the criteria recommended in the most recent structural equation modeling literature for assessing the measurement model and the structural equation model (Hu and Bentler, 1998, 1999; Bagozzi and Yi, 2012). The measurement model was estimated by the maximum likelihood method with covariance matrix from the data. This resulted in significant chi-square ($df = 321, \chi^2 = 530.89, p = 0.00$). However, the indices of model fit met with the recommended standards: RMSEA = 0.047, NNFI = 0.94, CFI = 0.93. Examination of the significance of the path coefficients for measure items showed satisfactory values for confirming convergent validity of the constructs. The construct correlations between FR and SCCE and FC and SCCE were not significant. These two paths were fixed and the measurement model was re-estimated. The results showed a slight improvement in the overall model, although RMSEA was slightly heightened ($df = 194, \chi^2 = 308.765, p = 0.00, RMSEA = 0.050, NNFI = 0.96, CFI = 0.94$). Despite the significant chi-square, all the fit indices indicate good fit of the model. Therefore, the measurement scales for the constructs were regarded as valid. The estimation of construct discriminant validity by comparison of chi-square difference of unconstrained and constrained models resulted in significant chi-square difference (chi-square difference = 299.37, $df = 15$), hence showing support for the construct validity. The proposed theory (except H1 and H2, which were being rejected because of non-significant correlations from the CFA results) was specified in a structural model and estimated with LISREL8.80 by maximum likelihood method with covariance matrix from the data. The results showed significant chi-square ($df = 219, \chi^2 = 349.66, p = 0.00$). However, the indices of model fit met with the recommended standards: RMSEA = 0.050, NNFI = 0.97, CFI = 0.97 (See [figure 1](#) for standardized parameter estimates). Hence, the model was regarded as supported.

DISCUSSION, CONCLUSION AND RESEARCH IMPLICATIONS

In presenting the proposed framework, this study aims to present a contextual, emic representation of the young consumer's vulnerability to credit card debt accumulation. To enhance validity and representation of the developed measures, the proposed constructs are subjected to rigorous qualitative and quantitative enquiries. In sequential order, this includes the use of semi-structured interviews to highlight the salient criteria of credit debt accumulation; the involvement of raters to provide a fresh analysis of the proposed scale; pilot-testing and analyzing the scale results using EFA; and re-enhancement of the measure before the final survey distribution. Results from the CFA supported our conceptualization and measurement validity of the scales for the proposed constructs. Results from our structural equation modeling tests suggest that attitudes to specific usage of credit cards influence the degree to which young adults are susceptible to credit card effects. Specifically, those with attitudes to use credit card to achieve short-term gratification are more susceptible to the temptations of credit card use in comparison to those who use it to achieve longer-term gratification. Similarly, susceptibility to credit card effects – which comprises of a deviation from the pain of paying during credit card transactions, lack of financial discipline, and tendency to disregard debt as a problem – are shown to be a significant contributor to problematic debtor.

This study contributes to enhancement in knowledge and managerial practice in credit card market. Specifically, we hope our findings will enrich the field of credit card psychology and its impacts on young consumers. The current study hopes to appeal to credit card marketers to further act upon young adults' vulnerability to credit debt accumulation. In particular, marketers should attempt to rationalize young adults' perceptions of what benefits credit cards can bring to them, in order to lessen susceptibility to credit card effects and subsequently debt accumulation. For example, campaigns directed towards the youth market should not over-emphasize the ability of credit cards to provide self-gratification (e.g. discounts, access to live concerts), symbolize wealth and status (e.g. university emblem on credit cards), as well as short-term financial support (e.g. 0% balance transfer). Instead, marketing messages should promote sustainable usage of credit cards. Furthermore, by providing educational, socially responsible credit card marketing, marketers are a step closer towards meeting the increasing market demand for trustworthy financial services.

References available upon request.

CONSCIOUS AND SUBCONSCIOUS EVALUATION OF SERVICE RECOVERY SITUATION

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ABSTRACT

Contemporary research in the fields of the psychology and marketing studies are more and more focused on the role of emotions in the human behavior (Hogg and Vaughan, 2008). However, the traditional approaches to measure the emotions are susceptible to various distortion and may not fully reflect the real situation. Therefore many authors have been proposed the psychophysiological measures as a complementary solution. Current study investigated the relationship between the self-report measures and the facial muscle activity (EMG) during the human interaction situations where the race factor was taken under consideration. The results for self reports and EMG showed expected discrepancy.

BACKGROUND

The role of emotion in human behavior and in the field of marketing studies particularly, has started to change since the work of famous polish psychologist Robert Zajonc (1980), who argued that emotion has primacy over cognition and can exist independently. The important role of emotion is proven also by the neuroscience studies, based on Antonio Damasio's and Joseph LeDoux's works (e.g. Damasio, 2004; LeDoux, 1996), which have strong influence on our understanding of human behavior and affect. Now the role of emotions in creating/modifying human attitudes and behavior is unquestionable and contemporary doubts are concerned rather on the problem how to precisely measure it (Ohme, 2010).

One of the most popular method of measuring attitudes and behavior in the marketing context are the self-reports, e.g. the questionnaires. However, the reasonable question arises, are those kind of measurements able to fully reach and describe the emotional background of the attitude and behavior as the emotions are complex and have non-propositional structure (Zajonc, 1980; Panksepp, 1998; Davidson, 2004). Self-report measures are based on the conscious declarations whereas, everything that is consciously analyzed is liable to social evaluation or comparison with self-image (Nighswonger & Martin, 1981). Moreover, the emotions are dynamic and changeable, while most of the self-reports measures are done post-factum, based on retrospection and should be treated as an aggregated, holistic evaluation of the effective process or we should rather say, of the outcome of this process.

Some theorists claim (e.g. Frijda, 2007; Damasio, 2004) that the emotions themselves cannot be consciously reached, what we can measure are only the 'feelings' - conscious awareness of emotional processes after they occur. According to this theory, emotions refers to the biologically determined body reactions in response to the events occurring in the environment, while feelings are the subjective mental states associated with conscious perception of physiological changes in the body - or in others words, emotions. Generally speaking, 'feeling' is the conscious perception of emotional state.

Therefore, the need to find a more proper measurement of the emotional state has emerged. The methods, which can overcome the limitations of the traditional self-report measures, should be able to measure the reactions continuously and be insusceptible to the potential distortions e.g. social biases, the need of coherence or the tendency to be 'politically correct'. The psychophysiological measures have been proposed to this purpose by many authors (Fridlund, Cacioppo, 1986; Ohme, 2010, LaBarbera & Tucciarone, 1995; Hazzlet & Hazzlet, 1999, Harmon-Jones, 2003) as they are able to measure the reactions unaffected by the conscious deliberation or social biases. The psychophysiological methods become currently more and more popular in the field of the psychology and marketing. The facial electromyographic activity (EMG) seems to be proper for this issue. The muscle activity might reveal the reaction even when the observable facial expressions did not appear (Fridlund, Cacioppo, 1986). EMG is also capable to measure reactions toward emotional stimuli and at the same time to differentiate both the valence and intensity of the affective reaction (Cacioppo, Petty, Losch, & Kim, 1986). Therefore we decided to use the facial electromyography (EMG) as an indicator of affective responses toward the stimuli.

An emerging area of interest in the marketing researches is the role of emotion in the situation that is particularly susceptible to be emotionally influenced, i.a. the situation when the other person is involved and the emotional aspects of interaction can be crucial. The area of customer service is a perfect example. The situation which is considered as particularly emotion-laden is especially the situation of service failure and customer complaint (McColl-Kennedy and Smith, 2006) and how service firms respond to them (better known as service recovery) (Boshoff et al, in press). Furthermore, following a service failure

and recovery encounter, customers tend to be more emotionally involved and place greater importance on the performance of the service provider performing the service recovery (Smith, Bolton and Wagner, 1999).

In such cases the performance of the service provider is an important predictor of customer service satisfaction. Moreover, the difference between the self-report measures and psychophysiological measures is expected to be more evident in the situation when the direct or indirect evaluation of the other person performance is required, especially in the case when the social norms, stereotypes and/or prejudices are activated, as they may become an important factor influencing the conscious deliberation. The ethnic origin of both consumer and service provider can play an important role in attitude formation and can have a substantial impact on consumers' evaluation of the services (Benson et al. 1976; Smedley and Baton 1978, Levin; 2000).

The main objective of the current study is to explore the differences between conscious and subconscious measures of emotions in service recovery situation. Therefore, two kinds of measures were used to assess the reactions toward the same stimulus - the service recovery situation. Firstly, conscious measurement of 'FEELING' and 'ATTITUDE', assessed by the traditional paper & pencil questionnaire was applied and at the same time subconscious measurement of 'EMOTIONS' measured by the facial muscles activity (EMG) were used. Then, the results were compared

The second objective of the study was to compare the difference in both conscious and subconscious reactions to the service recovery provided by the service agent of the same, or different ethnic background as the service office client.

RESEARCH METHOD

The research design of this study was a laboratory experiment. Each subject was exposed to exactly the same scenarios in the form of a video clip illustrating a hypothetical service failure and recovery situation involving a travel agent. The only exception was the manipulation of the ethnic background of the travel agent. The words expressed by the complaining customer were scrolled across the screen to control for the influence of tone of voice. The nature of the service provider/customer interaction can be described as a prospective airline traveler complaining to a travel agent about unreasonable financial penalties imposed on an unanticipated need to cancel a booked transatlantic flight.

A within-subjects design was used. All created scenarios were counterbalanced and presented in random order. All subjects were exposed to the stimuli individually. The only task expected of the subjects was to watch the stimuli presented on the screen. Before the test started, the subjects were told an introduction (the story that they are the customer in the scenario). 64 respondents were tested, the group consisted of 32 white respondents and 32 black respondents. 50% of the respondents were female and 50% were male. The conscious evaluation were made on a 7-point Likert scale.

The EMG were measured during the service recovery situation (watching the movie). The reaction were measured on the two facial muscles: *zygomaticus major* (the muscle which pulls the corners of the mouth back and up into a smile) and *corrugator supercilii* (the muscle that draws the brow down and together into a frown). Both muscles have been proved to strongly correlate with the emotional states (Cacioppo, Petty, Losch & Kim, 1986; Lang, Greenwald, Bradley and Hamm, 1993; Dimberg, 1990; Dimberg, Thunberg, Grunedal, 2002). The results of both the *zygomaticus major* and *corrugator supercilii* were standardized and the EMG index was created by subtraction the *corrugator* activity from the *zygomaticus* activity. Higher results on the EMG index, over zero (*zygomaticus major* activity is higher than *corrugator supercilii* activity) means the expression of positive emotions, whilst the lower results, below zero (*corrugator supercilii* activity higher than *zygomaticus major* activity) means expression of negative emotion. (Partala, Surakka, Vanhala, 2005).

RESULTS AND DISCUSSION

All the conscious measures appear to be significantly positive. There are no significant differences between the FEELING and ATTITUDE dimensions. The detailed results are in the [Table 1](#).

The EMG reaction on the other hand appears to be significantly negative, $t(50)=-2.68$, $p<0.5$.

The conscious evaluation does not differ significantly between the conditions and remains significantly positive not depending if the service recovery is provided by the agent of the same ethnic origin, or different ethnic origin. Detailed results are shown in the [table 2](#).

The EMG reaction remains significantly negative, but only in the 'same ethnic background' condition, $t(20)=-2.85$, $p=0.01$ which suggests that the service recovery provided by the agent of the same ethnical background is perceived

negatively. If the service is provided by the agent of different ethnical background the reactions do not reach the level of significance, $t(30)=-1.68$, $p>0.05$, and could be described as neutral, however the tendency is still negative which suggest that the whole service recovery situation evokes rather negative experience.

Further comparisons between tested conditions revealed that the consumers have a tendency to react more negatively to the agents of the same ethnical background than to the agent of the different ethnical background, $F(1, 18) = 2.93$; $p<0.10$.

To summarize, the current study provide a substantial support that incoherence between conscious and subconscious attitudes could be an important factor influencing social interaction. The conscious evaluations of the service recovery situation and the person, who provide the service are positive, which suggest that the customers are satisfied with the service and experienced positive feelings toward the service provider. Whereas, it seems that the physiological correlates of emotions revealed during the contact with the service agent contradicts those findings and suggest negative experience. The discovered incoherence between the self reports and the facial expression is congruent with other studies in the field (for the review see: Schooler, Mauss, 2010) and may be explained by the different factors. The one possible explanation is that people experience negative emotions, but they are either unaware or unwilling to express them in the social context by verbal reports or any form of declaration.

However, the second explanation, which seems to be applicable to the current situation, is that the conscious assessment and subconscious reactions are rather complementary than contradictory and should be treated as orthogonal measures. The questionnaire was filled after the contact with the tested stimuli therefore, the conscious assessment may reflect rather the evaluation of the final output of the service recovery situation, not the process of service recovery itself. In the tested stimuli the consumer complaint was considered and expected reward was given, therefore the output may be considered as positive and satisfactory. Moreover, the conscious evaluation may be influenced by the consideration of the quality of the service, which was professionally performed and also seems to be satisfactory.

On the other hand, the psychophysiological data were collected exactly during the contact with the service recovery situation, when the outcome remained unknown for most of the time. Such kind of situation may be uncomfortable, according to most people experiences, and is inevitably connected with the stressful situation from the past. The experience of some negative emotions is therefore understandable and expected. We could assume that those negative emotions will be hidden during the contact with the agent, to avoid the negative social feedback, however the EMG is able to measure also the micro-expressions which cannot be catch by a raw eye and cannot be fully and voluntary controlled.

The well-known theories such as social identity theory suggest that people generally evaluate in a more positive way the persons who are more similar to them, which was proven for the factors like; ethnic background and other interpersonal variables (gender, attractiveness or even the political view). In our study the difference in emotion expression between the same ethnic background and different ethnic background conditions appears to be contrary to expectation. The lack of significantly negative emotions may be evoked by the fact that people feel more comfortable to express emotions, even negative, during a contact with the person more similar to them (lower psychological distance might facilitate stronger negative reactions). The negative reaction may be more suppressed during a contact with the person of the different ethnical background due to stronger psychological distance which could evoke stronger self-monitoring state. However, the support provided by the current research is not sufficient, and the hypothesis should be explored more deeper in the further studies.

TABLES

Table 1. Conscious evaluation of the service agent and recovery situation and subconscious reaction toward the service recovery situation for the whole sample.

VARIABLE	Means	t value	sig. (2-tailed)
Feeling	5.0	25.79	0.00
Attitude	5.1	29.65	0.00

VARIABLE	Means	F value	sig. (2-tailed)
EMG index	-0.8	-2.68	0.02

Table 2. Conscious evaluation of the service agent and recovery situation and subconscious reaction toward the service recovery situation splitted by the ethnic background of the agent (the same as the customer vs different than the customer).

VARIABLE	SAME RACE			DIFFERENT RACE		
	Means	t	sig. (2-tailed)	Means	t	sig. (2-tailed)
Feeling	4.9	17.43	0.00	5.1	18.84	0.00
Attitude	5.2	21.15	0.00	5.0	20.51	0.00

VARIABLE	Mean	F	sig. (2-tailed)	Mean	F	sig. (2-tailed)
	index EMG	-1.11	-2.85	0.01	-0.55	-1.68

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HOW NATIONAL CULTURES INFLUENCE NATIONAL RATE OF INNOVATION

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INTRODUCTION

The ability of a country to develop, adapt and exploit its innovative potential is essential for its long run economic performance in today's global economy (Krammer, 2009). It has been believed that culture either fosters or inhibits innovation. Certain cultural profiles have a greater propensity to support varied innovatory activities (Jones & Davis, 2000). However, there is limited knowledge about how culture influences national rate of innovation. The objective of this study is to address the research question: How does national culture influence national rate of innovation in the long run? Building from the previous study, we aim to update the relationship between national culture and national rate of innovation with current data and contemporary measurements. We will focus on the most important economic factor of national rate of innovation –research and development (R&D) investment to evaluate how national culture impacts the effect of R&D investment on innovation over the time. To our knowledge, this study is not only the first to employ the four major contemporary cultural value dimensions of Hofstede (1980), Schwartz (1994), GLOBE (2004) and Gelfand (2011) to study national rate of innovation, but also to utilize the longitudinal data from 1995-2010 in order to understand how culture impacts innovation outcome over the time. The contribution of this study is three-fold. First, we will examine how cultures influence the effectiveness of R&D investment and impact national rate of innovation in the long run. Second, by applying all contemporary cultural value dimensions to explain national rate of innovation, we may then evaluate the reliability and congruence of various culture value dimensions. Third, as we find that culture moderates the effect of economic factor on innovation, we provide a dynamic perspective to consider innovation in the complex social and cultural contexts. This study will demonstrate how culture-level values can be broadly utilized to lead future international business and cross-culture studies, providing further theoretical and managerial applications.

HYPOTHESES

We expect that cultural dimensions are congruent despite unique properties within each. Therefore, we categorize the dimensions into five clusters according to their attributes and the predicted effects on national rate of innovation. We propose that each cultural dimension in each cluster provides a moderating effect on R&D investment on national rate of innovation over time. Based on previous studies and our discussion, we propose the following hypotheses:

H1. Over time, a country with higher level of Power Distance, Hierarchy, Mastery, In-group Collectivism, and Uncertainty Avoidance will weaken the effect of the increase of R&D investment on national rate of innovation.

H2. Over time, a country with higher level of Harmony, Humane Orientation, Future Orientation, Intellectual Autonomy, and Institutional Collectivism will strengthen the effect of the increase of R&D investment on national rate of innovation.

H3. Over time, a country with higher level of Individualism, Assertiveness, Performance Orientation, Affective Autonomy, Egalitarianism, and Gender Egalitarianism will strengthen the effect of the increase of R&D investment on national rate of innovation.

H4. Over time, a country with higher level of Embeddedness will weaken the effect of the increase of R&D investment on national rate of innovation.

H5. Over time, a country with higher level of Tightness will weaken the effect of the increase of R&D investment on national rate of innovation.

METHODOLOGY

We propose that the number of intellectual properties (IP) granted, based on the country of origin, will be most appropriate to evaluate national rate of innovation. We measure the quality of innovation, instead of quantity, by using the number of IP granted. National rate of innovation is operationalized by using statistical data concerning intellectual property (IP) applications by countries of origin, collected by World Intellectual Property Organization (WIPO). This data is collected

from 1995 through 2010. The data including this time series will then indicate how IP application numbers change over time for each country in relation to shifts in values or other factors.

We will utilize the most recent cultural value scores from Hofstede, Schwartz, Gelfand, and the GLOBE project as the national culture measurements. There are total 66 countries in WIPO data and we propose to remove the countries with very little IP granted record. As a result, the study includes 53 nations with Hofstede's value score, 52 nations with Schwartz's value score, 31 nations with Tightness/Looseness score and 33 nations with GLOBE score.

To measure the impact of R&D investment on innovation, we will apply the annual value of national R&D investment from 1995 to 2010 from Euromonitor.

RESULTS AND DISCUSSION

In this study, we chose to use Latent Growth Model (LGM) to analyze the changes from the repeated measurements, particularly when those annual measurements within the individual country are highly correlated (Lance, Vandenberg, & Self, 2000). The Growth Latent Model explains how much culture influences the effect of R&D investments on national rate of innovation across countries over time.

Firstly, the analysis suggests the intercepts and the growth rates of IP granted vary across countries, confirming that LGM is suitable for this study. From the LGM results, we observe surprising but convincing results. Contrary to the previous studies and conventional wisdom, we obtained opposite results for H1, H2, and H5. Power Distance (Hofstede: $\beta=0.019$, $P<0.01$, GLOBE: $\beta=1.102$, $P<0.01$), Hierarchy ($\beta=0.735$, $P<0.01$), Mastery ($\beta=1.148$, $P<0.01$), In-group collectivism ($\beta=0.522$, $P<0.01$), and Uncertainty Avoidance (Hofstede: $\beta=0.009$, $P<0.01$) show significant positive moderating effect on the relationship of R&D investment on IP granted, while Uncertainty Avoidance of GLOBE does not show a significant result. Therefore H1, for which we predicted a negative effect from those cultural values, is not supported. H3 is not supported. The result indicates that Individualism ($\beta=-0.009$, $P<0.01$), Assertiveness ($\beta=-0.472$, $P<0.01$), Performance Orientation ($\beta=-1.353$, $P<0.01$), Affective Autonomy ($\beta=-0.256$, $P<0.01$), Egalitarianism ($\beta=-0.875$, $P<0.01$), and Gender Egalitarianism ($\beta=-1.69$, $P<0.01$) have negative moderating effect. H5 is also not supported and the result suggests that Tightness ($\beta=0.215$, $P<0.01$) has significant positive moderating effect.

H2 is supported. Harmony ($\beta=0.579$, $P<0.01$), Humane Orientation ($\beta=1.37$, $P<0.01$), Future Orientation ($\beta=0.678$, $P<0.01$), Intellectual Autonomy ($\beta=0.694$, $P<0.01$), and Institutional Collectivism ($\beta=0.717$, $P<0.01$) have significant positive moderating effect on the relationship of R&D investment on IP granted. H4 is also supported and the result indicates that Embeddedness ($\beta=-1.498$, $P<0.01$) has significant negative moderating effect on R&D investment.

Discussion

The findings on how R&D investment interacts with different culture value dimensions are surprising but intriguing. The results confirm that the effect of R&D investment on innovation vary under differing cultural conditions. Contradictory to the previous studies and conventional wisdom, in a society that respects norms, authority, and power, the institutional instruments of driving innovation can be enforced and executed more effectively to motivate their citizens to become more innovative and to create new ideas productively over time.

When a country has high Power Distance, Hierarchy, Mastery and In-Group Collectivism Values, the government often plays the role of the economic planner. Central decisions can be enforced and executed more effectively because members of the society respect the authority and follow the order. Thus when leadership in such a society emphasizes and encourages innovation, more favorable public policies toward innovation can be instituted, resources can be allocated to the industries with higher innovation output and research centers can receive more funding and government assistance. With accessible resources and incentives, citizens in such society will follow the operational plans and produce innovations more productively in the long run.

We often consider Uncertainty Avoidance a barrier to innovation because members with such values tend to be very cautious in taking risks. However, in terms of new product development, the higher UAI can facilitate the implementation stage through tighter controls (House 2001). Therefore, smaller but incremental improvements can be continuously created through better documentation and verification. Technology, such as automation, is used to increase short-term predictability and reduce long-term risks of breakdown. Due to the tendency to worry about future, members with high UAI are motivated to

work hard for achievement (Hofstede, 1980). Like other dimensions in the cluster, higher UAI respects hierarchical structures and allows the central plan to be followed more effectively with less alternation and therefore leads to a higher level of productivity. Similarly, in the tight cultures, the increase of R&D investment signals a more prevalent societal need for economic development and provides institutional opportunities for innovation. In contrast, in loose cultures, the increase of R&D investment may not provide a uniform institutional reason for innovation.

It is extremely intriguing to find that the society with high Individualism and Assertiveness is actually less effective to utilize its R&D investment. The individualistic aspect encourages egotistic self-advancement (Schwartz, 2006), therefore, it can reduce coordination and team work among members and thus impact the productivity of innovation. The high degree of those "free-spirit" values can be very helpful for individuals to achieve self-efficacy and achieve "disruptive" innovation. However, at the group level, individualistic values can become barriers for a group to move forward facing obstacles (Luke & Svátek, 2007).

Meanwhile, societies with high Egalitarian or high Gender Egalitarianism are highly socialized and less structured. As a result, the innovation activities can be less structured because citizens choose to develop product based on their interests, not necessary to meet requirement or demand. The interest of innovation in these societies with high Egalitarian Commitment or high Gender Egalitarianism is possibly sparked by an individual's motivation and interest, instead of government directive administration, thus we also do not observe a significant association between increased R&D investment and the improvement of innovation.

Through the study of national rate of innovation, we derive the cultural value clusters and confirm the convergence among the cultural value dimensions. Nevertheless, the finding of the insignificant effect from GLOBE's Uncertainty Avoidance Practice ("As Is") and its negative correlation with Hofstede's UAI raise question about the validity of this dimension, which should be examined in future studies.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

With few exceptions (Krammer, 2009; Shane, 1993), research on national rate of innovation has been limited, particularly in light of its relationship with the national cultures. Extant literature about national rate of innovation has been focused on economic and institutional factors. Our research contributes to the study of innovation with a cultural perspective. First, through an empirical analysis of 53 countries, we discovered some divergent effects from four contemporary cultural value dimensions. The findings challenge existing knowledge (Krammer, 2009; Patel & Pavitt, 1994; Shane, 1993) of the negative effects of high Power Distance and Uncertainty Avoidance and the positive effects from Individualism. Second, while Hofstede's (Hofstede, 1980, 1991) dimensions of cultural differences have been utilized in the studies explaining innovation capacity (Jones & Davis, 2000; Shane, 1993), to our knowledge, this research is among the first to employ Schwartz's culture-level values, Gelfand's cultural tightness/looseness, and GLOBE to examine links between culture and innovation. Third, we took a dynamic view to identify the important interactions between culture values and R&D investment, and examine how the interactions influence national rate of innovation over the time.

In addition to theoretical and empirical contributions to the research of innovation at the country level, our findings also have managerial implications. Specifically, the finding can provide guidance for policymakers in planning appropriate R&D investment and establishing institutional policy to effectively motivate innovative activities. Societies with high Hierarchy, Mastery and Tightness can increase innovation by increasing R&D investment and wealth during their initial development phase. However, societies with high Individualism, Assertiveness, Performance Orientation, Affective Autonomy, Egalitarianism, Gender Egalitarianism and Embeddedness may not able to increase national rate of innovation effectively even with increased R&D investment. These findings also provide suggestions for multinational corporations in selecting locations as their global R&D center, where the culture of innovation is a key component for innovative employees producing new products and services successfully.

References available upon request.

ETHNIC MARKETING IS NOT NEW – CHALLENGING RESEARCH METHODOLOGIES BEHIND IT IS. PRELIMINARY PHD RESULTS ABOUT THE APPLICATION OF PROJECTIVE TECHNIQUES IN ETHNIC FOCUS GROUPS

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INTRODUCTION

According to the International Organization for Migration (IOM) the estimated number of international migrants¹ has increased globally from about 150 million people in the year 2000 to 214 million people today. This dynamic phenomenon makes societies across the world more multicultural every day and a lot of businesses around the globe acknowledge that in their marketing (Rao 2006; De Mooji 2004; Usunier and Lee 2005; Trompenaars and Woolliams 2004). Regardless if companies identify a specific ethnic group as a target worthwhile to research, the fact that societies become naturally more multicultural, is something the research community has to discuss because researcher's claiming to have the finger on the pulse of societies, is worth little if there is no concern about the immense natural growth of cultural nuances in societies and its potential impact on the application of market research methodologies.

Researchers are generally aware that studies across cultures can challenge the application of mainstream methodologies (Boddy 2005; Laverack and Brown 2003; Lonner and Berry 1986), however this concern is less raised when it comes to conducting research within multicultural societies (Winslow et al. 2002; Halcomb 2007). If we know that the cultural background of people makes a difference in research across cultures, why are we less concerned about the impact culture might have on research with individuals in multicultural societies? According to Assman (2002) and the theory of „cultural memory²“, we will always keep aspects of our cultural background remembered regardless where we go in the world. It is therefore important to recognize the complexity this might bring into marketing and research in multicultural societies.

One of the countries considered highly multicultural is Australia (Wilkinson and Cheng 1990). According to Migliorino and Redman (2010), 25% of the Australian population have a parent born in a non-English speaking country and even 50% have a grandparent who migrated to Australia from a non-English speaking country. Today, more than 3,000,000 people do not speak English in their homes and of these, 535,000 do not speak English at all or if they do, they speak it poorly. It is estimated that by 2021 around 30% of the population aged 65+ will be from culturally and linguistically diverse backgrounds. To successfully „tap into“ this audience in Australia, the need for culturally sensitive, qualitative methodologies is an area that has to be explored further as “there is no doubt that multicultural marketing is growing in Australia” (Chan 2006, p. 250).

Focus groups in a cultural context

The focus of this paper is on qualitative methodologies and in particular focus group discussions because they are recognized as the most commonly used form of qualitative research (Nevid and Nelly 1999). Wilkinson defines the methodology of focus groups as follows:

“(…) a way of collecting qualitative data, which – essentially – involves engaging a small number of people in an informal group discussion (or discussions), „focused“ around a particular topic or set of issues. (...). The informal group discussion is usually based on a series of questions (the focus group schedule) and the researcher generally acts as a „moderator“ for the group: posing the questions, keeping the discussion flowing, and enabling group members to participate fully” (Wilkinson 2004, p. 177).

Whilst this method has been researched extensively (Morgan 1996, 1998; Wilkinson 1998b; Alasuutari 1995; Silverman 2004), and to some degree in regards to its application across cultures (Boddy 2005; Chaven 2005; Parson 2011), according to Halcomb “there is limited literature available describing the use of focus groups in culturally and linguistically diverse groups” (Halcomb 2007, p. 1002).

Looking at culturally and linguistically diverse groups in Australia, also named CALD communities, one of the larger ethnic groups are Germans. According to the Australian 2006 census, about 4 % of the total Australian population claim to have

¹ Definition of migrants by IOM: At the international level, no universally accepted definition of migrant exists. The term migrant is usually understood to cover all cases where the decision to migrate is taken freely by the individual concerned for reasons of “personal convenience” and without intervention of an external compelling factor. This term therefore applies to persons, and family members, moving to another country or region to better their material or social conditions and improve the prospect for themselves or their family.

² Translated from the German concept of „kultureller Wissensvorrat“

German ancestry which makes them the 6th largest ethnic group in Australia (1st Australian 37%, 2nd English 21%, 3rd Irish 9%, 4th Scottish 7%, 5th Italian 4%). Considering the fact that Australia is one of the most preferred countries Germans would like to migrate to, an increase in migration rate from Germans who are deciding to make Australia home in the future, can certainly be expected. This makes this group relevant to understand more about when it comes to ethnic marketing and the methodologies behind it.

Understanding discourse in focus groups and the application of projective techniques

“Language and culture are closely intertwined in complex ways; indeed many anthropological linguists argue that they are inseparable. The meaning of utterances comes not only from the words spoken but also from culturally agreed-upon conventions for how those words are used and interpreted (...)” (Tannen 2006, p. 343).

Tannen’s perspective is certainly true and it raises trivial but complex questions for researchers who work in multicultural environments. In regards to language, one must ask „what is the „right“ language when focus groups consist of participants with a bicultural background“ and „what is their culture - the old one, the new one or something in between?“ Furthermore, „how do respondents communicate if they are bilingual, do they communicate with linguistic structures of both cultures?“ Even without considering these complex cultural aspects, knowledge about the discourse in focus groups is limited. Kitzinger (1994) has reviewed more than 40 focus groups and came to the conclusion that, “(...) there is typically little attention to either the microdynamics of the interaction process or the contextual constraints of the focus group setting” (Kitzinger 1994, p. 104). After Kitzingers’ review, papers were presented in regards to the analysis of talk in focus groups by Myers (1998) and Puchta and Potter (1999), however some of the latest work from Onwuegbuzie and colleagues still criticize the lack of research about the discourse occurring between individuals in focus groups (Onwuegbuzie 2009).

Goodwin & Goodwin summarise the point very clearly that researchers need to understand what respondents are saying but more importantly how they are saying it because that will help us understand the structure of discourse and creation of meaning: “Particular interpretations of events in the world may be far less important than the structures used to accomplish such congruent interpretations as a social activity in the first place” (Goodwin and Goodwin 1992, p. 182).

In the light of the above complexity, one element of typical focus groups becomes very interesting: projective techniques.

Lindzey defines a projective technique as follows:

“A projective technique is an instrument that is considered especially sensitive to covert or unconscious aspects of behaviour, it permits or encourages a wide variety of subject responses, is highly multidimensional, and it evokes unusually rich or profuse response data with a minimum of subject awareness concerning the purpose of the test. Further, it is very often true that the stimulus material presented by a projective is ambiguous, interpreters of the test depend upon holistic analysis, the test evokes fantasy responses, and there are no correct or incorrect responses to the test“ (Lindzey 1961, p. 45).

Although projective techniques are widely used across the world, little do researchers know about the impact culture might have on the application of these techniques. Projective techniques can be used to overcome language barriers but perhaps not all ethnic groups will respond to projective techniques the same way, perhaps some might not understand them, others might simply not like them. Considering the increase of multiculturalism in our societies, Van de Vijver points out that “projective testing in a multicultural context will become increasingly important” (Van de Vijver 2000, p. 102), we therefore should make an effort to understand how best they work in a multicultural environment.

In summary, although researchers are well trained about the focus group method as such, its application in a cultural context is less questioned and therefore less researched. Further, the need for research about the use of focus groups in multicultural societies is immanent and in particular the application of projective techniques as explained above. To address the lack of knowledge in this area, this paper therefore takes a first step to answer the following question:
How should we apply mainstream projective techniques in focus groups with ethnic respondents?

METHODOLOGY

To address the complexity of this research question, a multi-method design consisting of two parts is suggested: Firstly, given the limited knowledge available in this arena, a cross-cultural pre-study is required to explore discourse structures in focus groups in Germany and Australia. This first part will help to formulate hypotheses about cultural similarities and differences between German and Australian respondents; an important step prior to exploring discourse characteristics of respondents with a multicultural background. Secondly, to test these cross-cultural hypotheses, an experimentally designed multicultural main-

study with Germans in Australia is recommended. Critical elements which should to be considered for this part will be mentioned at the end of the paper presented.

The focus of this paper however, is to share some preliminary results from the cross-cultural pre-study. But before outlining some of the results, critical information about the methodology will be provided:

Sample and selection of sequences

For the purpose of this study, it was of highest importance that the material was real, raw and could be described as a natural representation of focus groups in both markets. Key aspect of the selection process therefore was to ensure „variety“ to allow the analysis to cover various topics (i.e. the ideal chocolate milk for kids, an appropriate banking letter, new concepts for mobile phones, advertising for washing powder), categories (i.e. finance and business, consumer goods, media, technology), locations (i.e. different cities in Germany and Australia) and moderators (i.e. female and male of different ages).

A total of 10 German and 9 Australian focus groups had been sourced covering communication patterns of 128 respondents in relation to 11 projective techniques. It can be assured that the nature of the sample of all 19 focus groups is representative for each market, as they are original and from real projects as they happen to be managed in market research businesses across the world. TNS Global kindly provided the original material from Germany and Australia.

As explained above, particular emphasis was put on the application of projective techniques. Throughout the transcription process of all 19 focus groups, the projective techniques found to be occurring in both markets and therefore interesting for the discourse analysis were: user imagery, personification, fantasy solution, brainstorm, association and ranking.

Analysis

The qualitative tool of discourse analysis has been identified as the most appropriate method to understand culturally sensitive discourse. Bauer and Gaskell (2000) define discourse analysis as follows:

„Discourse analysis is the name given to a variety of different approaches to the study of texts, which have developed from different theoretical traditions and diverse disciplinary locations. Strictly speaking, there is no single ‚discourse analysis,‘ but many different styles of analysis that all lay claim to the name“ (Bauer and Gaskell 2000, p. 172).

As described by Bauer and Gaskell, discourse analysis is highly flexible and it needs to be as discourse has many colors an analytical tool has to accommodate to. For the study presented, a micro analytical framework has been developed to capture cultural nuances in the discourse amongst focus groups participants. This culturally sensitive discourse analysis approach can be positioned in the field of ethnomethodological conversation analysis (Garfinkel 1984; Gumperz and Hymes 1972; Hymes 1962) and interactional sociolinguistics (Gumperz 1982) as it enables to understand communication patterns around projective techniques in relation to cultural aspects of discourse.

The selected sequences of discourse around projective techniques have been analysed in relation to 3 levels: reactive, functional and strategic. For the purpose of this structured abstract, 2 results of the strategic discourse level will be shared including an outline of how the findings can lead into the multicultural main-study.

RESULTS AND DISCUSSION

Strategic discourse variable: Agreement vs. disagreement between participants

A focus group session is fruitful if the discussion is lively and constructive. Fluent discussion happens if simply put, one participant reacts to what has been said by someone else. How these discourse processes of agreement and disagreement occur, can depend on a variety of reasons, culture related thinking and speaking patterns can be part of them. For example, in general it can be said that Australians typically find the German way of discussing direct and sometimes even aggressive, if that is true a focus group discussion amongst German immigrants in Australia lead by an Australian moderator can be challenging. Given thinking styles are closely connected to where people come from, one of the key variables this part of the research aims to understand is around how the dynamics of argumentation differ between Germans and Australians.

Results of the cross-cultural pre-study shows that participants in German focus groups do tend to have more objections and disagreements than participants of Australian focus groups. The results suggest that Germans utilise more often a diplomatic way of expressing their disagreement by agreeing first to then reiterate their opposite point of view. Sentences such as “I

agree with you but on the other hand...” or *“this is really interesting and most of the time true, however I had experiences where...”* demonstrate the twist in the disagreement. Australians in comparison do not disagree much in a group discussion or react polarising which means they either agree or disagree but do not employ the same way as Germans would do.

Based on this pre-study finding, the following hypothesis has been developed for testing in the multicultural main-study: Assuming that patterns of discussion are closely related to a respondents’ culture of origin, it is expected to also find the German pattern of agreement/ disagreement in focus groups with Germans in Australia. Also, this pattern might be represented stronger in focus groups with respondents who have not been in Australia for too long.

Strategic discourse variable: Role positioning of the moderator

The task of a moderator is to stimulate the discussion, navigate participants through key pillars of the topic and lead to a meaningful outcome. Whilst the moderator is part of the discussion, he faces the stretch of being a leader of the group whilst also building trust and closeness to get under the respondents’ skin. To understand how moderators position themselves in German vs. Australian focus groups is quite important as it can cause confusion if culturally embedded patterns do not resonate.

The pre-study results suggest that moderators in Germany usually hold the position of an outsider, whilst Australian moderators do tend to switch between being an outsider as well as an insider. Sentences like *“I would like you to look at these words again and tell me what you think”* clearly demonstrate that there is difference between a ,me”, the moderator and a ,you”, the group. In Australian groups sentences like *“I would like you to look at these words again and then we will brainstorm our thoughts together”* do show that by using ,you” and ,us”, the moderator is positioning himself less as an authority figure to be more involved whilst still leading the discussion.

Based on this pre-study result the following hypothesis has been developed for testing in the multicultural main-study: Cross-cultural results suggest that German moderators do take more of an outsider role in a German group. However, it is expected that a German moderator facilitating a group of Germans in Australia will move more into an insider role as he is part of an in-group already, being an immigrant himself, and therefore he might become more similar to the position of an Australian moderator in an Australian group. To take the hypothesis further, potentially roles might even switch to the extent that an Australian moderator becomes the outsider in a group with German participants.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

In conclusion, currently knowledge about the application of projective techniques in focus groups with culturally diverse respondents is limited. Researchers’ doing is unquestioned and simply based on assumptions, the most common base for miscommunication in intercultural situations. Given the changes in mobility that our world is going through and the increasing expectation to handle this change with knowledge in the research community, this study provided some first results for the discussion about the ,application of projective techniques in focus groups in multicultural societies”.

Whilst this paper focused on cross-cultural pre-study results to provide a glimpse into the discourse of focus groups in Germany and Australia first, the next step is to test the developed hypotheses in focus groups with Germans in Australia. Key considerations for research involving multicultural participants are related to variables such as: length of stay in the country, languages spoken in various situations, particularly taking preferences of spoken languages into consideration and very important, although currently ignored is to understand the state of acculturation participants are in. In regards to the involvement of moderators in multicultural focus groups, attention needs to be paid to their own cultural background involving their length of stay in the country, but also switching behavior between languages and moderation style. All these variables will have an impact on the research design and should therefore be considered carefully.

It is hoped that by raising cultural awareness around the application of methodologies and providing first results into a field rarely studied, ethnic marketing will be supported by culturally sensitive research methodologies in the future and by doing so, address the changes our societies are going through.

References available upon request.

Session 2.4. Sustainable Consumption

Session Chair: Keith E. Ferguson, Grand Rapids Community College, USA

Sustainable Consumption through Innovative Use: Marke Eigenbau in the Former East Germany

Marco Wolf, University of Southern Mississippi, USA

Pia A. Albinsson, Appalachian State University, USA

Dennis Kopf, University of Wisconsin – Whitewater, USA

I Mean Green so I Eat Organic: Testing the Effect of Peer Pressure on the Purchase and Consumption of Organic Food

Mel Zuberi, University of North Texas, USA



SUSTAINABLE CONSUMPTION THROUGH INNOVATIVE USE: MARKE EIGENBAU IN THE FORMER EAST GERMANY

Marco Wolf, University of Southern Mississippi, USA
Pia A. Albinsson, Appalachian State University, USA
Dennis A. Kopf, University of Wisconsin – Whitewater, USA

The problems of over-consumption, environmental degradation, and depletion of resources have initiated research in the area of sustainable consumption. The basic premise of sustainable consumption seeks to address the negative impacts of dominating consumption patterns in affluent countries and their need to substantially reduce their consumption to achieve sustainability (Schrader and Thorgersen, 2011). With this macro-level problem in mind, researchers have focused on the roles and responsibilities of both companies and consumers. On the consumer side, two perspectives prevail. First, consumers can choose environmentally friendly products and 'green' consumption (Moisander, 2007). The second perspective is that consumers can consume less or even choose not to consume. These perspectives entail a moral obligation and personal commitment to downscale consumption to reduce or eliminate negative externalities on people and the environment (Press and Arnould, 2009). Consumer-centric and company-centric viewpoints are both necessary. With this research, we take a consumer-centric approach. More specifically, we are interested in consumption that is less wasteful. We look back in time to the days of the former East Germany and examine behavior commonly known as Marke Eigenbau (loosely translated as 'Do-It-Yourself Brand'). Recent discussions have highlighted Marke Eigenbau as a movement against mass production, however, research has not realized Marke Eigenbau to its fullest potential, and thus we analyze Marke Eigenbau in the light of sustainable consumption and the lessons that can be learned from a society with limited resources.

In this exploratory study, we use an interpretive methodological approach (Lincoln and Guba, 1985), which allows us to investigate consumers' use-innovative approaches to produce their own goods and extend product lifecycles in DIY efforts. Data was collected in areas of the former East Germany. Twelve informal, unstructured interviews assisted us in developing our final interview guidelines. These guidelines were then used for twenty formal interviews with informants who had experiences from living in a planned economy, which shaped their current consumption behaviors. Interviews were conducted in German, digitally recorded and transcribed in German (and later translated into English). Informants were interviewed in their homes or at local coffee shops. Informants varied in ages from 27- 77 years old and interview times ranged between one and two hours.

This study identifies three preliminary themes that illustrate how consumers sought meaning to their DIY activities; (1) *Scarcity – the driver for innovation*: To fill the void of unavailable but desired consumer goods, East Germans became efficient in collecting and reusing products in very innovative ways. Our informants stated that rarely were things thrown away even when the product didn't serve its intended purpose. Eventually, out served goods were integrated with innovativeness, frugality, and ingenuity became national values and the productive ownership and creation of things was elevated to a virtue. Scarcity was seen as a challenge to the industriousness of a culture that prided itself on its engineering and scientific ability. (2) *Self-expression through Marke Eigenbau*: Marketing was limited in the command economy. People could only buy what the state deemed important. Variety was sacrificed for the sake of efficiency. For instance, there was mainly one type of car, the Trabant. But, this didn't stop East Germans from modifying their Trabants to fit their own sense of style and uniqueness. The need for uniqueness and variety trumped the need for efficiency so, again, East Germans turned to DIY activities. (3) *Meaning and purpose for old material possessions*: Our data analysis illustrate that DIY behavior infused meaning into objects allowing each object to represent a story of its creation, use, and in many cases the maintenance and improvement of the object over time. This is partially a result of the immense personal effort and innovativeness that goes into not only purchasing, but also maintaining goods. This reflects a different culture of ownership of material possessions than what we see in the West. The labor spent maintaining, improving, and sometimes stylizing vehicles made the ownership more personal.

In conclusion, in terms of sustainability, Marke Eigenbau, as practiced in East Germany, is somewhat different than modern DIY. Products, for example, were usually assembled from an assortment of whatever materials the East Germans had available and often involved a painstaking process to find the materials necessary to even begin the project. This inadequate supply and the nonexistence of home improvement stores make Marke Eigenbau a subject of unique consumer behaviors. We discuss how this research can be applied in a world where raw materials are becoming scarcer and in a world where sustainability and the preservation of the environment are becoming increasingly important.

References available upon request.

I MEAN GREEN SO I EAT ORGANIC: TESTING THE EFFECT OF PEER PRESSURE ON THE PURCHASE AND CONSUMPTION OF ORGANIC FOOD

Mel F. Zuberi, University of North Texas, USA

INTRODUCTION

Obesity is currently one of the most important health concerns in America, with roughly one-third of American adults now considered obese (Flegal et al., 2010), and unhealthy dietary habits are cited as one big reason for this societal malady. Consumers associate organic food with healthy and low-calorie nutrition (Schuldt and Schwarz 2010), although there is no empirical evidence that organic food has better nutrient quality compared to conventional food (Dangour et al. 2009). Consequently, the sale of organic food products in the United States has risen from approximately \$1 billion in 1990 to nearly \$25 billion in 2009 (OTA, 2010). So while organic food products are surely and steadily gaining acceptance among Americans, marketers are still grappling with the question of what would be effective strategies to market organic food products to customers.

Ruiz de Maya et al. (2011) use the values theory to segment consumers according to their value system in analyzing the market for organic foods, and use the theory of planned behavior to examine how consumers use attitudes, subjective norms and perceived behavioral control to form their purchase intention for organic products. Their results show that subjective norms are the main underlying factor driving consumer behavior concerning these products. Since subjective norms, or peer pressure, have been found to play a key role in influencing individuals' behavioral intentions, this study seeks to investigate the effect of peer pressure on individuals' purchasing likelihood and consumption likelihood for sustainable products, using the context of organic food.

BACKGROUND

Most of the extant literature that talks about peer pressure does so most often in the context of adolescents' sexuality, dating, social interaction, substance abuse, self image, body image, obesity, disciplining, and workplace ethics related behaviors (see for example Ssewamala et al. 2010). Besides, peer pressure is also studied with respect to the use of luxury brands, contraception, or social networking sites by consumers (see for example De Martí and Haeringer 2010). The majority of this literature is in the areas of child psychology and medical science. Since college students are in an impressionable age group and often spend leisure time with peers, peer pressure matters even more so than it does in other adults. College students are therefore ideal respondents to study the effects of peer pressure.

Most of the extant literature on sustainability refers to the three pronged approach – economic, social, and environmental – or cites the WCED definition (WCED 1987). The most widely cited definition of sustainable development (Bell and Morse 2008; Keirstead and Leach 2008; Mebratu 1998; Pezzoli 1997) is taken from the Brundtland Commission's definition, "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED 1987, p. 43). This implies that the sustainable component of the sustainable development paradigm implies that no action in the present should harm future generations (Bell and Morse 2008). While several authors define sustainability as the "Triple Bottom Line" – economic growth, social responsibility and environmental stewardship, the definition of sustainable development also varies with the industry to which it is applied (Ciegis et al. 2009). The concept of sustainable development, though rooted in traditional belief systems and Malthusian economics, has become particularly important in the last two decades (Keirstead and Leach 2008, p. 330; Robinson 2004). Sustainable development is fast becoming a cornerstone of the policy of many governments as well as businesses. In July 2009, Walmart made public its plans to go ahead with the creation of a universal system for rating of products on how environmentally and socially sustainable they are, while China allocated 210 billion Yuan, that is, 5% of its stimulus spending, to sustainable development (Ignatius 2009).

Several articles in the Harvard Business Review reflect upon the benefit of sustainability in terms of the financial impact on the bottom line of companies, and how consumers are creating a pull effect for the sustainable products and services being sold by companies (see for example Nidumolu et al. 2009 and Haanaes et al. 2010). Waste reduction and resource efficiency is often an entry point into the realm of sustainability which provides a positive internal rate of return. Subsequently, these commitments move downstream into consumer behavior, or upstream into third party operations.

This study is timely and relevant because while sustainability is becoming increasingly important, there is little existing

literature in academia about the definition or measurement of sustainability as an indicator of consumers' intention to consume sustainable market offerings. There has of course been a recent trend toward applying theories from marketing, like the resource advantage theory (Hunt and Morgan 1995), to the study of sustainability (Crittenden et al. 2011). The coming together of sustainability and peer pressure among consumers is slowly giving rise to a new wave of collaborative consumption (Roo and Rogers 2010), and the consequent increasing importance of farmers' markets and community kitchens. Organic food is a visible, important, and easily achievable manifestation of sustainability for the common consumer, who gets to co-create value (Vargo and Lusch 2004) as a prosumer (Bonsu et al. 2010) by consuming "green." Food is, after all, an important aspect of boundary creation and maintenance (Bardhi et al. 2010)

This study uses the theory of planned behavior (Ajzen 1991) that is derived from the theory of reasoned action (Fishbein and Ajzen 1975) to investigate the research question, "What influence does peer pressure have on the purchase and consumption of organic food?" and "Does greater behavioral tendencies toward the environment have a greater impact on the purchase and consumption of organic food?"

According to the theory of planned behavior (Ajzen 1991), attitude, subjective norm, and perceived behavioral control are the antecedents to behavioral intention. The theory of planned behavior follows the theory of reasoned action (Fishbein and Ajzen 1975) and emphasizes that human behaviors are governed not only by personal attitudes, but also by social pressures and a sense of control (Ajzen 1991; Ajzen and Fishbein 1980; Fishbein and Ajzen 1975). Attitude is the behavior of exhibiting inclination towards usage intention. Subjective norm is defined as the "degree to which significant individuals, such as relatives, friend, or colleagues, condone an act" (Ajzen 1991; Fishbein and Ajzen 1975), and this also affects intentions. Attitude and subjective norm are components of the theory of reasoned action (Fishbein and Ajzen 1975). In addition, the theory of planned behavior has the concept of perceived behavioral control. According to the theory of reasoned action, behavior is determined by an individual's intention, explicit plan or motivation to commit a specific act. The theory of planned behavior assumes that rational considerations govern the choices and behaviors of individuals, and perceived behavioral control or the extent to which individuals feel they can engage in certain behaviors, also affects their intentions and behaviors (Ajzen, 1991).

Out of the components of the theory of planned behavior - subjective norm, perceived behavioral control, attitude, and behavioral intention - this paper uses only one. Following Ruiz et al. (2011), subjective norm is utilized as the independent variable, and is the manipulated factor in the experimental design, while the behavioral intention is used as the dependent variable of interest in the experiment. Two components of the dependent variable are investigated – the purchase likelihood, and the consumption likelihood, in the context of purchase and consumption of organic products. This study may be considered to be the first in a series of studies to investigate what drives consumer's intention to buy and consume sustainable products.

Utilizing the construct of environmental proclivity adopted from Fraj and Martinez (2007) and subjective norm from the theory of planned behavior, this research studies the effect of the factors environmental proclivity and subjective norm on the two dependent measures of purchase likelihood and consumption likelihood. The hypotheses for the study are –

H1: For high, as opposed to low, environmental proclivity, subjective norm positively affects the behavioral intention to purchase organic food.

H2: For high, as opposed to low, environmental proclivity, subjective norm positively affects the behavioral intention to consume organic food.

METHODOLOGY

Hypotheses were tested in a 2 (subjective norm: high versus low) x 2 (environmental proclivity: high versus low) between-subjects design with subjective norm (or, peer pressure) and the environmental proclivity (or, behavioral tendencies toward the environment) as the between-subjects factors. The study was conducted to examine the effect of peer pressure and the behavioral tendencies toward the environment on the behavioral intention to 1) purchase organic food, and 2) to consume organic food.

The participants were exposed to one of the two different scenarios that formed the basis for the manipulation of one of the two factors. Each scenario without the manipulation that was given to the participants said, "You walk into a grocery store you visit regularly and see promotions that say they are proudly offering organic food for the first time." On the other hand, the scenario with the manipulation that was given to the respondents said, "You walk into a grocery store you visit regularly and see promotions that say they are proudly offering organic food for the first time. You know that all of your friends are

strong supporters of organic products.” The scenarios were developed to manipulate the subjective norm, or peer-pressure, for the participants. When respondents started answering the paper based in-class questionnaire, they first read one of the two scenarios. The questions that followed asked them to answer the questions based on the scenario that they had read above. The questionnaires were randomized by presenting alternate students in the class with the same scenario, so as not to sacrifice the internal validity of the study. The respondents were allowed twenty minutes each to answer the questions. Most students completed the questionnaire in about fifteen minutes. This provided adequate time for the respondents to read through the questionnaire at a comfortable pace which ensured that any differences obtained could not be attributed to the time taken by the individuals to process the questionnaires.

Participants then answered questions related to the dependent variables, the manipulation check, and subsequently the manipulated factor; each item was measured on a seven point psychometric Likert scale anchored by strongly disagree to strongly agree. The survey used at least six items for each of the dependent and measured independent variables employed. Demographics questions were placed at the end so cognitive fatigue would not interfere with the cognitive engagement demanded earlier on in the survey. Two dependent variables, purchase likelihood and consumption likelihood, were used. The scales for each of these dependent measures were adapted from the construct of usage intention (Amin 2009), and were similarly anchored.

RESULTS AND DISCUSSION

The sample was drawn from students at an American university. One hundred and twenty seven undergraduate students participated in the study. 37% respondents were female, 82% were aged in the range 18-25 years, 85% were juniors or seniors, 94% owned cars, 14% lived in their own home, and 55% earned between \$1,000 and \$10,000 annually. 59% were white, 20% were Asians, 12% were Hispanic, and 10% were black.

The internal validity of each scale of the dependent measures, given by their respective Cronbach alphas, is acceptable at α (purchase intention) = .93 and α (consumption intention) = .91. Cronbach alpha (α) across both scales was above 0.7 as suggested by Nunnally (1978). The independent variable, which was the measured factor, was environmental proclivity. The internal validity of the scale, given by its Cronbach alpha, is acceptable at α = .93, above 0.7 (Nunnally 1978). A median split on the measured factor scores divided participants into higher and lower environmental proclivity groups. Comparison of environmental proclivity mean scores revealed differences between the two groups ($M_{\text{lower}} = 2.5$, $M_{\text{higher}} = 4.2$, $F_{(1, 126)} = 240$, $p = .000$).

One seven-point item measured the manipulation effectiveness of the scenario: *Based on the scenario above, do your friends support organic food products?* End points were anchored by strongly disagree to strongly agree. The score formed the manipulation check of the subjective norm scenario used in the study. The ANOVA with manipulation score as the dependent variable and subjective norm as the factor, revealed a significance ($F_{(1, 126)} = 14$, $p = .000$). The manipulation was hence effective.

Hypotheses H1 and H2 predicted that for high, as opposed to low, environmental proclivity, subjective norm positively affects the behavioral intention to 1) purchase, and 2) consume organic food. A multivariate analysis of variance (MANOVA) with 1) purchase likelihood, and 2) consumption likelihood as the two dependent measures representing the behavioral intention of the theory of planned behavior, and environmental proclivity as the between-subjects factor revealed significant main effects for the environmental proclivity for both the dependent measures (For purchase intention: $F_{(1, 126)} = 33$, $p = .000$, and for consumption intention: $F_{(1, 126)} = 21$, $p = .000$). However, the interaction effect of subjective norm by environmental proclivity is not significant for either of the dependent measures (For purchase intention: $F_{(1, 126)} = .061$, *ns*, and for consumption intention: $F_{(1, 126)} = .021$, *ns*). The main effect for the manipulated factor, subjective norm, was also not found to be significant for either of the dependent measures (For purchase intention: $F_{(1, 126)} = .002$, *ns*, and for consumption intention: $F_{(1, 126)} = .004$, *ns*).

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

The environmental proclivity thus affects the purchase and consumption of organic food, but subjective norm does not have a significant impact. Hence only partial and directional support is found for the two hypotheses. That is, the study found that there is a significant main effect of environmental proclivity on the organic consumption patterns, examined here in the context of purchasing and consuming organic food. This can be a good start to understanding the marketing of sustainable offerings to the consumers. However, the effect of peer pressure on the behavioral intention to purchase and consume organic

food could not be established. The components of the construct that has been used in the understanding of the environmental proclivity may be further incorporated in the factor structure, and studied as individual constructs to determine the proclivity of the consumer toward the environment. This may be treated as a first study, wherein environmental proclivity is seen to be a significant predictor of the behavioral intention to buy and consume organic food. Factors other than subjective norm may be studied to see what affects the behavioral intention to buy and consume organic food. Other aspects of consumers' sustainable behavior may be studied, as it is an important area for marketing of nature-based organic foods. Despite directional support for the hypotheses, the two dependent variables are highly correlated, and that does not give any more exciting results than using merely one. This study may well serve as a preliminary study for future research, using dependent variables defined differently. Finally, the use of student samples is always challenging because they tend not to be sufficiently cognitively engaged.

References available upon request.

Session 2.5. Aspects of Destination Management

Session Chair: Ulla Hakala, University of Turku, Finland

Does City Brand Equity have any Impacts in Tourism World? A Case Study of Bandung City -- Indonesia as a Tourism Destination

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Mustika Sufiati Purwanegara, Institut Teknologi Bandung, Indonesia

Festival Visitors' Emotion and Its Response to the Environment

Jenny Jiyeon Lee, University of New South Wales, Australia

Perspectives on Destination Competitiveness - National Destination Competitiveness Influence on Regional Attractiveness

Amata Ring, University of Vienna, Austria

Marco Maier, Vienna University of Economics and Business, Austria

The Importance of Social Relationships in Festival Quality Evaluation

Hyungsuk Choo, Bowling Green State University, USA

Kwang-Ho Ahn In-ha University, Republic of Korea



DOES CITY BRAND EQUITY HAVE ANY IMPACTS IN TOURISM WORLD? A CASE STUDY OF BANDUNG CITY – INDONESIA AS A TOURISM DESTINATION

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INTRODUCTION

In today's world of tourism when people can go travelling easily because of many low cost carriers, city branding becomes a crucial point to be considered in the need of elevating city's position among the other competitors as it can attract more tourists. Bandung is the capital city of West Java – Indonesia, which tourism has become very phenomenal as it has been increasing time to time (bandung.go.id). Bandung city is true to have so many potentials such as in culinary, fashion, beautiful mountains, heritage buildings, etc – which are very good, since anything special in a city might attract tourists (Hospers, cited in Dinnie, 2011). But then, it's been a huge question if there is any urgency to brand Bandung and differentiate it from others in the purpose of gaining competitive brand value – as the theory of place branding (Ashworth, 2009; cited in Dinnie, 2011) which is more complex than branding products and services (Freire, 2005; cited in Dinnie 2011). Yet, it is a difficult task to do since images associated with a city are intangible and abstract (Dinnie, 2011). Additionally, even though cities have several different target audiences, the core brand stance must be consistent – One city, one brand (Dinnie, 2011). So that this research will measure CBBETD of Bandung city as tourism destination from the tourists' perspective and whether the results have any significant impacts toward Bandung tourism and also toward future development of Bandung city branding.

LITERATURE REVIEW

Place, destination, and city as a brand

Place branding is defined as “the practice of applying brand strategy and other marketing techniques and disciplines to the economic, social, political and cultural developments of cities, religions, and countries” (Anholt, 2004; cited in Kerr, 2006, p. 278; cited in Koenig, 2011). As the definition of city brand as ‘the unique multidimensional blend of elements that provide the city with culturally grounded differentiation and relevance for all of its target audiences’ (Dinnie, 2011), a city as tourism destination should also increase its value based on a balanced tourism infrastructure for any activities (Dinnie, 2011) and in the purpose of building stronger touristic image, cities should start building images (Hospers, 2009; cited in Dinnie, 2011). In city branding, there is also a topic area toward food culture that it has become a political tool ‘to create new business at the intersection between food and tourism and the experience of a particular place’ (Long, 2004; Trubek, 2008; cited in Tellstrom, 2005; cited in Dinnie, 2011) such as the case of Provence, Tuscany, California, and South Africa (Hall et al. 2003; Wolf 2006; cited in Tellstrom, 2005; cited in Dinnie, 2011) and also Sweden with its ‘Sweden – Land of Food’ in 2008 where the government aims to enhance tourists’ experience and to stimulate food tourism (Tellsrom, 2005; cited in Dinnie, 2011). It is enhanced by the argument that tourists are actually open to the idea of eating foods from the food culture they associate the region with – that this can help tourist destination development (Tellsrom, 2005; cited in Dinnie, 2011).

CBBE and CBBETD

Brand equity is defined as “the set of brand assets and liabilities linked to the brand - its name and symbols - that add value to, or subtract value from, a product or service” (Aaker, 1991). Toward measuring customers’ evaluation, this study will use the concept of CBBE which is defined “as the differential effect that brand knowledge has on consumer response to the marketing of that brand” (Keller, 1998 : 45 ; cited in Konecnik, 2010) by following the claim of some researchers (Aaker, 1991 ; Yoo and Donthu, 2001; cited in Konecnik, 2010) that customers’ evaluation of a brand consists of awareness, image, quality, and loyalty dimension (Konecnik, 2010). Moreover, toward the current study for tourism, extended concept of CBBE – which is Customer- Based Brand Equity for A Destination (Konecnik & Gartner, 2006) and Customer-Based Brand Equity for A Tourism Destination (CBBETD), is applied as it was introduced by Konecnik (2010) which combined many dimensions and also Mok Kim Man (2010).

Hypothesis

- H1 : Tourists have a good overall awareness of Bandung as tourism destination
- H2 : Tourists have a good overall image of Bandung as tourism destination

- H3 : Tourists will evaluate Bandung's overall quality as good
H4 : Bandung has high level of tourists' loyalty

METHODOLOGY

In research design, there were several steps explained in conducting the research. First was observation toward places all around Bandung that is potential toward attracting tourists. Second was reading previous research about CBBETD (Konecnik, 2010; Mok Kim Man, 2010). Third was survey with quantitative approach that questionnaire was made in form of likert scale measurement 1 to 5 based on observation and previous research. The population of the research conducted to tourists who have already been to Bandung domestically and internationally. This research is non probability sampling and uses judgment sampling in choosing the respondents. The questionnaires were spread in two ways, hardcopy (250 questionnaires) and online internet (214 questionnaires). The total questionnaires were spread to 464 respondents but the valid feedbacks only 400 questionnaires. In addition, this research also using the concept of factor analysis to find a relationship between the measures in purpose to reduce them into groups of factors according to the tourists' level of loyalty in the terms of how many times have they been to Bandung.

RESULTS AND DISCUSSIONS

Respondents' Profile

After gathering 400 respondents of domestic and international tourists, we can describe the socio-demographic of the respondents' profile. The portion of male and female is almost the same – 208 (52%) female and 192 (48%) male which 256 (64%) of them were 18-24 years old, 99 (24.75%) were 25-34 years old and the rest is above 35-44 years old. It is also found out that 232 (58%) of the respondents were students or scholar, 98 (24.5%) employed, 49 (12.25%) self-employed, 19 (4.75%) housewives and 2 (0.5%) retired, that most of their origin were from West Indonesia by 343 (85.75%), Asia other than Indonesia by 22 (5.50%), and Middle Indonesia by 20 (5%). Moreover, 223 (55.75%) of the respondents have already been to Bandung the same or more than 5 times, 78 (19.5%) 2-3 times, and 76 (19%) only 1 time that 238 (59.5%) of them usually visit Bandung anytime they want, 86 (21.5%) in low season and 76 (19%) in high season. It is also found out that 285 (71.25%) of the respondents usually organize their visit individually and that 180 (45%) of them usually visit Bandung with their family and 131 (32.75%) with their friends.

CBBETD Awareness Analysis for Bandung as Tourism Destination

Respondents' awareness of Bandung as tourism destination is actually quite high that we can see from [table 1](#), most of the respondents can easily recognize Bandung as a tourism destination. But unfortunately, the respondents tend to be unsure toward the symbol or logo of Bandung as tourism destination which become the only problem. Moreover, factor analysis was conducted since the results of using KMO (Kaiser, Meyer, Olkin) measures at 0.733 – above 0.5 and Barlett's test below 0.05 – which is significant. CBBETD awareness measures can be grouped into two factors which the first one which is called as early awareness and the second one which is called as late awareness.

Measures	Mean	Factor Loading	
		1	2
I have heard of Bandung	4.61	0.687	
I can recognize Bandung name among other destinations	4.26	0.364	
Some characteristics of Bandung come quickly to my mind	4.04		0.817
I can picture Bandung in my mind	3.96		0.842
I can recall the symbol or logo of Bandung as a tourism destination	3.40		0.603
% Variance extracted		54.39	20.94

CBBETD Image Dimension Analysis for Bandung as Tourism Destination

Bandung actually has good overall image as a tourism destination since most of the measures' mean at [table 2](#) are above 3.50 in the scale of 5 such as delicious culinary and good shopping facilities, except the political stability interesting museum and availability of international flights. Other than that, factor analysis was conducted because the KMO value is 0.838 and that

the Barlett's test also significant. There are four groups of measures resulted from factor analysis but three of the groups contain measures that can be ignored because the value is below 0.4. So that toward the case of Bandung, there is only one group of measures lasts which is called the ambience since the most influencing measures are the atmosphere and weather. But in the end, in the terms of ambience for the case of Bandung, culinary and shopping facilities are crucial to be included as part of enhancing the other measures in the group.

Measures	Mean	Factor Loading			
		1	2	3	4
Beautiful nature	3.85	- 0.172			
Beautiful mountains and scenery / landscape	3.91	- 0.140			
Friendly people	3.89	- 0.262			
Beautiful Dutch architecture	3.64		- 0.154		
Beautiful and comfortable resorts & hotels	3.70		- 0.180		
Good nightlife and entertainment	3.68		- 0.171		
Good opportunities for recreation activities	3.90		- 0.070		
Interesting cultural attractions	3.53			- 0.356	
Interesting events	3.57			- 0.296	
Political stability	3.24			0.075	
Interesting museums	3.21			- 0.422	
Availability of international flights	3.06			- 0.157	
Pleasant weather	3.91				0.488
Good shopping facilities	4.01				0.367
Relaxing atmosphere	3.94				0.506
Exciting atmosphere	3.83				0.572
Delicious culinary	4.24				0.371
% Variance extracted		6.33	8.02	9.97	29.69

CBBETD Quality Dimension Analysis for Bandung as Tourism Destination

From table 3, the results of overall quality are not good enough such as high level of cleanliness, unpolluted environment, high quality infrastructure, and high level of personal safety. But, there are still some good perspectives toward some measures that the highest rank of quality measures is appealing local food. In the other hand, factor analysis was conducted that the KMO result is 0.861 and the Barlett's test is significant. We can see that there are two groups of measures from the rotated component matrix. The first group contains measures that are below 0.4 which can be ignored while the second group which is called as best qualities of Bandung contains measures above 0.4 that all of the measures are influential toward the case of Bandung.

Measures	Mean	Factor Loading	
		1	2
Unpolluted environment	2.92	- 0.536	
High quality of accommodation	3.30	- 0.377	
High quality of infrastructure	3.07	- 0.450	
High level of cleanliness	2.86	- 0.558	
High level of personal safety	3.09	- 0.269	
Appealing local food (cuisine)	3.91		0.470
Low price for tourism services	3.43		0.567
High quality of services	3.34		0.695
Ease of communication (low problems)	3.57		0.557
Good value for money	3.52		0.641
Ease of gathering information	3.56		0.636
Ease of visit access	3.63		0.667
% Variance Extracted		16.34	38.94

CBBETD Loyalty Dimension Analysis for Bandung as Tourism Destination

Measures	Mean	Factor Loading	
		1	2
Bandung is one of the preferred destinations I want to visit	3.92	0.789	
I would like to visit Bandung in the future	4.07	0.720	
I intend to recommend Bandung to people I know	3.80	0.755	
I intend to continue visiting Bandung in the future	3.74	0.707	
Bandung provides more benefits than other similar Southeast Asia destinations	3.19		0.357
When I have a need to vacation / travel abroad, I only visit Bandung	2.71		0.663
I have grown to like Bandung more than other destinations	3.10		0.339
% Variance extracted		51.36	17.05

In the loyalty dimension for Bandung as tourism destination, most of the respondents stated that Bandung is one of the preferred destinations they want to visit, also in the future, and recommend Bandung to people they know, even though they tend to feel Bandung does not really provide more benefits than other similar Southeast Asian destinations, not really grown to like Bandung more than other destination and not only visit Bandung when they need a vacation or travel abroad. In addition, factor analysis was conducted since the KMO is 0.801 – above 0.5 and the Barlett’s test is significant. There are two groups – the first is called as the early loyalty that all of the measures are influencing the group and the second is called late loyalty where visit Bandung is the only measure that influencing the group that the others can be ignored – values below 0.4.

CONCLUSION AND RECOMMENDATION

Bandung CBBETD actually shows not a really good overall value that there is quite high awareness level but then it needs some improvement toward the symbol or logo which can describe Bandung City as tourism destination. Tourists actually also have good overall image of Bandung city which the highest ones are delicious culinary and shopping facilities. But unfortunately, the overall quality of Bandung is not good enough even though the loyalty of the tourists is quite high. Additionally, Bandung actually has so many potentials that will enrich the brand equity if improvements toward various aspects are managed well by the entire stakeholders, even though actually the-not-really-good CBBETD of Bandung doesn’t really have any impacts in attracting tourists since the fact that it is increasing time to time. Toward further research, it’s best to develop more deep study on factors that need improvements toward Bandung city as tourism destination to reach better CBBETD since it might increase the brand value and also might help in the development of Bandung ‘right’ city brand.

References available upon request.

FESTIVAL VISITORS' EMOTION AND ITS RESPONSE TO THE ENVIRONMENT

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ABSTRACT

The purpose of this paper is to investigate how environmental perceptions elicit different sets of emotions and these emotions in turn influence festival visitors' post-visit evaluation. The present study adopted the Mehrabian-Russell (M-R) model in environmental psychology in order to better explain how visitors react to the festival physical and social environment. Data were collected from festival goers using an onsite and post-visit survey in 2008 at three community-based festivals in Texas.

The study results demonstrated that certain aspects of festival atmospherics engendered moderate to strong positive emotions and indirectly affecting overall satisfaction. Specifically, loving and joyful feelings elicited through uniquely themed and diverse activities and entertainment along with quality service delivery were associated with generating visitors' satisfying experiences at festivals. The findings of the study have theoretical and practical implications. For practice, the study offers some guidance for festival organizers to create positive emotion-inducing atmospherics, which positively influences visitors' overall satisfaction. For theory, this investigation contributes to furthering our understanding of festival visitors' post-visit behaviors by confirming the proposed model within the M-R framework.

References available upon request.

PERSPECTIVES ON DESTINATION COMPETITIVENESS – NATIONAL DESTINATION COMPETITIVENESS' INFLUENCE ON REGIONAL ATTRACTIVENESS

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INTRODUCTION

Destination competitiveness as such is central for all National Tourist Offices (NTOs) and Destination Marketing Organizations (DMOs) as it is considered as the main outcome of all marketing endeavor (Pike 2008). The Österreich Werbung (Austrian NTO) explicitly states that its main concern is “gemeinsam mit allen österreichischen Tourismuspartnern für den Erhalt bzw. den Ausbau der Wettbewerbsfähigkeit des Tourismuslandes Österreich zu sorgen”¹ (Österreich Werbung 2011). In academia, Ritchie and Crouch's (2003) notion seems to be the one other researchers agree to rely on. They argue that

[w]hat makes a tourism destination truly competitive is its ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations (p. 2).

This statement puts well-being of residents and sustainability as the ultimate goal of destination competitiveness onto center stage but also highlight two concrete aims, “to increase tourism expenditure” and “to increasingly attract visitors”. More generally, the objectives that are attributed to destination competitiveness can be summarized in two categories: to promote the country (Dwyer and Kim 2003), and to promote the success of tourism activity as measured by number of visitors, tourism expenditure, market share, foreign exchange earnings, economic impacts on income and employment, and by providing satisfying experiences for visitors (Dwyer, Mellor, Livaic, Edwards and Kim 2004; Ritchie, Crouch and Hudson 2001).

The core conceptual work in destination competitiveness research is due to Ritchie and Crouch (2003), with others also contributing to the development of models (Croes 2011; Dwyer and Kim 2003; Hassan 2000) or to the conceptual discussion (Crouch 2011; Dwyer, Mellor, Livaic, Edwards and Kim 2004; Enright and Newton 2004, 2005; Hong 2009). More recently, existing models have been empirically tested (Croes 2011; Gooroochurn and Sugiyarto 2005; Mazanec and Ring 2011; Mazanec, Wöber and Zins 2007; Ring 2011). This confrontation of theory with real-life data has not yet succeeded in an agreement about a single theory or about most important aspects. Hong (2009) identifies *exogenous comparative advantages* as most important, Dwyer et al. (2004) show the importance of *destination management*, Gooroochurn and Sugiyarto's (2005) findings indicate importance of *technology* and *social indices*. Following Ritchie and Crouch's (2003) basic ideas, Enright and Newton (2004, 2005) highlight the importance of *business-related factors* and *tourism attractors* alike. A recent study by Crouch (2011) gives prominence to *Core Resources and Attractors*. However, the importance of natural endowments cannot be confirmed by investigations of the World Economic Forum's Travel and Tourism Competitiveness Index, the most comprehensive collection of data on (national) destination competitiveness (Mazanec and Ring 2011; Ring 2011).

Even though the ultimate goal of destination competitiveness is to increase the well-being of its residents (Crouch and Ritchie 1999; Dwyer and Kim 2003; Hong 2009), it is recognized that this is only possible if a destination is successful in economic terms (i.e. its performance is good). Up to now, destination competitiveness research has mainly focused on the supply side by developing models that identify factors that increase destination competitiveness (that focus on increasing tourism performance and, therefore, concentrate on increasing tourism expenditure) but the demand side has hardly been considered so far.

Relying on the conceptual argumentation and at least slight empirical evidence that destination competitiveness in fact manifests itself in performance of destinations (Mazanec and Ring 2011), raises the question what comes next. Performance data is generally available (and interesting) in an aggregate form, however, it evidently originates from individual consumers buying the product (travelers visiting the destination). It goes without saying that the tourist's experience is what has to be optimized in order to be competitive in the long run. The importance of tourist's satisfaction has long been recognized in

¹ “to maintain and increase Austria's competitiveness as a tourism destination in collaboration with all Austrian tourism stakeholders.” (own translation)

competitiveness research (Dwyer and Kim 2003; Dwyer, Mellor, Livaic, Edwards and Kim 2004; Ritchie and Crouch 2003) with a recent study by Croes (2011) re-emphasizing the importance of customers by arguing that “[t]ourist goods should therefore be the result of the ability of a destination to connect supply-side activities (e.g., attractions, services, infrastructures) with demand-side value creation to satisfy the customers [...]” (p. 440). However, it has not been included in any of the existing models on destination competitiveness so far. The basic requirement is to be *attractive* for visitors. A destination that is attractive (to a potential visitor) is a destination that is preferred over others which depends how tourists think that a destination will satisfy their needs (Hu and Ritchie 1993).

This paper aims at stimulating further discussion on the inclusion of consumers’ perceptions in competitiveness research by proposing a basic model how destination competitiveness from the supply-side point of view can influence (perceived) destination attractiveness. By means of hierarchical modeling, destination competitiveness data as available on the national level and destination attractiveness data on the regional level are combined.

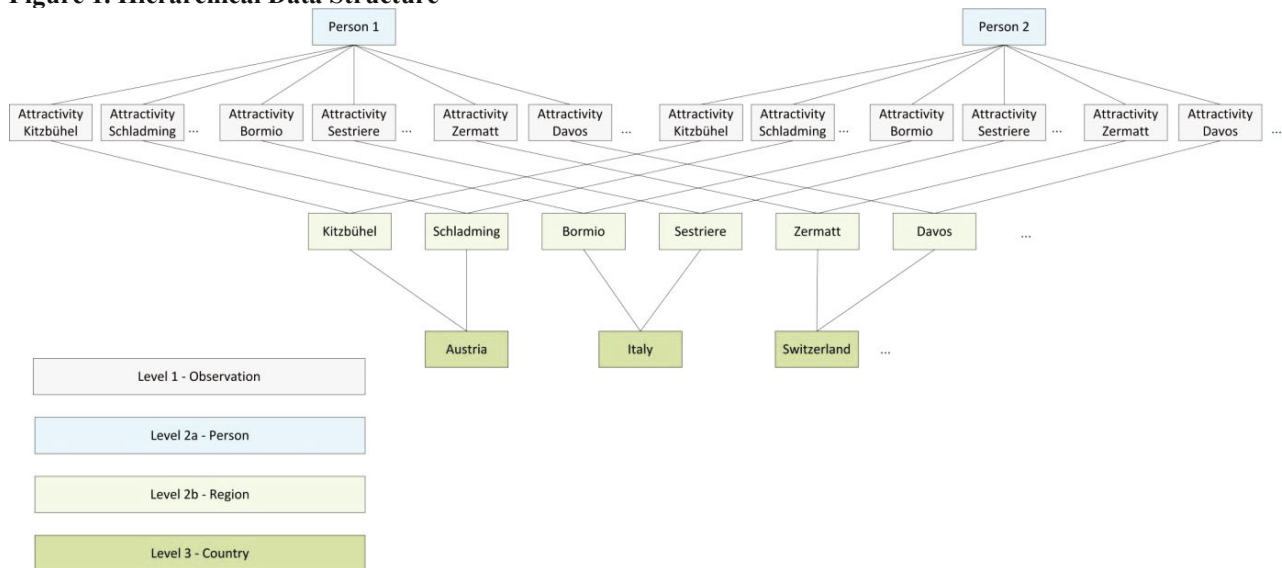
DATA AND METHOD

To combine national destination competitiveness and regional destination attractiveness in one model, two different sources of data are used. First, to measure competitiveness on a national level, the World Economic Forum’s Travel and Tourism Competitiveness Index (TTCI) is used (Blanke and Chiesa 2009). To acknowledge that the composition of destination competitiveness is more complex than what can be captured by summarizing several measures in unweighted averages (as done in the TTCI), the score resulting from a PLS path model (*DC score*) where the TTCI is understood as a formative measurement model that manifests itself in performance criteria (arrivals, receipts and increase in arrivals) is used. For the model and the reported scores, see Mazanec and Ring (2011).

The regional data stem from a survey among 83 Austrian skiers regarding perceived competition and attractiveness of 21 skiing destinations (regions) in five different countries. These are: Flachau, Kirchberg, Kitzbühel, Ramsau, Saalbach, Schladming, Zell am See (Austria); Chamonix, Val d’Isère (France); Garmisch-Partenkirchen, Oberstdorf (Germany); Alta Badia, Bormio, Cortina d’Ampezzo, Gröden, Sestriere (Italy); Adelboden, Davos, St. Moritz, Wengen, Zermatt (Switzerland).

In order to combine data on different levels of aggregation (national competitiveness data, aggregated, and regional attractiveness data, disaggregated), hierarchical modeling is applied. Figure 1 gives an overview about the different levels that have to be considered in the model. The structure of the data can be considered as cross-classified as lower-level units (observations) are cross-classified by more than one higher-level unit (Raudenbush and Bryk 2002). Observations are considered to be level 1, which are nested in 21 different skiing destinations (regions) that are nested in five countries. Additionally, observations are also nested in persons due to repeated measures.

Figure 1. Hierarchical Data Structure



To estimate the model, attractiveness (y ; level 1-observation) for each skiing destination is predicted by previous visitation (dummy variable; level 1-observation; fixed effect), DC score 2009 (level 3-country; fixed effect) and three random effects (ζ). The random effect for persons (Level 2a) takes into consideration the repeated measures design (each respondent rated 21 regions). As the 21 regions can be understood as a sample of all possible regions in their respective countries, a random effect for region is included. This allows the intercept to vary randomly across regions. The last random effect is intended to capture the random effect stemming from countries. In order to estimate the model, a cross-classified random intercept model is calculated (see Equation 1).

$$y = \beta_0 + \beta_1 * \textit{visitation} + \beta_2 * \textit{DC} + \zeta_{\textit{pers}} + \zeta_{\textit{region}} + \zeta_{\textit{country}} + \varepsilon \quad \text{Equation 1}$$

RESULTS AND DISCUSSION

Results show a significant positive effect for both fixed effects. The random effect for country fails to explain a considerable amount of the variance (0.24%). Consequently, a model excluding this effect is calculated. A likelihood ratio test shows that this effect is indeed negligible ($p=1$). Hence, the results of the model without this effect are presented in Table 1. With regard to the random effects, the repeated measure effect explains a considerable part of the remaining variance. Regions, however, also account for a slight amount of the variance. In order to test for the significance of this random effect, a model excluding this effect is also calculated. The likelihood ratio test shows that this random effect should remain in the model ($p<.01$).

Table 1: Cross-Classified Random-Intercept Model

Fixed effects	Estimate	Std.Error	t-value	Random effects	Variance explained
Intercept	-3.63	1.56	-2.32	Person	17.5%
Visitation	0.39	0.07	5.36	Region	2.2%
DC Score	1.41	0.44	3.21		
AIC 5150; BIC 5183; loglikelihood -2560, deviance 5131					

Consequently, the results support the hypothesis that destination competitiveness on the national level can influence destination attractiveness on a regional level. The positive fixed effect for the DC score shows that an increase in national competitiveness leads to an increase in regional attractiveness. However, the example given above shows just a possible way how data on different levels can be combined. Due to limited data availability, however, the model remains rather simple. Given the limited number of countries, the following estimation can only be considered as an example showing how national competitiveness can be related to regional attractiveness, but the findings cannot be generalized so far.

From a practical point of view, this approach is most relevant for regional tourism managers. It allows them to take advantage from data that is available on national level and to judge on the influence of this inherent, non-influenceable shaping factor of attractiveness as opposed to other, perceptual and influenceable factors. A framework that combines different levels of data should raise the awareness that a regional destination is not independent from the country it belongs to. This may allow regional managers to capitalize on the countries' strengths where they are in conformity with their own destinations' benefits and, therefore, provide potential for reinforcement in product policies and promotional message content.

CONCLUSION

This little example shows that national destination competitiveness is related to regional attractiveness. Furthermore, it has been shown that data stemming from different levels of aggregation can be combined meaningfully. Consequently, this should provide food for thought on how the perceptions of travelers (the demand side) can be integrated in destination competitiveness research. Further research should go on to discuss the interrelationship between different levels of competitiveness (regional, national), as this may not be a unidirectional relationship.

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THE IMPORTANCE OF SOCIAL RELATIONSHIPS IN FESTIVAL QUALITY EVALUATION

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ABSTRACT

This study aims to identify the role of visitors' relationships with service providers, other customers and their companion(s) in festival experience, suggesting the integrated festival quality model which combines relational constructs with the current five-dimension functional quality model. Like other forms of services, festival is a social activity. Festival encounters involve a series of social relationships in the presence of multiple service providers and other visitors who share the servicescape with and other customers on service experience has been substantially examined. Additionally, festival visitors usually visit festivals with a group of some size. As the indigenous presence of social groups involving families and friends in the leisure and tourism activity has been recognized, attending festivals is also a leisure activity that is most often shared with companion visitors. In the festival literature, family togetherness or socialization has been identified as one of the most common sources of motivation for festival customers. Despite the importance of social groups in the festival encounter, there is little, if any, research that empirically examines the role of festival visitors' relationships with their companion visitors in festival quality and satisfaction research.

An onsite survey was conducted from Nonsan Strawberry Festival, which was held in April 13-15, 2012. A total of 215 completed responses were received. Structural Equation Modeling (SEM) using SPSS AMOS 20 was used to test the proposed model and hypothesized relationships among the constructs. All hypotheses examining a positive effect of visitors' relationship with service providers, other customers and companion(s) were supported by the data and the proposed model also had an acceptable fit to the data.

It appears that relational aspects have not been explored to any great extent in the festival quality literature and there are a number of questions that lend itself to the analytical framework in festival quality literature. By examining the importance of relational aspects of festival service experiences, this study suggests that festival operators need to keep in mind that considering how a festival visitor encounters social relationships with whom and how those influence his/her festival experience is important for successful marketing. Providing visitors with an opportunity for positive and supportive relationships with service providers, other customers, and their companion(s) using festival programs and services will help improve visitors' festival experience. As important as a festival visitor perceives the process and outcome of the social relationships at a festival, he/she will accordingly enjoy the festival experience. This is an important part of relational quality because social enjoyment has been identified as one of the major festival motivation. However, it should be noted that all social relationships make important, but complementary contributions to visitors' satisfaction judgment. In particular, in order to derive joint enjoyment between visitors and their companions, festival programs and services need to focus on shared activities of exchanges, considering that people usually visit festivals in a group of some size.

By incorporating multiple observable relationships associated with service quality specific to a festival setting, this study provides insight into festival service research applicable to many tourism services involving diverse social relationships. The findings indicate that there are various types of social relationship contributing to festival quality and all of those can similarly and differently influence festival service experience. Therefore, in addition to conventional functional quality elements, it is important for festival organizers to recognize the importance visitors' social relationships in offering satisfying festival experiences.

References available upon request.

Session 3.1. Advertising in a Connected World

Session Chair: Michael Parent, Simon Fraser University, Canada

Ad appeals in the context of viral advertising

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Tamara Mangleburg, Florida Atlantic University, USA

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The Selling Power of Customer-Generated Product Reviews: The Matching Effect between Consumers' Cognitive Needs and Persuasive Message Types

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AD APPEALS IN THE CONTEXT OF VIRAL ADVERTISING

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ABSTRACT

Researchers and practitioners have noted that consumers seem increasingly comfortable with online viral advertising campaigns that encourage individuals to pass along a marketing message to others by Internet or e-mail. World-renowned companies, such as Nike, Budweiser, Ford, GMC, Levi's and De Beers have successfully used viral advertising in social media, including YouTube, Facebook and blogs (Borroff 2000; Morrissey 2008; Rechten 2009; Solman 2008a, 2008b; Steenburgh, Avery and Dahod 2009; Thompson 2010).

Previous research related to the viral process has noted that viral messages need to be funny or intriguing, appeal to the imagination of consumers, related to easy to use or visible products, well targeted, come from a credible source, and are adapted to new technologies (Dobele et al. 2005). The purpose of this paper is to study under what conditions ads become viral, and what are their antecedents and mediators.

Previous advertising research has found that specific ad appeals and executional characteristics of ads influence consumers' attitudes toward the ad (Bagozzi, Gopinath and Nayer 1999; Batra and Ray 1986; MacKenzie, Lutz, and Belch 1986; MacKenzie and Lutz 1989; Tellis 2004). Different advertising execution strategies range from strictly informational to highly emotional (Severn, Belch and Belch 1990). We analyze three of the key ad appeals used in the most successful viral ads currently circulating online: sex, humor, as well as ad informativeness.

In viral studies, researchers found that when product or marketing information comes via an e-mail from a person the consumer knows, the receiver is more likely to pass along this information and forward the e-mail to other consumers (Phelps et al. 2004). We hypothesized that an advertisement received from a known interpersonal source, such as a family member, friend or Facebook contact, will lead to a more positive attitude toward the ad and to a higher chance of forwarding the message, than an advertisement from an unknown source.

In order to test our hypotheses, we used a national consumer sample. We found all three types of ad appeals significant for both attitude toward the ad and viral intentions. We confirmed that humorous and sexual ad appeals positively influence attitude toward the ad and viral intentions. We also found that informative appeals have a positive effect on attitude toward the ad. The results of the statistical analysis, including both viral intentions and the actual viral behavior, confirm that the humorous appeal has the highest importance for viral advertisements and the highest potential when creating ads with the intention to make them viral. Our findings support this previously hypothesized relationship between humor and viral advertising, clarifying the role of humor in the modern viral ads. This represents a step forward for both marketing theory and practice and an empirical confirmation of the importance given to humor by the advertising world.

While we did find a positive relationship between sexual appeal and both attitude toward the ad and viral intentions (and behavior), the sexual ad occupied the third position regarding the strength of its effect, following humor and informative ads. Regarding another characteristics of the ad, its source, the data analyzed did not support our hypotheses that ad source influences attitude toward the ad and viral intentions. This can be due to consumers not finding ads coming from strangers any different from ads originating from friends. Another reason can be related to the manipulations of our experiment and to the fact that in real-life situations consumers might place a higher importance on ad source than in the context of an experiment and online survey.

We confirmed the mediational role of attitude toward the ad in relation to viral intentions, and its positive influence on viral intentions, relating a modern advertising variable related to viral ads to the classical attitude toward the ad. These findings contribute to the theoretical integration of viral intentions in the classical advertising framework, and note the importance of attitude toward the ad for viral behavior.

References available upon request

THE SELLING POWER OF CUSTOMER-GENERATED PRODUCT REVIEWS: THE MATCHING EFFECT BETWEEN CONSUMERS' COGNITIVE NEEDS AND PERSUASIVE MESSAGE TYPES

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INTRODUCTION

A 2007 survey reported that one in three Internet users make purchase decisions influenced by sites with social contents (Wasserman 2007), social networking websites such as Facebook.com. Although Amazon.com is not a typical social networking website, like Facebook.com, Amazon.com meets the definition of a “social networking location” by letting their customers post reviews and ratings, and thus falls into the categories of online feedback system, recognized by Yang and Peterson (2003). Shoppers on the Amazon.com not only search for products that appeal to their needs, but also consume those consumer-generated product reviews (CGPR) as well as the ratings of those products. The current research examines the persuasiveness of consumer-generated product reviews based on the matching effects between the types of the persuasive messages (Transformational or Informational) and individuals' information processing styles. The paper refines the scale of Need for Cognition (Petty, Caccioppo, and Kao 1984), emphasizes importance in understanding the selling power of vast consumer-generated product reviews, and extends the scope of e-word-of-mouth (e-WOM) research by recognizing the persuasive function of customer-generated product reviews on retailing websites.

LITERATURE REVIEW

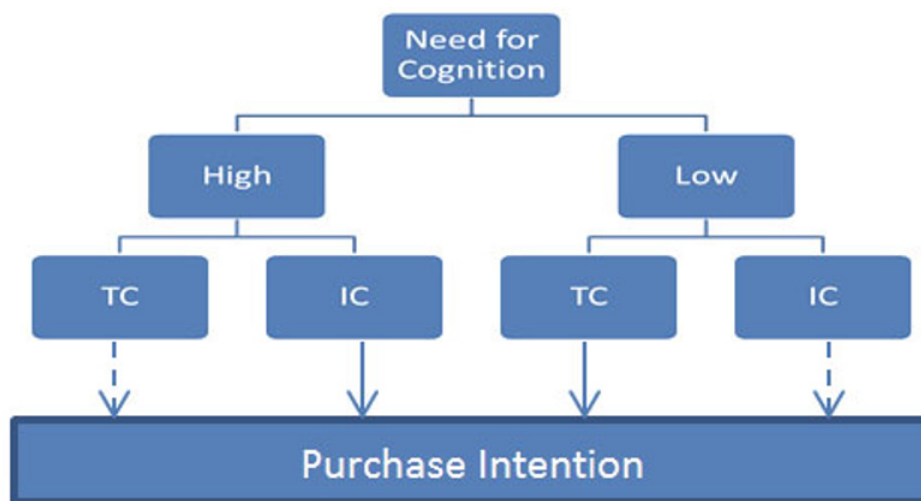
The world-wide Internet has provided an interactive arena for word-of-mouth communication (Granitz & Ward 1996; Berthon, Pitt, Planggerb, & Shapiro 2012). Using the Internet, consumers can easily publish their own opinions, thoughts, feelings, and viewpoints on products and services. These consumer-generated contents are available to any customer around the world connected through the Internet and are demonstrating a vital role in the field of marketing. Online retailers, such as Amazon and Ebay encourage their consumers to share their testimonials (personal experiences of products) on their websites. Thus, such consumer-generated product reviews (CGPR) are gaining more and more attention among business practitioners, information system managers, and researchers. Researchers have examined the influences of CGPRs in the purchase decision making process from various perspectives in recent years. Mudambi and Schuff (2010) investigate the helpfulness of consumer generated product reviews in the purchase decision making. They further suggest that future research should also consider the role of product type in the persuasion process. Archak et al. (2011) reveals the consumers' preferences in textual (message) frames would also affect sales. In other words, textual messages such as consumer-generated reviews do sell, but Archak et al's study focus more on the descriptions of technical (informational) features than emotional (transformational) features of the message.

Previous research results on message types were also controversial. Puto and Wells (1984) classified advertising messages into informational and transformational categories, in accordance with cognitive and affective dimensions. However, there is no clear cut between the two, the scales developed by Puto and Wells (1984) are not exclusive but mutually inclusive, but a two dimensioned scales. Claeys et al., (1995) concluded that when “think” dominated in the purchase decision, the product would fall into the left side of FCB grid (Vaughn 1980); conversely, when “feel” dominated, the product would belong to the right side. However, when both think and feel functions equally, the product would be a combination product. As suggested by Petty and Wegener (1998), “messages that match the underlying basis of the attitude are more effective than messages that mismatch.” And consequently, individual with matched needs tends to evaluate the messages more persuasive than others. However, little research has found direct relationship between message types and individual traits but focus more the influences when changes occur (Farbrigar & Petty 1999).

Other than the influence from types of persuasive messages, types of products also affect consumers' attitude formation in the decision making process (Taghian & D'Souza 2007). So far, products are classified from different perspectives. One group of researchers classifies product types from a functional perspective, utilitarian needs and hedonic needs (Hirschman and Holbrook 1982). Later on, Lepkowska-Whiet et al. (2003) categorize products into types of informative and affective products. Informative products satisfy consumers' utilitarian needs and individuals whose utilitarian needs are satisfied may demonstrate more positive attitudes towards these products. In contrast, individuals who obtain hedonic satisfaction from affective goods should generate more positive attitudes toward affective products than utilitarian ones. Therefore, the matching effect between product types and individual's needs also affects consumers' decision making. Consumer behavior research has proved that consumers with high need-for cognition (NFC) traits (Cacioppo & Petty 1982) have a tendency to engage in and to enjoy effortful thinking, whereas individuals of low-need-for-cognition tend to avoid cognitive tasks in their consumption decision making process (Veries, Holland, Corneille, Rondeel & Witteman 2012).

Even though, a lot of consumer behavior studies have examined the interaction between NFC and various factors such as aging effect (Drolet et al. 2007) and attitude formation (Pan and Zhang 2011), little research has tested the relationship between consumers' need-for-cognition trait and persuasive message types of consumer-generated product review. Therefore, this current research seeks to find evidence for the interaction between individuals' need-for-cognition level and types of persuasive messages.

Current research tends to fill in the gaps in the literature by: (1) identifying the types of consumer-generated product reviews of a combination product; (2) examining the matching effects between individuals' need for cognition and types of consumer-generated product reviews; and (3) studying the influences of the matching effects on consumers' purchase decision making. Hypotheses were formulated to test the following model (Figure 1). The model illustrates the relationship among the factors: consumers are first classified into two groups: High and Low. Each group was exposed to two types of consumer-generated product reviews, TC and IC. Individuals of high level of NFC demonstrate more purchase intension when reading informational reviews (IC) over transformational reviews (TC). In contrast, individuals of low level of NFC indicate high purchase intention when reading transformational reviews (TC) over informational reviews (IC). The solid arrow indicates a positive relationship, while the dotted arrow reflects a negative influence.



METHODOLOGY

First, a product of fitness program was selected as a combination product carrying both Think (Informational) and Feel (Transformational) features according to Berger's (1986) FCB grid (Vaughn 1980). Two pieces of consumer-generated reviews of this product were finalized as persuasive messages for this particular study: one contains significantly more factual information (Informational) while the other employs more emotional expressions (Transformational).

Then, an online survey was administrated for the purpose of this research. A total of 243 usable survey respondents were obtained for further statistical analysis following the data screening process by deleting invalid responses. Among the participants, 121 read the transformational review and the 122 read the informational review. All participants answered questions of demographic information (gender, age, etc).

A 7-point semantic bipolar scale of ten items was used to measure the transformational/informational characteristics of reviews. Nine out of ten items came from Hirschman (1986) and one global item to measure both informational and transformational feature was also used. Transformational Characteristic (TC) of the review was assessed with four items: attractive/not attractive; desirable/not desirable; arousing/not arousing; and beautiful/not beautiful. Then the items were averaged to form a TC-index. Measure for Informational Characteristic (IC) of the review includes five items: logical/not logical; educational/not educational; informative/not informative; factual/not factual; and useful/not useful. These five items were also averaged to produce an index for IC. The scales result in an alpha of .82. Following Park (2006), a Global Evaluation of Review (GER) was also employed by averaging all IC items and TC items. Thus, a lower GER score indicated a more informational characteristic, while higher GER score indicated a more transformational characteristic in the review.

A shorter-version of 17-items developed by Petty, Caccioppo, and Kao (1984) was used and reported an overall alpha of .866. Scores of the items were averaged for an overall index. Thus, a higher index indicates a greater tendency to enjoy thinking. Purchase intentions were measured with Bower's (2001) and reported an alpha of .917 in this study. There was also one item that measured brand familiarity because of using a real brand – Zumba.

RESULTS AND DISCUSSION

EFA analysis reveals three factors in the scales: Need for Cognition (NFC), Types of Reviews, and Purchase intentions. A regression analysis, conducted in SPSS 19, reveals that Purchase Intention, could be affected by factors of Review type (TC/IC, $p < .001$), brand familiarity ($p < .001$), gender ($p = .001$), and need-for-cognition level ($p = .004$). The relationship is reflected in the model below:

$$\text{Purchase Intention} = 1.843 + .608 \text{ TC/IC} + .203 \text{ Brand Familiarity} - .598 \text{ Gender} - .291 \text{ Need-for-Cognition}$$

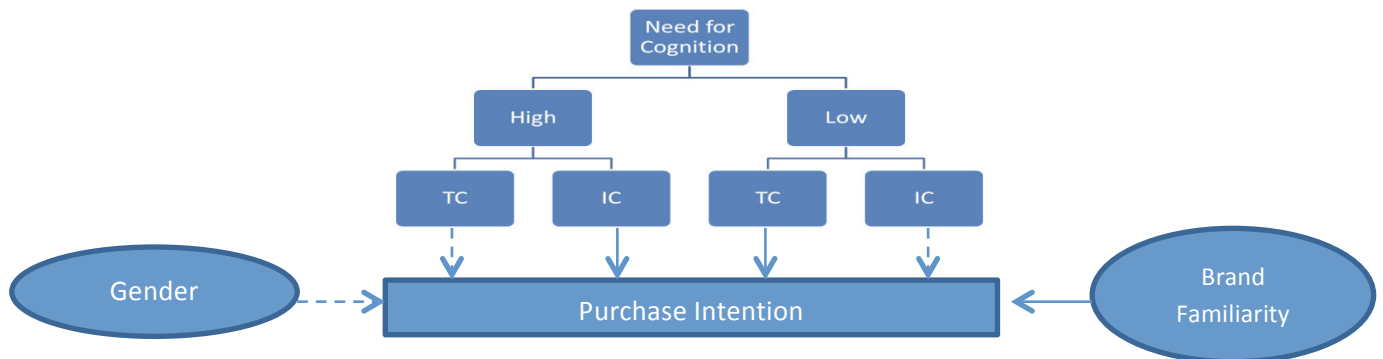
This regression model indicates that consumers' purchase intention is positively affected by review types, but has a negative relationship with gender and need-for-cognition level. ANOVA was conducted to test hypotheses of proposed matching effects between levels of need for cognition and types of reviews. The Table 1 shows that even though the Need for Cognition itself is not a significant predictor with purchase intention, the interaction between types of review (TC/IC) and the Need for Cognition Level affects the purchase intention ($p = .097$). At the same time, Brand familiarity and TC/IC are also significant predictors of the purchase intention.

Table 1. ANOVA Test with Purchase Intention as dependent Variable

Source	Type III Sum of Squares	F	Sig.
Brand Familiarity	22.231	20.175	.001
TC/IC	187.327	1.932	.092
Need for Cognition	60.099	1.268	.332
TC/IC * Need for Cognition	196.703	1.899	.097

Thus, the statistical analysis not only justifies the proposed model of Figure 1 but also introduced another two factors: Gender and Brand familiarity. Therefore, the original model was revised to a new model, Figure 2.

Figure 2. A revised model



This predictive model summarizes the results from this study that online shoppers' purchase intention could be influenced by factors of gender, brand familiarity, as well as the matching interaction between consumers' level of need for cognition and the transformational/informational characteristics of consumer-generated product reviews (TC/IC CGPR). In other words, the degree of brand familiarity is one of the factors that could affect the matching effect investigated in this research. consumers who like to think tends to make purchase decision based on Informational CGPRs; while consumers who don't like to think tends to make purchase decision based on Transformational CGPRs.

The study not only testify the proposed three sets of hypotheses, but also provides evidence for the proposition that high-cognitive ‘Think’ individual tends to induce positive attitudes and higher purchase intention toward mixed type product – Zumba Fitness program for Wii. In addition, the results also indicate the existence of a Third product type, a mixture of Think and Feel or Hedonic and Utilitarian, which is a strong evidence for a better understanding of the moderating effect of product type in persuasive message processing (Rossiter and Petty 1984; Vaughn 1980; Hirschman and Holbrook 1982).

Current research classifies reviews for a combination product (a product that combines both Think and Feel features) the distinction of transformational and informational persuasive messages to categorize consumer-generated product reviews of a combination product (Think and Feel), indicating that consumer-generated product reviews share features with other persuasive messages, print ads, commercials, and flyers. Furthermore, the research employed survey methods to examine the matching effects between individuals’ need for cognition and types of consumer-generated product reviews, a gap in the literature. And lastly, the paper also managed to link the matching effects to consumers’ purchase decision making and suggested a predict model.

IMPLICATIONS

The results of this study have several contributions to the theoretical framework and managerial implications. Theoretically speaking, the research took efforts testing the matching effect between Need for Cognition and customer-generated product reviews and their interaction with purchase decision (the Purchase Intention) which is the first to examine the selling power of the product reviews. Thus the results add new elements to consumer decision making process by introducing interaction between personality traits (Need for Cognition) and consumer-generated product reviews.

At the same time, the results also provide valuable marketing strategies for marketing planners, brand managers, and online retailers. For example, when promoting an informational (Think) product, product description should include both manufacturer’s product features and consumers’ reviews with informational focus; whereas when promoting a transformational product, product description should emphasize more of its transformational features than its informational features and refers to consumers’ review that testify transformational (Feel) features. In addition, for a product that possesses both Think and Feel features, like Zumba Fitness in this study, an equal emphasis on both features might best promote the product. BestBuy started publishing consumers’ reviews in their Weekly Ads since 2008 because they, at that time, had realized the importance of the consumers, not only employing their feedback in service recovery, but also utilizing valuable customer reviews to add to the product’s selling power. The e-retailer manager and planner could also develop software that could automatically generate reviews that match the potential customers’ cognitive and functional needs. Finally, the study also points out directions for future research: update the product categorization; involving more factors in the persuasive message processing; and the research should cover different socio-cultural background populations.

No research is perfect. So is this one. Three major limitations are identified. Firstly, being the use of student sample in behavioral research (Burnett and Dunne, 1986) and Generation Y (age 19-25) are notorious of hiding the “true self” and show others what they want. Secondly, even though persuasive messages were identified using a small group of business PhD students, the product type was picked by the researcher. If two reviews for each type of product (Think/Feel vs. Hedonic/Utilitarian) could have been tested, the results could have been more generalizable. Another type of limitation rises from the limited number of participants, which not only restricts the generalizability of the findings, but also limits the power of statistical analysis.

As discussed in the limitation, future research on the selling power of consumer-generated product reviews should be extended to other personal traits, such as self-construal, the relational self, and compare the differences between different subgroups or cultures.

References available upon request.

Session 3.2. Marketing in Emerging Markets

Session Chair: Dmitry Shtikhno and Zhanna Musatova, Plekhanov Russian University of Economics, Russia

Luxury Consumption in BRICS: Rationale behind 'Irrational' Consumption Patterns

Gregory Kivenzor, Rivier University, USA

Karen Spohn, Rivier University, USA

Translating Values into Teenage Fashion Wants in an Emerging Market

Lina M. Ceballos, EAFIT University, Colombia

Mauricio Bejarano, EAFIT University, Colombia

Managerial Beliefs regarding Banking Activity at the Bottom of the Pyramid in an Emerging Economy

Clive Corder, University of Pretoria, S.Africa

Kerry Chipp, University of Pretoria, S.Africa

Dimitri Kapelianis, University of New Mexico, USA

Kamlesh Vasanjee, University of Pretoria, S.Africa

Three Dichotomies of Luxury Consumption in Russia

Gregory Kivenzor, Rivier University, USA

Roy Toffoli, University of Quebec at Montreal, Canada



LUXURY CONSUMPTION IN BRICS: RATIONALE BEHIND ‘IRRATIONAL’ CONSUMPTION PATTERNS

Gregory Kivenzor, Rivier University
Karen Spohn, Rivier University

INTRODUCTION

Countries with transitional economies represent a large and growing share of the world population, production and wealth. Brazil, Russia, India, and China (BRIC) alone have a combined GDP of approximately twelve trillion dollars (O'Neill, 2011). With the recent addition of South Africa, the expanded block, BRICS, represents the largest growing market in the world.

Continuous periods of rapid growth and steep transition have created multiple challenges for BRICS countries. Changes to traditional cultures, social mobility and credit availability have affected not only aggregate consumption levels within these countries but consumption patterns within individual markets. For example, despite relative low standards of living, BRICS have become a major driver of demand in today's global luxury markets.

This paper presents a tri-factor analysis of the three major transformations, which occurred in BRICS and contributed to the hype in luxury consumption. These major transformations include: 1) the cultural transition between collectivism and individualism, 2) the changes in income inequality and social mobility and 3) the evolution of credit availability and the wealth expectation effect; and result in “irrational” luxury consumption. We develop new concepts explaining the dynamics of the luxury consumption model to link economics and marketing theory, and suggest a model to describe these concepts.

This paper contributes to the body of knowledge by providing a more complete understanding of the booming luxury demand in BRICS and useful insights into related consumer purchasing decision process in emerging markets.

BACKGROUND

Most recently, the BRICS economies have performed well compared to the industrialized countries. From 2006-2010, BRICS, in spite of the world crisis, recorded an overall increase in aggregate income levels as measured by Real GDP growth rates (UN, 2011). China and India, in particular, outperformed economies in 2009 with positive growth rates in aggregate income in excess of 9%. From this expansion, it follows that total consumer expenditures among BRICS households grew as well.

Most recently, BRICS have recorded an unprecedented increase in the consumption of luxury goods. Evidence of this surge is reflected in numerous market reports driven by microeconomic surveys that measure luxury demand and attributes among BRICS consumers. A survey of Chinese consumers recorded positive attitudes toward owners of luxury items and a desire to buy luxuries beyond current budget constraints (KPMG, 2007). Additional research on China, the third largest luxury market in the world, describes how different income groups vary in their motivations for luxury consumption (Astmon et al, 2011). A survey of the luxury consumers in Brazil present unique motivating factors as well (Wilson & Dragusanu, 2008). Such studies indicate the existence of social and psychological factors that affect the luxury purchase decisions above and beyond its economic rationale.

In the following pages, we investigate the three key factors that changed consumption patterns in BRICS and, in particular, contributed to insatiable luxury demand: the cultural transition between collectivism and individualism; the changes in income inequality and social mobility; and the evolution of credit availability and the wealth expectation effect.

TRI-FACTOR CONCEPTUAL ANALYSIS

1. Cultural Transition between Collectivism and Individualism

Significant changes in the modern economic environment started in the late 1980s and the early 1990s with the opening of the previously closed BRICS markets. This transition was fast and quite painful to many people populating these five countries. Significant changes in political systems quickly translated into economic transition, which in turn, deeply affected social structures and cultural foundations “dismantling centuries-old ways of denoting who you are and your place in society”

(Chadha & Husband, 2006). Such seismic changes caused a qualitative reorganization of individual expectations and behavior at every level of the society (Ruble & Seidman, 1996).

Triandis (1972), discussing collectivist and individualist cultures, mentioned hierarchy as a key attribute of collectivist societies reflected in different countries in a form of religious, racial or political cast systems. Most researchers historically characterized BRICS cultures as collectivist societies (Hofstede, 1983; Schwartz, 2006; Trompenaars & Hampden-Turner, 1998; de Mooij, 2005; Rarick, 2009).

Among the key shocks brought by transition was either an abrupt disappearance of the old social “pecking order” - e.g., collapse of a long ruling party - or substantial transformation of the basis of a previously existing hierarchy reducing its power - e.g., meritocracy replacing race or cast privileges. Recent socio-economic changes caused rapid increase of individualism associated with new realities (Schimmack et al., 2005; Illin, 2008; Javidan et al., 2006; Kivenzor, 2011). Individual achievers challenged an old hierarchical system of a collectivist society demanding changes of the social status basis, which caused unsettling effects of a “profound psychological nature” (Andreasen, 1984). Disappearance of the old hierarchy resulted in a temporary power vacuum, which sent shock waves to all members of the society.

To fill this vacuum, each society eventually came up with new systems of social hierarchy inevitably including individual wealth as a significant ranking factor. In such a system, social markers easily recognizable by members of all ranks are material possessions, particularly, possession of luxury goods (e.g., Mayer, 1999; Dubois & Czellar, 2002; Kivenzor, 2007; Skorobogatykh, 2011).

For the purpose of this paper, we use Mortelmans’ (2005) definition of luxury products “as those scarce products with an objective or symbolic extra value, with a higher standard of quality, and with a higher price than comparable products.” In addition, we recognize that luxury performs a “fundamental function of recreating social stratification” (Kapferer & Bastien, 2009). It is also important to understand that, however lavish are status-signaling goods, they represent only one part - so-called “public luxury consumption,” while another part, “private luxury consumption,” remains hidden (Bearden & Etzel, 1982). It is important to acknowledge that private luxury consumption is the least researched subject due to a discreet treatment of valuables by their possessors. Much better research is conspicuous consumption via ostentatious public display of wealth. This is a subject of extensive discussion since ancient Roman times (e.g., Smith, 1776; Veblen, 1899; Leibenstein, 1950; Mason, 1981; Kapferer & Bastien, 2009). Our research concerns itself with the aggregate - public and private - luxury consumption in a BRICS markets.

Consumers are known to purchase luxuries for various psychological reasons. Prior research identified five different psychological drivers for luxury consumption: Veblenian, snob, bandwagon, hedonist and perfectionist effects (Leibenstein, 1950; Vigneron & Johnson, 1999). The primary drivers in BRICS societies with high degree of social mobility beg for an additional consideration. In other words, if consumers in BRICS psychologically differ from their counterparts from developed economies, how does this difference manifests itself in purchasing decision making when it comes to luxuries?

2. Changes in Income Inequality and Social Mobility

Trends in globalization, urbanization and country specific events contributed to absolute income growth as well as relative income changes. As a result, most BRICS have recorded a measurable increase in income inequality over the years (Gustafsson et al., 2011). The importance of relative income and its connection with happiness is a subject of ongoing discussion in behavioral economics literature. As absolute income increases may produce higher happiness only temporarily (Clark et al., 2008). However, consumers may try to extend that level of happiness through consumption of goods or services. In the case of BRICS, this drive for happiness extension comes with social status, resulting in growing luxury consumption.

An explosive growth of domestic and international business in BRICS is associated, in big part, with increased entrepreneurship and greater role of “self-made” people - a significant number of individuals who recently acquired large amounts of capital. Growth of meritocracy intensifies social mobility as representatives of lower social groups migrate to the middle and upper classes (O’Leary, 2008; Wilson & Dragusanu, 2008; O’Neill, 2011). The most prominent among social “climbers” are: entrepreneurs; salaried well-educated specialists (Das, 2009) and government officials (Welzel et al., 2003; Zimina, 2008). These consumers groups demonstrate the most vivid “behavioral tendency to value status, and acquire and consume products that provide status to the individual”(O’Cass & McEwen, 2004).

For the purpose of further analysis we consider a comprehensive class of luxury products (tangible and intangible), purchased by consumers climbing up the social ladder and reaching the middle and then, potentially, upper class status. To many of such climbers luxury primarily serves as a tool creating and confirming social stratification (Kapferer & Bastien, 2009). However, due to the nature of the status perception in consumer minds, achieved social status quickly loses its appeal and calls for the next hike. Hence, status consumption is highly dynamic and, eventually, “high-status luxuries become lower-status necessities and new luxuries develop” (Schor, 2007).

When vertical migration, members of the society, who successfully ascend through the ranks and arrive to the next level, find that they need to conform with a variety of symbols and unspoken conventions to associate with members of a desired reference group (e.g., class, rank or cast) (Belk, 1988; Bogomolova & Tapilina, 2003). Actually, potential inclusion into such a desired reference group becomes a driver behind consumption of specific luxuries, which serve as a ticket for acceptance by this group. Such a compliance effect is the steeper the higher the degree of “residual” collectivism in the culture (Li & Su, 2007). BRICS consumers for a long time watched the Western lifestyle with desire and envy, thus many reference groups consider possession of luxury brands as “badges of status to signal their arrival into prosperity” (O’Leary, 2008).

3. Evolution of Credit Availability and the Subjective Wealth Effect

In developed countries, consumers whose income grows are used to purchase goods from categories which were around for a long time but deemed too expensive before, and, for large-ticket purchases, also rely on readily available consumer credit.

The opposite situation exists in transitional economies, where consumers are bombarded with new marketing messages and become overwhelmed by expanding choice of new products previously unfamiliar to them. Consumer credit in BRICS was non-existent before and became available relatively recently. In addition, credit is still difficult to obtain and limited only to individuals who can affirm not only relatively high income, but also existing wealth, i.e., accumulated assets (Kharas, 2010).

Such selectivity contributes to a type of economic discrimination: if either of the two criteria, (proven high income or substantial assets) is missing, no credit is issued. Not surprisingly, expensive luxury items are available mostly to consumers who are already wealthy, have high actual income, and thus have an access to credit facilities. Hence, psychology of the general public closely links luxury consumption and belonging to higher economic classes.

However, the definition of wealth and cost of living varies widely from one BRICS country to another and even among regions within the same country. The “same level of wealth, for example, may imply abject poverty for one person and great riches for another - depending on their current assets” (Kahneman & Tversky, 1979), i.e., Beijing, New Delhi or Moscow tower in terms of average income and cost of living above other places in their respective countries. That is why sociologists and economists define “middle-class” in different countries in terms referring to a certain lifestyle rather than exact level of income or wealth. The picture gets even more complicated if we look into the structure of expenses in BRICS. Such a structure diverges from conventional models commonly used in developed countries because basic needs like food and transportation in BRICS represent a much larger share of expenses (Court & Narasimhan, 2010), thus reducing a share of discretionary expenditures.

Recently acquired wealth is frequently manifested via consumption of the goods not available in the consumer’s past - from designer clothes and accessories to luxury cars and exclusive watches – thus giving consumers “psychic arousal” (Scitovsky, 1976). Such “arousal” requires periodic stimulation (Booth, 2004) leading to increased levels of luxury consumption as individual consumers migrate upward to higher layers of social ladder. Schor (1999) characterized such new consumerism, as “upscaling of lifestyle norms; the pervasiveness of conspicuous, status goods and of competition for acquiring them; and the growing disconnect between consumer desires and incomes.”

Substantial year-over-year growth of income in BRICS bred a powerful psychological phenomenon, which we call a ‘wealth expectation effect.’ Objectively, it is associated with societal transformation and frequent appearance of new sources of income. Subjectively, it is also associated with consumer confidence that economic growth will continue in the future and personal income will increase affording access to a broader scope of luxury products. For example, before the transition in the socialist countries, Russia and China, very few consumers ever dreamt of driving a Mercedes car (Aslund, 2007), but people knew of this brand from foreign books or movies and associated it with prestige, power and “sweet life.” In India the ownership of a car was previously hard to imagine for most people and now “this adds to the allure of cars as status symbols and objects of fantasy” (Edensor, 2004). Similar associations existed in the minds of people regarding ownership of luxury products from such iconic brands like Sony, Canon, Chanel, etc. (Novitskiy, 1999; Khakamada, 2006).

Nowadays, BRICS consumers have an access to a broad range of luxury products and service. As a result of ‘wealth expectations effect’ and greater availability of credit, consumers buy goods “today” to meet their expectations for “tomorrow” budget and social status. Such psychological phenomenon needs to be analyzed and explained as it causes a significant distortion of elasticity of luxury demand on income in BRICS.

MODEL

Income elasticity in demand analysis goes back to Ernst Engel’s works in the 19th century and continued in early 20th century by Leo Tornqvist (1936), hence, “Engel curves” and “Tornqvist index” (Wold, 1953). Most recently, Nicolae et al. (2010) conducted a systemic analysis of Tornqvist functions related to consumption of various groups of goods from bare necessities to luxuries. Tornqvist provides three demand models of commodities which vary with income as price is held constant. These commodities are: necessities, relative luxuries, and luxuries.

In comparison to exponential and linear demand models, Tornqvist models of individual demand are acceptable over a wider range of incomes (Fisk, 1958). The Tornqvist luxury demand function may be represented as follows:

$$\text{Eq. 4.1 } C = \frac{mV(V - v)}{A + (V - v)}$$

C = expenditures on the luxury commodity

m = fraction of income the individual spends on the commodity at high levels of income

V = current income level

v = threshold income (income below which the consumer has no demand for the luxury goods)

A = autonomous value characteristic of economy

This Tornqvist function fits product demand with nonconstant income elasticities. It is used to describe consumption of luxury goods in developed economies where changes in real income occur gradually over long periods of time.

BRICS, unlike developed countries, are less stable and undergo more rapid transitions. As mentioned, these changes have led to the cultural transition between collectivism and individualism, the growth in income inequality and social mobility and the evolution of credit availability and the wealth expectation effect. These three factors and associated socio-psychological transformations contribute to somewhat biased consumption patterns as consumers change their perceptions of current needs and future incomes. Thus the Tornqvist luxury function in its original form cannot be used to accurately describe the spike of luxury consumption in BRICS. The model, which we developed, modifies Tornqvist’s function to account for these biases.

Originally, v , represented the threshold income level for individuals in industrialized countries. In our model, v^* , represents the threshold income level of individual consumers in BRICS and incorporates what we call Luxury Cognition Bias (LCB). This bias causes individuals to leap frog different social income thresholds through the “pre-emptive” purchase of luxury goods as soon as they think they exceed the threshold income level for the higher social layer or class. This LCB is a result of the socio-cultural changes and psychological factors unique to BRICS in rapid transition. We introduced LCB into the model in additive form as a modifier of the threshold value v as follows:

$$\text{Eq. 4.2 } v^* = v + \text{LCB}$$

In addition, we recognize that, in BRICS collectivist cultures, there is always some level of the dormant luxury demand C_0 . It represents the autonomous consumption of luxury goods which takes place (although infrequently) at almost all income levels. The final model is written as follows:

$$\text{Eq. 4.3 } C = C_0 + \frac{mV(V - v^*)}{A + (V - v^*)}$$

In comparison with previously existing models, our model provides an explanation of the temporary rapid increases in luxury consumption in BRICS registered and reported by multiple sources. Contrasting existing models relying on purely rational consumer purchasing decision making, we took into account cultural factors, affording our model a predictive power necessary to forecast “irrational” luxury consumer behavior as the social and economic transition in BRICS continues.

DISCUSSION AND FUTURE RESEARCH

The conceptual analysis and mathematical modeling in this paper aim at a better understanding of the well-registered, but not clearly explained phenomena of seemingly “irrational” luxury consumption in BRICS. The three-factor framework provides a foundation for the theoretical explanation of accelerated luxury demand in BRICS. This paper also modifies a traditional approach to luxury consumption in developed countries to create a specific model of luxury demand in emerging economies. This new model lends itself to future empirical research such as estimating the luxury cognition bias of transitional economies as well as empirically testing the explanatory power of the three factors on luxury cognition bias estimates per specific country.

References available upon request.

TRANSLATING VALUES INTO TEENAGE FASHION WANTS IN AN EMERGING MARKET

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INTRODUCTION

The emerging market of Colombia and especially its second largest city, Medellin, has regained its allure for multimillion dollar investment by fashion giants. This is good news for the country but also a threat to local fashion brands. Consumer knowledge and the understanding of youth are fundamental in this process of gaining market. However, relevant managerial local decisions are usually done by intuition because teen consumer commercial data is scarce and expensive, and the academic and public data is nonexistent. Marketers also assume general global teen information applies to the Colombian market without adverting cultural differences. This qualitative research aimed to comprehend the changing urban adolescent consumer and their relationship with fashion by identifying value segments in Medellin, Colombia. The methodology included an exploratory research of 10 key informant interviews with fashion and teenager local experts. The ethnographic research carried out with 16 teenagers between 13 and 18 years of age from different socio-economic backgrounds and genders. Four segments were found reflecting teenagers' main cultural values for wanting fashion products and brands. Local adaptations and expressions of values could be found to be different in these segments depending on the "accompanying value". Our exploratory research results could be useful to brands targeting adolescents or brands wanting to connect with nostalgia and the interior desire of being young. Results could also provide direction for further examination.

Background

The consumer power of young people has been strengthening. Teens are relevant for business, not only do they influence home purchases, but according to a study in Latin America, 70% of young consumers make their own purchase decisions, and 52% of teens spend their income on clothing and accessories (Los consumidores del mañana, hoy 2012). Youth population is also significant in Medellin. Official projections on the teen population for the year 2011 (Proyecciones 2009) indicate that Medellin supposedly had 215,878 teens between 13 and 18 years of age which is about 8% of the population. Moreover, teens are becoming extremely fashion conscious and innovative, especially in categories such as apparel and technology. Euromonitor International (2011), recognizes digital native and global "Generation Z" as an increasingly attractive segment for marketers because they are brand-conscious, have generous incomes, and are techsavvy. Consumer knowledge and the understanding of youth are fundamental in the marketing of fashion brands. Extensive academic research regarding fashion and the young consumer could be mainly found in regions such as North America, Europe and Asia. However, there has been little discussion about the Latin-American consumer, particularly the Colombian, even though Colombia is the third most populated country in Latin-America after Brazil and Mexico. As explained by Ritson and Elliott (1999), most consumer research has been mainly focused on buying behavior, but little attention has been given to deeper levels of consumption with regard to the use of certain products in specific contexts.

Vinson, Scott and Lamont (1977) define values as being responsible for the selection of what we want and how we get what we want, and as cultural and social learning that stimulate motivation and behavior. Values are very powerful in understanding and classifying consumers (Durgee, O'Connor and Veryzer 1996) and are more stable than attitudes (Kamakura and Novak, 1992). Durgee, O'Connor and Veryzer (1996, p. 91) even say "what is most important to consumers? Not the products. It's the values they care about." Therefore, understanding consumer values has been of interest to researchers, mostly by LOV, List of Values, a method that proposes a list of nine values for classifying people. The majority of these studies on values are quantitative such as VALS, Values and Life Style, with LOV having greater predictive utility than VALS in consumer behavior trends (Kahle, Beatty and Homer 1986). For qualitative studies, including ethnographic research, Durgee, O'Connor and Veryzer (1996, p. 90) argue that the assessment of value systems is recommended by asking consumers about core values in terms of selected products, and establishing a "means-end" product value chain, rather than by laddering and motivation research. Overall, the studies reviewed so far, tend to overlook fashion products. The question that needs to be asked then, is what are the main values behind brand and product choice in teenage consumers? In other words, what is it that the teen wants in fashion?

METHODOLOGY

The researchers decided that the best qualitative methods to adopt for this investigation were key informant interviews and ethnographic research. The latter was the main methodological orientation (Mariampolsky 1999) that emphasizes observation

of the consumers in their natural environments through prolonged direct contact; its power in qualitative marketing research is also helpful when looking for regional insights since culture is relevant in product choice and usage; more so since values are culturally and socially learned (Durgee, O'Connor and Veryzer 1996). Besides, teens are cynical and reluctant to follow traditional marketing so marketers need to look beyond demographics and numbers (Spero and Stone 2004). The aims of this present study were to gain a deeper understanding of the teenage consumer in Medellin, Colombia, and their relationship with fashion, by identifying value segments that translate into teen fashion wants.

As an explorative research, we performed 10 key informant interviews through in-depth semi-structured face-to-face interviews. Their purpose was to initially get familiarized with the research topic and complement findings. For directly studying the teenager, the selection criteria used for selecting ethnography participants was based on age (García-González 2002), socio-economic strata and sex. Male and female from 13 to 18 years of age were divided in two age groups; younger teens from 13 to 15, and older teens from 16 to 18, with 18 being the age of majority in Colombia. The recruitment of potential consumers that met the criteria was done by public calls for participants on social networks and by emails and person-to-person contacts. Teenagers and their parents/tutors were contacted then by phone using an interview approach protocol.

An initial 2-3 hour preview visit at the teen's home was arranged to gain empathy with participants and parents/tutors. After this first visit, a second site visit of 5-8 hours was arranged that included different activities inside and outside the home. To assess values, the activity included laddering questioning that moved from values to products and back and forth between values and products (Durgee, O'Connor and Veryzer 1996) in order to define which values were most important for teens in relation to fashion. A modest financial incentive to participate was offered at the end of each second site visit. Consent form was signed by the person in authority and the adolescent during the preview site visit that followed the Code of Ethics of the American Anthropological Association (2011). For data analysis, content analysis (Gouldman 2003) used the video, audio, pictures, and notes that were recorded during the site visits. Material was reviewed, transcribed, coded by categories, "means-ends" product-value chains were prepared for each adolescent, relationships were also suggested, and relevant verbatim were selected. Segment grouping was mainly done according to values.

RESULTS AND DISCUSSION

During the exploratory phase, the key informants agreed on the fact that there is a lack of understanding with local teen consumers. Fashion brands are finding it hard to address this market. For example, a large local fashion brand says "we just quit on trying to attract the adolescent segment", and the president of a large Colombian underwear company additionally states "we have lost ground on the youth segment, they do not remember us, and only their mothers know who we are." For the field research analysis, Table No. 1 presents the classification that divides Medellin's teenager sample in variables such as 1) n, the number of teens in each group, 2) verbatim, the phrase that best describes each group, 3) the archetype that is selected as a presumptuous association in order to help the description of each group (Mark and Pearson, 2001), 4) the innovation adoption category (Rogers, 1983) for fashion, and 5) the most important values for each group of consumers. Generalities of the teen consumer are also discussed, especially as regards similarities and differences with the global teenager.

Four value segments describe the teenage fashion consumer in Medellin. Firstly, the 'trendy' segment is an early adopter that wants "social recognition" and "control", mixed with "material comfort" while being cool among his/her friends; secondly, 'undercover' is a fashion follower that mainly wants an "easy life" by having "warm relationships" as the core; thirdly, 'luxury pink' is a determined trendsetter that wants "social recognition" mixed with "self-expression", and fourthly; the 'free style' is a relaxed teenager that wants mainly an "easy life" mixed with "freedom" in order to explore the world.

Within these target groups, we identified paradoxes of different values that additionally explained cultural particularities of the teen in Medellin. The main discussed paradox presented value means as a consequence of the accompanying values of each value segment. In other words, the same value could have different means and fashion wants depending on the other main accompanying values of the respective value segment. For example, "easy life" is important for both 'undercover' and 'free-style'. For 'undercover', an "easy life" is mixed with "warm relationships"; therefore, this segment usually makes choices in clothing that do not generate conflict or criticism. On the contrary, 'free styles' values an "easy life" mixed with "freedom", in the sense that they like to wear what they want regardless of what others might think, hence, most of the time, 'free style' chooses products that generate final outcomes such as respect, as well as envy, criticism and standing out.

Table 1. Teen fashion value segments

Variables	Value-segment 1. Trendy	Value-segment 2. Undercover	Value-segment 3. Luxury Pink	Value-segment 4. Free Style	Total
1) n*	4	6	3	3	16
2) Verbatim that best describe the segment	"Not being fashionable means to be destined to be among the geeks"	"If all the world is dressing that way, well, one wants to dress the same way, in the same style"	"Fashion... is drawing attention to you"	"They all look like 'clones', all dressing the same way"	
3) Archetype	Hero	Caregiver or regular guy/gal	Lover	Explorer	
4) Fashion adoption	Early adopter	Early and late majority, and laggard	Innovator	Innovator and Early adopter	
5) Values (Durgee, Collarelli & Veryzer, 1996)	Family security		X		
	Happiness	X	X		X
	Freedom			X	X
	Self-respect				
	Warm relationship		X		
	Accomplishment	X			
	Interesting life				X
	Comfortable life		X		
	Inner harmony		X		
	Self-confidence				X
	Self-expression			X	X
	Exciting life			X	
	Easy life		X		X
	Material comfort	X	X		X
	Pleasure			X	
	New experience				X
Social recognition	X		X		
Control	X				
World of beauty	X		X		

* Number of participants per value-segment

Source: Authors

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

In general terms, these emerging market teenagers are similar to the global adolescent stereotypes; however, specific local adaptations are found for expressing and representing values, and therefore, fashion wants. This could lead us to suggest that the same value in different segments could have different means and product wants as a consequence of the accompanying values. The main limitation of this study is related to scaling results in a national level especially since the national identity of Colombia involves plurality of shared regional identities. Consequently, opportunities exist to further research on quantifying fashion consumer value segments in teens and conducting empirical examinations that include different cities.

References available upon request

MANAGERIAL BELIEFS REGARDING BANKING ACTIVITY AT THE BOTTOM OF THE PYRAMID IN AN EMERGING ECONOMY

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INTRODUCTION

A decade has passed since C.K. Prahalad and his colleagues first introduced the notion of the “bottom of the pyramid” (BoP) into the managerial lexicon (Hammond and Prahalad, 2004; Prahalad, 2004; Prahalad and Hammond, 2002; Prahalad and Hart, 2002). Briefly, the BoP thesis states that the world’s poor are an increasingly attractive market, especially for multinational corporations. While the top of the pyramid is characterized by relative wealth, its long-term attractiveness is limited owing to high levels of current market penetration, bordering on saturation. By contrast, while the bottom of the pyramid is relatively poor, its long-term prospects are very attractive because of low levels of current market penetration offering the potential for rapid growth in the future. However, to fully leverage this potential, converting the very poor into active consumers will require considerable innovation in terms of products, business models, distribution networks, and especially price-performance relationships for products and services. To date, most companies have failed to generate the necessary innovation, preferring instead to simply transplant offerings developed for their traditional markets (Dawar and Chattopadhyay, 2002).

Banking & Finance is one industry that has undergone considerable innovation aimed at reaching BoP consumers. The emergence of (1) micro-loan providers such as Kiva and Zidisha; (2) mobile phone-based banking; (3) loan recommender systems; (4) specialized Islamic micro-financial institutions that assist the poor while conforming to Sharia law; and (5) crop insurance for subsistence farmers from companies like MicroEnsure are all examples that attest to the vitality and innovativeness of this industry. Research in academia has attempted to keep pace with these fast-moving developments. For example, a special issue of the *Journal of Financial Services Marketing* focused on financial services for the poor was published in 2011.

RESEARCH OBJECTIVE

The purpose of this study is to contribute to the extant body of literature on banking at the bottom of the pyramid by examining the beliefs of South African retail banking branch managers as their companies target this market segment. We adopt as our organizing framework the Equal Partnership Model developed by Willie and Barham (2009). Businesses that take this approach to opportunities at the bottom of the pyramid focus on the co-creation of mutual value with the community. Further, the businesses aim to improve a whole range of areas which would make life worthwhile. Both the business and the community harness their capabilities, resources and creativity. The process aims to build a deep base of entrepreneurship and management capability within the community. Finally, the approach is enhanced through a process of engagement that changes the terms of the relationship between the business and the community. The Equal Partnership Model is shown in [Figure 1](#).

RESEARCH PROPOSITIONS

Building on the Equal Partnership Model, we examine to extent to which South African retail bank branch managers agree with each of the following propositions regarding partnership ventures with the South African poor:

1. Banks should focus on households rather than individuals.
2. Banks need to commit long-term resources.
3. Banks need to experiment with different business models.
4. Banks need value created on multiple fronts such as increased profitability and improved reputation.
5. There needs to be innovation by the bank in simple technologies, new processes, and innovative products and services.
6. There is high financial risk for a bank when investing in the poor.
7. Partnership ventures with a bank need to be economically and environmentally sustainable for the alleviation of poverty and careful use of scarce resources.
8. The BoP is a profitable market

RESEARCH METHODOLOGY

The South African banking & finance industry is dominated by three major bank groups—ABSA, Nedbank, and Standard Bank—which collectively have more than 1,600 retail bank branches and control the majority of market share. Our unit of analysis is the retail bank branch manager. Using a systematic random sampling technique, we telephonically contacted 158 bank managers at their retail branches; 113 were willing to participate in our study for a response rate of 71%.

The first section of our questionnaire captured demographic and descriptive data, including: gender, race, age, bank group, and whether the branch managed personal banking, business banking, or both. In the second section of the questionnaire, we assessed respondent agreement to a battery of sixteen items. Each item was measured using an unbalanced, four-point Likert scale with response categories of (1) “disagree”, (2) “slightly agree”, (3) “agree” and (4) “strongly agree”. We restricted our Likert scale to four points because pretesting indicated that branch managers could not respond to a more complex scale in a telephonic interview where they could not see the response categories. Similarly, we chose to use an unbalanced Likert scale because pretesting indicated that branch managers were more likely to agree than disagree with each item in the battery and we wanted to capture these fine gradations.

RESULTS AND FINDINGS

To test the eight research propositions that we formulated, we conducted a series of one-sample, two-tailed t-tests to determine if the mean score differed significantly from a test value of “2”. Our results are summarized in [Table 1](#) where we report for each item measuring a specific proposition the mean, standard deviation, t-score, and p-value. As can be seen from the table, with one exception, each proposition receives strong empirical support. The sole exception is Proposition One: banks should focus on households rather than individuals. While responding retail branch managers were indeed likely to agree that “poor households or families in South Africa make financial decisions together” (mean = 2.27, $p < .01$) they were not inclined to agree that “when considering the financial state of the poor, they should be treated as households rather than individuals” (mean = 2.15, *n.s.*).

In addition to the results reported here, we also subjected our battery of sixteen items to reliability analysis, exploratory and confirmatory factor analysis, and multi dimensional scaling. The goal was to determine the underlying structure of managerial beliefs regarding banking activity at the bottom of the pyramid. While not reported here for the sake of brevity, we find a belief structure that largely confirms our Equal Partnership Model. Further, we examined if there were significant differences between managers, in terms of demographic and descriptive characteristics, as regards their beliefs. Generally, we find that: (1) male and younger branch managers tend to place a greater emphasis on enhancing stakeholder value than do their female and older counterparts respectively; and (2) black branch managers are less likely to agree that serving the BoP is financially risky.

CONCLUSIONS

Our study contributes to the growing body of literature that examines banking activities at the bottom of the literature. We find that South African managers are not only accepting, but supportive, of an Equal Partnership Model that emphasizes the co-creation of mutual value for both banks and the poor. To this end, the banking sector in South Africa has recently launched an industry wide project, the “Mzansi initiative”, to serve the under-banked and un-banked by providing cost-effective products to the entry-level account holder and the informal sector. Specific examples include: (1) Standard Bank’s launch of a new banking model which combines cell phone banking, community retailers and community banks without the need for a physical branch and automated teller infrastructure and (2) ABSA’s launch of new low-cost channels and basic banking products. We believe that there is considerable opportunity to meet this under-served segment’s banking needs, and, in so doing, contribute to the enrichment of all stakeholders.

References available upon request.

Figure 1. Equal Partnership Model

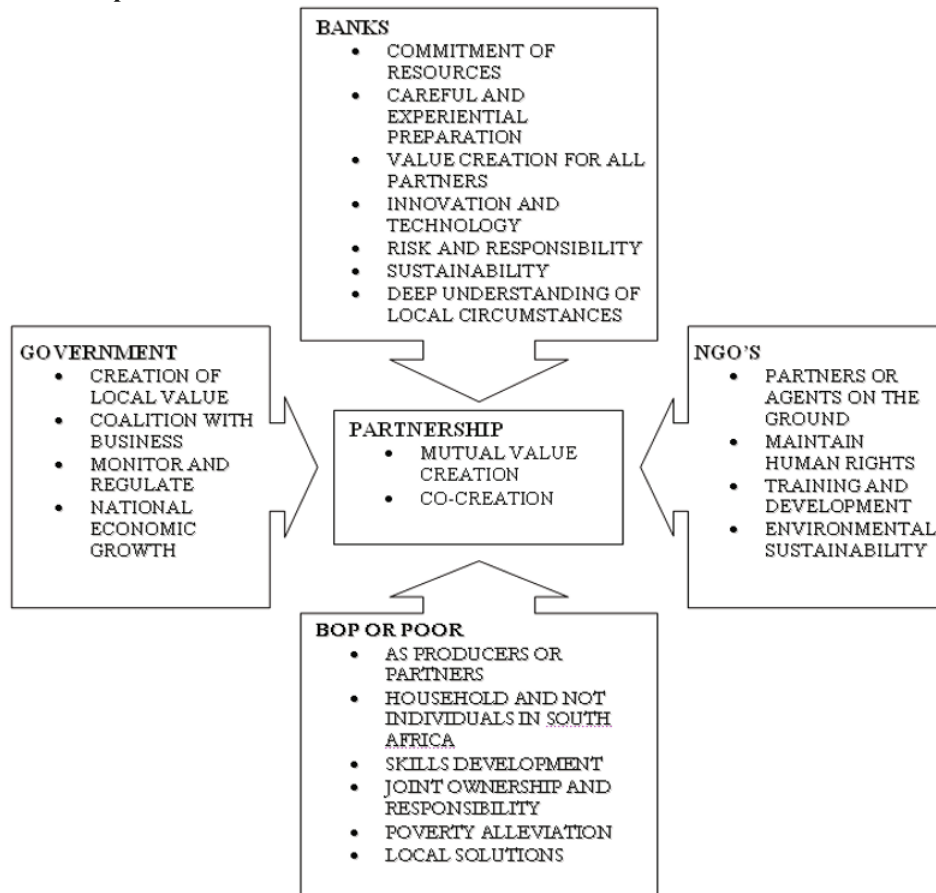


Table 1. Summary of Results

Proposition	Abbreviated Item	Mean	S.D.	t-score	p-value
1	Households	2.15	1.06	1.51	<i>n.s.</i>
	Financial decisions	2.27	0.95	2.96	$p < .01$
2	Allocation of funds	2.53	0.98	5.71	$p < .001$
	Allocation of teams	2.5	0.98	5.32	$p < .001$
3	Experimental relationships	2.83	0.75	11.78	$p < .001$
	Understanding poor	2.64	0.86	7.72	$p < .001$
4	Increased customers	2.59	0.84	7.39	$p < .001$
	Increased shareholder value	2.55	0.90	6.52	$p < .001$
	Social responsibility	3.21	0.65	19.78	$p < .001$
	Reputation	3.16	0.58	21.25	$p < .001$
5	Product technology	2.85	0.81	11.11	$p < .001$
	Price technology	2.9	0.74	12.99	$p < .001$
6	Later profitability	2.87	0.78	11.87	$p < .001$
7	Poverty alleviation	3.18	0.66	18.88	$p < .001$
	Resource use	2.96	0.71	14.39	$p < .001$
8	Profitable market	2.73	0.90	8.71	$p < .001$

THREE DICHOTOMIES OF LUXURY CONSUMPTION IN RUSSIA

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ABSTRACT

Our study is centered on understanding a paradoxical behavior of BRICS (Brazil-Russia-India-China-South Africa): consumers manifest an escalation of luxury consumption at rates, which are disproportionately higher than increases in their disposable incomes (e.g., Mishra, 2010; Astmon *et al*, 2011). Western behavior models fail to adequately predict or explain this phenomenon in a consistent manner. We believe that, while BRICS' cultures are quite diverse, they share the common dynamic aspect – progressing from collectivism to individualism (Parker *et al*, 2009). Such a transition activates certain behavioral mechanisms leading to self-expression via consumption of luxury goods and services - a pattern shared across the BRICS.

To discover this pattern, the present paper starts with the analysis of luxury consumers using a particular market – Russia. It then develops a three dichotomies approach to build a theoretical framework describing the behavior of luxury consumers, thereby, contributing to the body of cross-cultural consumer research. This framework is then used to develop a typology of luxury consumers basing itself on the principal drivers of the consumer demand, namely, transformative life experience, social mobility and wealth projections. The different needs for status, uniqueness, and attitudes towards luxury of the various categories of luxury consumers are discussed.

Data used in this research comes from government, academic and private sources (e.g. Russian census service RosStat, Russian Institute of Sociology and Euromonitor International), describing demographic and economic characteristics of Russian consumers from as early as 1959 to as recently as 2011. These data are processed and interpreted in conjunction with cultural analysis described in the paper to conceptualize social mobility in the contemporary Russian society and identify consumer groups with similar behavior patterns. The paper analyzes the dichotomies, formulates research propositions, outlines directions for future research and discusses managerial implications for the marketing of luxury goods in Russia, thereby contributing to the body of cross-cultural consumer research.

References available upon request.

Session 3.3. Brand and Communication Strategies

Session Chair: Mel Zuberi, University of North Texas, USA

Direct-to-Consumer Prescription Drug Websites: The Moderating Roles of Perceived Risk and Product Category Knowledge

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Bruce Huhmann, New Mexico State University, USA

Research Perceiving on Poster as Communication Media Case Study: Perceiving of Graduated Students of Switzerland (Western Culture) vs. Indonesia (Eastern Culture)

Herry Hudrasyah, School of Business and Management ITB, Indonesia

Hartono Yarmantho, School of Business and Management ITB, Indonesia

Subiakto Soekarno, School of Business and Management ITB, Indonesia

Influence of Brand Trust and Affect, Purchase and Attitudinal Loyalty on Brand Performance

Madhupa Bakshi, NSHM College of Management and Technology, India

Prashant Mishra, Indian Institute of Management Calcutta, India



DIRECT-TO-CONSUMER PRESCRIPTION DRUG WEBSITES: THE MODERATING ROLES OF PERCEIVED RISK AND PRODUCT CATEGORY KNOWLEDGE

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INTRODUCTION

A direct-to-consumer website (DTCW) is defined as a brand-sponsored website that offers prescription drug information to the general public. As such, it is a promotional effort by a pharmaceutical firm, similar to direct-to-consumer advertising in magazines or on television. Increasingly, Americans search online for prescription drug information; 33% of American adults and 45% of Internet users have looked online for drug information (Fox and Jones 2009). Thus, pharmaceutical firms are putting enormous resources into developing brand-specific websites. Also, DTCW has become a vital and ideal source of drug and health information for consumers (Davis 2010). With the growth of DTCWs, several concerns regarding the efficacy of these sites have been raised. For example, studies show that information presented in a DTCW is not highly reliable (e.g., Huh, DeLorme, and Reid 2005). However, past studies largely focused on the website design and its features. Prescription drug information is also disseminated by non-commercial third-party websites. For example, PubMed Health's website, produced by the National Center for Biotechnology Information, offers exhaustive facts about drugs. This website often appears near the top of search engine results for most prescription medications. Yet, despite the growing importance of DTCWs, relatively little is known about differences in consumers' evaluation of pharmaceutical brands and information found on DTCW versus third-party websites. It is unclear whether a non-commercial third-party website produces more favorable consumer evaluations than a company-sponsored DTCW. In addition, research has yet to examine the influence of consumer characteristics (e.g., risk perception and product knowledge) in such evaluation. Thus, the current research attempts to address these issues by examining consumers' evaluations of a third-party versus a brand-sponsored website. It also investigates the moderating effects of perceived risk and product category knowledge.

RESEARCH FRAMEWORK AND HYPOTHESES

Third-Party Certification

Studies of the impact of third-party involvement and certification in communicating information suggest that independent organizations and government sources are viewed as more credible than commercial sponsors (Kamins and Marks 1991). For example, advertising messages communicated via a third-party website generate more positive responses than via a firm's website (Sussan, Gould, and Weisfeld-Spolter 2006). In line with these studies, the discounting principle of attribution theory (Kelley 1973) suggests that a message can be perceived as unprejudiced if the recipient can deduce that the communicator is a third-party rather someone with a vested interest. Applying this in a DTC website situation, non-commercial third-party prescription drug websites should be perceived as more trustworthy information sources. Thus:

H1: A third-party website will lead to more favorable site credibility, information credibility, attitude toward site, and brand attitude than a DTCW.

Perceived Risk as a Moderator

Perceived risk has received considerable attention from marketing researchers. The most important component of perceived risk in pharmaceutical use is physical risk -- potential physical or health risks associated with a product. Substantial research has indicated that, in conditions of high perceived risk, consumers are motivated to reduce negative consequences and are likely to engage in extensive information search (Gemünden 1985). However, little is known about the effects of different risk situations on specific external sources of information (e.g., WOM, advertisements, websites). This study examines a moderating effect of perceived risk in shaping the effects of different types of websites. This study expands perceived risk theory by suggesting that consumers not only engage in extended external information search when perceived risk associated with a product is high, but they also tend to rely on more credible information sources (e.g., independent organizations and government agencies). Thus, we hypothesize that brand information should generate more positive evaluations when presented by a non-commercial third-party sponsored website than a DTCW.

H2: A third-party website will lead to more favorable site credibility, information credibility, attitude toward site, and brand attitude than a DTCW when perceived risk is high rather than low.

Product Category Knowledge as a Moderator

While studies have explored an effect of consumer prior knowledge on information search behavior (Brucks 1985), research that investigates the impact of product category knowledge on specific information sources is rare. This study purports that the degree to which a consumer favors a third-party website over a DTCW for new product information is associated with the consumer's level of product category knowledge. Because research has established a negative relationship between product knowledge and perceived risk (Srinivasan and Ratchford 1991), we expect that the lower a consumer's knowledge of a product class, the greater the perceived risk. Because perceived risk should increase consumer reliance on third-party websites as proposed in Hypothesis 2, the following moderation effect of product category knowledge on website type is predicted:

H3: A third-party website will lead to more favorable site credibility, information credibility, attitude toward site, and brand attitude than a DTCW when product category knowledge is low rather than high.

METHODOLOGY

Study 1

Study 1 employed a 2 (Website: Brand-sponsored vs. Third-party) \times 2 (Perceived risk: High vs. Low) \times 2 (Product category knowledge: High vs. Low) factorial experimental design. Different versions of two types of test websites were created, which were identical to real websites. The third-party website included the name of a third-party (PubMedHealth) at the top-left corner of the home page. Versions of the DTCW (lubien.com) associated with a brand name (*Lubien*) were also created. Different versions of websites were examined by an expert panel to investigate if they met the criteria required for the research conditions. One site was chosen as best reflecting the requirements for a website to be classified in each category.

To avoid the effect of an existing brand's familiarity or liking on evaluations, a fictitious new brand name for a sleep aid (i.e., *Lubien*) appeared on both websites. To enhance internal validity, both websites used the same information content.

An email solicitation with a link containing a website stimulus and a survey questionnaire was sent to each participant. Subjects were randomly assigned to one of the two websites. Participants were instructed to spend about 5 minutes surfing the website before they completed the survey. The final sample included 264 undergraduate and graduate students from a Northeastern US university. Over half (54 percent) were female. The mean age was 26 years.

Website credibility was assessed with a five-item measure (Rains and Karmikel 2009). Three commonly used items assessed information credibility (Gaziano and McGrath 1986; Eastin 2001). Brand attitude was measured using Putrevu and Lord's (1994) five-item measure. Attitude toward the website was assessed with a three-item measure (Coyle and Thorson 2001). Three seven-point items measured perceived risk (Stone and Gronhaug 1993). Product category knowledge was measured using Beatty and Talpade's (1994) three-item scale.

Results of Study 1

Contrary to H1, multivariate tests did not support a main effect for website type (Wilks' $\lambda=.993$, $F_{(4,253)}=.450$, *ns*) suggesting that consumers' evaluations were not more favorable for a third-party than a DTCW.

H2 received support (Wilks' $\lambda=.956$, $F_{(4,253)}=2.895$, $p>.05$). Under high perceived risk, the third-party website generated more favorable site credibility ($F=4.868$, $p<.05$) and information credibility ($F=7.678$, $p<.01$) than the DTCW. However, the results did not support attitude toward site ($F=2.311$, *ns*) nor brand attitude differences ($F=2.206$, *ns*).

In support of the H3 (Wilks' $\lambda=.963$, $F_{(4,253)}=2.433$, $p<.05$), the third-party website received more favorable website credibility ($F=4.788$, $p<.05$), information credibility ($F=3.60$, $p<.05$), and attitude toward website ($F=4.10$, $p<.05$) than the DTCW when product knowledge was low than high. However, results did not support brand attitude differences ($F=2.137$, *ns*).

Study 2

To investigate perceived risk due to different types of medication, a 2 (Website: Brand-sponsored vs. Third-party) \times 2 (Perceived risk: High vs. Low) factorial experiment was conducted. A prescription sleep aid (*Lubien*) was used as the high risk medication and a fictitious prescription allergy drug (*Allergyaid*) was used as the low risk medication. Four websites were created -- a DTCW and a third-party website for each medication. Procedures and measures in Study 1 were employed in Study 2. The sample included 236 students, of which 58 percent were female. The mean age was 24 years.

Results of Study 2

As a manipulation check, subjects indicated risk perceptions associated with the medication. Viewers of the website for the sleep aid reported higher perceived risk than those of the allergy drug ($M=5.193$ vs. 4.693 ; $F_{(1,234)}=8.132$, $p<.01$).

A separate MANOVA revealed a two-way interaction between website type and perceived risk in support of H2 (Wilks' $\lambda=.895$, $F_{(4,229)}=6.682$, $p<.01$). With the high risk prescription medication, a third-party sponsored site led more favorable website credibility ($F=20.778$, $p<.01$) and information credibility ($F=12.394$, $p<.01$) than a DTCW. However, such effects did not emerge in case of attitude toward website ($F=1.864$, *ns*) or brand attitude ($F=2.481$, *ns*).

CONCLUSIONS AND IMPLICATIONS

Despite the growing importance of websites as a vehicle for pharmaceutical information diffusion, relatively little is known about how different website information sources impact consumer evaluations. This study was the first of its kind to examine the effectiveness of two types of websites (i.e., company website and third-party website). Surprisingly, whether consumers gathered information from a DTCW or a third-party website did not directly influence website and information credibility or consumers' attitudes towards the website and the brand. However, consumer characteristics, specifically perceived risk and product category knowledge, moderated the effect of website type on dependent measures. Under high perceived risk and low product knowledge situations, consumers tended to trust information on a third-party website more than that on a DTCW. Thus, third-party sponsored websites are extremely useful in communicating information about products with high physical risk (e.g., prescription medication), especially for low product category knowledge consumers. Under these conditions, consumers held better attitudes towards such websites and deemed information on them as more credible. We, therefore, recommend drug companies communicate information about prescription drugs with severe side effects or for higher risk medical conditions through credible third-party websites. From another practical perspective, this research reveals that DTCWs primarily benefit consumers with high product category knowledge. Thus, pharmaceutical companies can communicate with high product category knowledge consumers by disseminating product information via DTCWs. From a consumer's welfare perspective, public policymakers should encourage third-party involvement in disseminating information about high risk products. Finally, this study also offers a unique contribution to marketing theory by confirming a constructive role of third-party involvement and certification in communicating product information in the context of website; an emerging vehicle for transmitting product information.

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**RESEARCH PERCEIVING ON POSTER AS COMMUNICATION MEDIA,
PERCEIVING OF COLLEGE STUDENTS AT SCHOOL OF BUSINESS & MANAGEMENT
IN SWITZERLAND (WESTERN CULTURE) VS INDONESIA (EASTERN CULTURE)**

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Subiakto Soekarno, Institute of Technology Bandung, Indonesia

ABSTRACT

Picture within the advertisement has a role to communicate meanings which are delivered by the marketer to the customers. The problem here is whether customers have good understanding on the picture or not.

This Research has a limitation which is only compare the difference in perception for the posters between college students of Management & Business in Switzerland and Indonesia. Those two countries are chosen because of the big difference culture and behavior in “the Hofstede”country scores. The subjects of this research are bachelor college students who take major in management from two different top universities in two different countries.

The primary data for the research are collected by using questionnaire which contains “Likert” questions in order to measure the rate of understanding and the perception of the subjects for two different posters (made by Indonesian poster designers and Switzerland poster designers), they are in four different types of category poster for human daily life #1. WWF Ecological Campaign, #2. Dairy Product, #3. Birth Control Product, #4.Tourism Campaign, which are published also in two different locations, Indonesia and Switzerland areas. These questions can also indicate the respondent’s degree of satisfaction and which of the pictures that is preferable by analyzing the Likert answers with graphs mean and T-Test analysis.

In conclusion, they know the connection between culture and the communication process of an advertisement and how necessary a marketer to learn intercultural competence.

References Available Upon Request

INFLUENCE OF BRAND TRUST AND AFFECT, PURCHASE AND ATTITUDINAL LOYALTY ON BRAND PERFORMANCE

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INTRODUCTION

Influence of customer's individual traits, attitude and other behavioral variables with loyalty to a brand and subsequently its performance implications to the firm is an intriguing question for number of researches. However, little attention has been paid to study brand loyalty constructs in the media industry especially in Indian context. It is in this context the present paper has attempted to test a conceptual model proposed earlier by Chaudhuri and Holbrook, (2001) and Halim (2006) with some modification. The paper tries to explore the causal relationship among brand trust, brand affect, purchase loyalty, attitudinal loyalty and brand performance.

Brands are a means to bring about a differentiation among products or companies. The consumer buys the brand repeatedly only when he has a relationship with the brand or a positive affect towards the brand. This view has received considerable attention since psychological or emotional bonding and repurchase intention became the focus of numerous studies as determinants of loyalty (Bloemer and Kasper, 1995; Fournier, 1998). More recently brand trust has been studied as the main determinant of brand loyalty (Chaudhuri and Holbrook, 2001; Delgado-Ballester and Munuera-Alema'n, 1999). Along with brand trust brand affect forms the basis of the relationship with the brand. It has been emphasized that brand loyalty will be even better if the brand is placed in a positive emotional mood/affect (Dick & Basu, 1994). Chaudhuri & Holbrook, (2001) found that strong and positive brand affect causes a positive impact towards consumer brand loyalty, in both purchase loyalty and attitudinal loyalty. Though previous studies have looked in to the relationship between brand trust, brand affect and brand loyalty and performance of consumer products and services none have so far studied media products. Traditionally media had never been considered as an industry but with proliferation of media channels providing specialized content to a variety of niche audiences and corporatization of the sector there is intense competition to gain audience loyalty. This has led media organizations to adopt modern management principles shedding the traditional attitude of being the fourth estate. More and more media vehicles are adopting branding to distinguish themselves (Chan-Olmsted & Kim, 2001). Since media brands are different from typical consumer products (Reca, 2006) as they are dual goods providing content for the audience and at the same time being information and communication vehicle for the advertisers, brand loyalty and its antecedents are of considerable importance to two sets of audiences. This paper focuses on the consumer and tries to determine whether brand trust and brand affect play a crucial role in determining brand loyalty and performance. There has been considerable research in the role of trust in determining media credibility but studies have not linked it to the brand concept.

METHODOLOGY

For the purpose of data collection a purposive sample of 845 newspaper purchasers were approached. The newspapers chosen were four leading dailies in the metropolis of Kolkata, India, two each from English and Bengali language. Scale items were adapted from previous studies to measure Brand affect, Brand Trust, Brand Loyalty and Brand performance. Data was collected through a structured questionnaire administered in a face to face interview. The paper used seven point Likert scale. The first step was to conduct exploratory factor analysis on four existing constructs, to examine the significance of the indicators to establish each construct. The exploratory factor analysis was done using SPSS 18. The result of this process provided assistance in deciding which indicator to use prior to the structural equation modeling process.

RESULTS

The goodness of measure in this study was assessed through reliability and validity tests. In the present study reliability was measured by applying several parameters like factor loading, Cronbach's alpha and average variance extracted (AVE). For brand trust model, two variables, (scale items-BT4, BT5) among the five were dropped as they had weak factor loading. In addition the three variables also displayed large error variance, which lead to use of only three variables as the indicators of brand trust model. They are BT1, BT2 and BT3. The details of reliability and validity along with basic statistics are presented in [Table 1](#)

The higher values of factor loadings, Cronbach's alpha and AVE, confirms the reliability and validity of measures of the study. The results of the test indicate a rejection of the null hypothesis. Given this situation, the goodness of fit is also indicated by root mean square error of association (RMSEA) is greater than .05, regarded as reasonable, while values of TLI, IFI and CFI approximate to the lower threshold of 0.9. The NFI value is closer to 1 which indicates good fit of model. So, from the above arguments we can conclude that the model fits well with the present study. The structural equation model followed conventional linkages between brand trust, brand affect, brand loyalty and brand performance and the conceptual diagram with estimated coefficients is presented in [Figure 1](#). From the result of beta value, it is revealed that brand trust has positive significant impact on brand affect and purchase loyalty. On the other hand the result shows that there is significant negative impact of brand trust on attitudinal loyalty.

Impact of the Different Constructs

The negative beta value of H4 indicates that brand affect has negative impact on purchase loyalty and the impact is significant. On the other hand the result confirms that brand affect has positive significant relationship with attitudinal loyalty. The result also indicates that brand affect is comparatively more dominant in terms of its relation with the purchase loyalty and attitudinal loyalty. Strong brand affect would impact positively towards brand loyalty such as attitudinal loyalty. In conjunction to the result of the research, it can be argued that the respondents consider brand affect having a higher value than brand trust (in news paper reading). This finding is true to the nature of newspaper reading as it is more of a hedonic product therefore evokes more of an emotional reaction than a cognitive one. From the results, it can be argued that brand loyalty (purchase loyalty and attitudinal loyalty) in case of news paper readers is driven more by brand affect compared to brand trust. These results also indicate that both purchase loyalty and attitudinal loyalty is positively related to brand performance and the relationship is significant and thus confirms the argument that the purchase and attitudinal loyalty plays important role in raising the brand performance. The result also indicates that there is a positive impact of attitudinal loyalty on purchase loyalty and the impact is significant. So, for news paper readers the attitudinal loyalty plays significant role in purchase decision of news papers.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

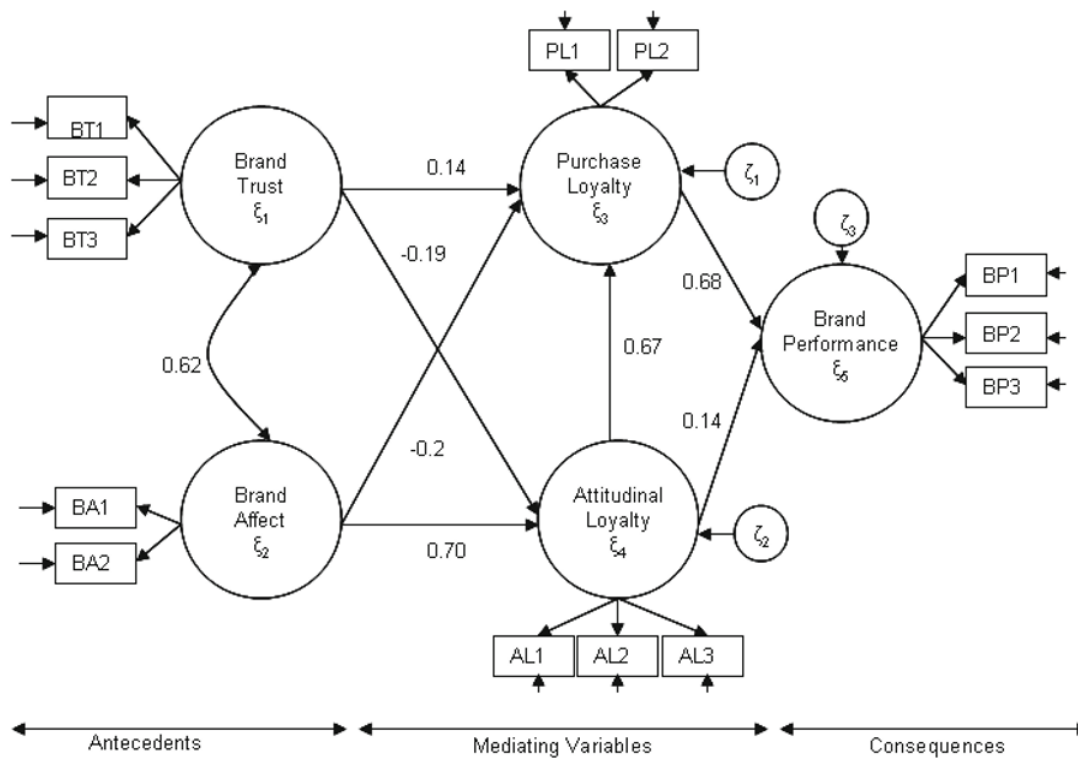
This study establishes the importance of brand trust, brand affect, brand performance and loyalty in the service market. The result of the study should encourage managers to create brand affect and brand trust through more identity building strategies, personal communication and events, and create difference in the content of the product they deliver. Additionally since the study found brand performance linked to attitudinal loyalty the managers would do well to create loyalty programmes through marketing strategies that create loyalty for the brand. On the other hand the study suggests that circulation figures can be maintained if there is brand affect or in other words an emotional bonding. The study also found that brand trust and affect are mutually complimentary therefore managers should focus on generating both which leads to brand performance. Brand performance measures of repeat purchase, differentiation and relative price, were considerably relevant in generating performance as analyzed by the paper.

References available upon request.

Table 1: Reliability, Validity and Basic Statistics of the Construct

Construct	Indicator	Mean	Std. Dev	Factor Loading	! *	" *	p-value
Brand Trust	BT1	11.19	11.05	0.83	0.87	0.50	.000
	BT2	1.06	1.10	0.87		0.36	.000
	BT3	11.14	1.12	0.86		0.77	.000
Brand Affect	BA1	10.82	1.44	0.84	0.77	0.72	.000
	BA2	10.20	2.14	0.80		0.56	.000
Purchase Loyalty	PL1	4.80	4.83	0.92	0.92	0.90	.000
	PL2	1.45	1.24	0.94		0.89	.000
Attitudinal Loyalty	AL1	4.66	1.33	0.89	0.89	0.90	.000
	AL2	1.26	4.56	0.89		0.89	.000
	AL3	4.55	1.08	0.85		0.79	.000
Brand performance	BP1	4.36	1.40	0.83	0.80	0.77	.000
	BP2	1.19	5.17	0.84		0.81	.000
	BP3	4.81	1.31	0.80		0.65	.000

Figure 1: Conceptual Model



Session 3.4. Profitable Selling

Session Chair: Wendy Ritz, Kennesaw State University, USA

Hungry to Sell, Humble to Serve: Towards Understanding Use of Ambidexterity in Optimizing the Sales and Service Mix

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Bodo B. Schlegelmilch, WU Vienna, Austria

Intuition and Adaptive Selling

David Locander, Louisiana Tech University, USA

Jay Mulki, Northeastern University, USA

Sales and Value Creation: A Synthesis and Directions for Future Research

Alexander Haas, Karl-Franzens-University Graz, Austria

Nina Stuebiger, Karl-Franzens-University Graz, Austria



HUNGRY TO SELL, HUMBLE TO SERVE: TOWARDS UNDERSTANDING THE USE OF AMBIDEXTERITY IN OPTIMIZING THE SALES AND SERVICE MIX

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ABSTRACT

Service and sales employees represent a substantial segment of the global workforce, and firms' economic success hinges upon their performance. Firms opt to organize sales and service tasks differently; these duties can be merged or separated into distinct units of the organization. Sub-optimal organization of sales and service may lead to low job satisfaction, inadequate job performance and up to 100% annual employee turnover rates.

This paper suggests that obtaining ambidextrous skills, i.e. the ability to engage in ostensibly contrasting tasks that are interdependent and non-substitutable for the firm, may assist in organizing sales and service in an ideal way. Deliberate allocation of financial and human resources between sales and services drives strategic realization of ambidexterity. This is likely to result in positive performance outcomes and a sustainable firm strategy. Consequently, ambidexterity should be leveraged at all levels of the organization to support an optimal mix of sales and service. To this end, the decision for organizing sales and services calls for top management team's ambidextrous skills.

References available upon request.

INTUITION AND ADAPTIVE SELLING

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INTRODUCTION

Researchers and practitioners have always been interested in factors that provide richer explanations of variances in salespersons' effectiveness and performance. In the extant research, most of the focus has been on issues such as motivation, personality, job involvement, commitment and job satisfaction. It is interesting to note that purely cognitive approaches have not addressed a fundamental aspect of what potentially makes one salesperson highly successful and another not so – gut feeling.

While some cognitive researchers would dismiss the power of intuition as not valuable in explaining behavior, it might be that a salesperson's intuition is more powerful than its detractors might suggest. Ask any salesperson what they did or said that "closed the deal" and the first response is very likely to be "I don't know, I just followed my gut." As it turns out, following one's gut has led to a fair amount of academic research worldwide into the nature and power of one's intuition. In the field of management, studies on intuition have been found to have a positive association with the speed and quality of managers' decisions (Hough and Ogilvie, 2005).

The current research explores the role of deliberation and intuition in explaining the differences in performance among salespeople. This study reports the results of a pilot field study which shows that salespeople rely on both their "brain" and "gut" in selling products and servicing accounts. The study also examines the effect of intuition on salespersons' adaptive selling and ultimately job performance.

CONCEPTUAL BACKGROUND

Cognitive Experiential Self-Theory (CEST) proposes that people operate by two systems: 1) the experiential/intuitive system and 2) the deliberative/rational system (Epstein 2008). This study examines salespersons' preference for intuition and deliberation as it pertains to adaptive selling and job performance. Intuition has been defined as a process of thinking that provides an alternative source for decision making. It has been postulated that intuitive decisions could be often more effective than decisions made by deliberative reasoning (Brunswik, 1956; Hammond, 1996). Betsch (2008) states that the input to intuitive decision making is primarily provided by knowledge stored in long-term memory acquired via associative learning. "The input is then processed automatically and without conscious awareness. The output of the process is a feeling that can serve as a basis for judgments and decisions" (Betsch, 2008). According to the Cognitive Experiential Self-Theory (CEST), the experiential system encompasses a domain more extensive than intuition. However, the experiential system and intuition operating rules and attributes are identical according to CEST (Epstein 2010). "The experiential system operates in a manner that is preconscious, automatic, nonverbal, imagistic, associative, rapid, effortless, concrete, holistic, intimately associated with affect, highly compelling, and minimally demanding of cognitive resources. In contrast, the rational system is a cognitive reasoning system that operates in a manner that is conscious, verbal, abstract, analytical, affect free, effortful, and highly demanding of cognitive resources" (Epstein 2008). These two systems are referred as the intuitive system (intuition) and the rational system (deliberation).

Adaptive Selling

Adaptive selling is described as modifying sales behaviors during a customer interaction or across customer interactions based on perceived information about the nature of the selling situation (Weitz et al. 1986). Research has shown that adaptive selling is a critical component to organizational success given its positive effect on salespersons' attitudes and behaviors (Fang, Palmatier, and Evans 2004; Park and Holloway 2003). Salespeople using adaptive selling adjust their sales approach by perceiving signals given by the buyer as input. However, signals are not necessarily verbal or obvious. It could be a facial expression, body language or voice inflections. An intuitive salesperson perceives these signals as informational inputs and makes the appropriate adjustments to his/her approach. Therefore, salespeople may rely on their intuition as one of the means of collecting information or triggering action during a sales presentation or other interactions with customers. Intuition could be a major input to the adaptive selling process as well as complement rational thoughts. In a way, both intuitive feelings and rational thoughts could be integral to a salesperson's adaptation of his/her style to successfully complete customer interactions. Several studies have linked adaptive selling to self-rated and objective indicators of

performance (e.g., Fang, Palmatier, and Evans 2004; Park and Deitz 2006). With adaptive selling known to be linked to performance, the question becomes, does a salesperson’s gut fit into the adaptive process and, if so, does this allow us to better understand adaptive selling?

Hypotheses

Because intuition is subconscious feeling that tends to surface in certain situations, it’s is likely to be integral to the performance of salespeople who adapt their approach to customers. Since these adaptations are usually done in response to situational effects, they are done quickly and without analysis. Thus, intuition might well be the missing ingredient in understanding the very nature of adaptive selling. Based on this we state that:

H₁: Preference for intuition and adaptive selling are positively related.

While intuition might well be an important ingredient in a sales approach, deliberation (what we know and analyze) plays a major role in understanding customer needs. Salespeople use knowledge of their customers and their needs in structuring both their approach and solution. This suggests a positive relationship between deliberate analysis of customers and knowledge collected from this analysis with adaptive selling. This leads to the following hypothesis:

H₂: Preference for deliberation and adaptive selling are positively related.

Adaptive selling requires both the analysis of deliberation and the “gut feeling” of intuition to be effective. The model specifies a direct relationship between these two variables and job performance. Thus:

H₃: Preference for deliberation and job performance are positively related.

H₄: Preference for intuition and job performance are positively related.

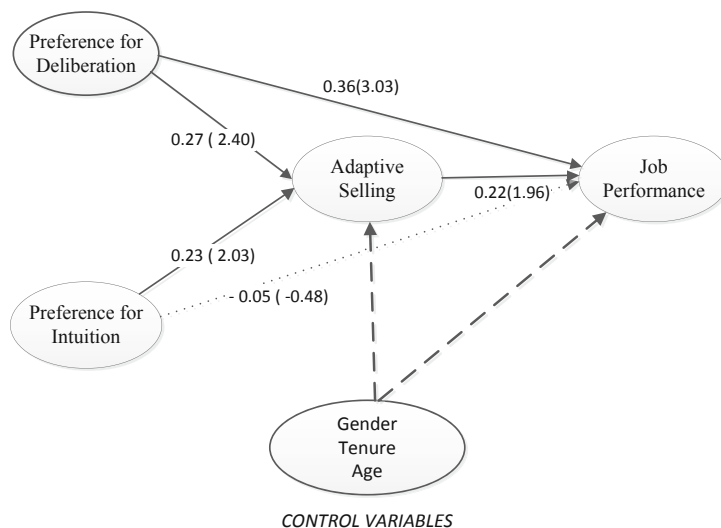
Relationship between adaptive selling and job performance has been well established in the sales literature. Based on this, the following replication hypothesis is stated:

H₅: There is a positive relationship between adaptive selling and job performance.

METHODOLOGY

The study was conducted at a national sales meeting of a B2B medical company. The questionnaire was administered to the salespeople who were attending their company conference. The respondents were assured of confidentiality of individual responses. A total of 114 responses were collected. Preference for intuition and deliberation were measured using the scale by Betsch (2004). A scale by Spiro and Weitz (1990) was used to measure adaptive selling. Job performance was measured using the scale from Piercy, Cravens, and Lane (2001).

Figure 1: Model



Analysis

An exploratory factor analysis was conducted to check the dimensionality and reliability of constructs. A confirmatory factor analysis was then conducted to further assess the properties of the latent variables used in the model (Anderson and Gerbing 1988). The fit indices for the final measurement model were in the acceptable range: $\chi^2 = 194.361$, $df = 129$, $p < 0.001$; CFI=0.93; RMSEA=0.067. Evidence of convergent validity was found as all the indicator loadings were significant at $\alpha = 0.01$. Discriminant validity was assessed by using the method prescribed by Fornell & Larcker (1981).

Table 1: Correlation Matrix

		DEL	INT	ADS	JOB	EXP	GEN
DEL	Preference Deliberation	<i>0.82</i>					
INT	Preference for Intuition	0.12	<i>0.75</i>				
ADS	Adaptive Selling	0.21*	0.23	<i>0.84</i>			
JOB	Job Performance	0.37**	0.09	0.26**	<i>0.95</i>		
EXP	Job Experience	0.12	0.05	0.00	0.17	1.0	
GEN	Gender	0.06	0.09	-0.10	0.10	0.1	1.0
AGE	Age	0.01	-0.01	0.13	0.17	0.56**	0.21*

*Correlation is significant at the 0.05 level (2-tailed). **Correlation is significant at the 0.01 level
Cronbach's alpha on the diagonal.

A test for common method variance (CMV) was conducted using Harmon's method. The test indicated that CMV was not a serious threat to the findings as the χ^2 difference between the one factor model and the measurement model was greater than the critical χ^2 (Podsakoff, Mackenzie, Lee and Podsakoff 2003). Pearson correlations, construct reliability (Cronbach's alpha) along with descriptive statistics are reported in Table 1.

The model parameters of the structural model were estimated by AMOS 18 maximum likelihood method. For the hypothesized model, fit indices were within acceptable limits: χ^2 247.39, $df=171$, $p < 0.001$; CFI =0.92; RMSEA= 0.063 (Hair, Black, Babin and Anderson 2010b). Taken together, results indicate that the model shown in Figure 1 are acceptable.

RESULTS AND DISCUSSION

Study results show that adaptive selling is positively impacted by preference for deliberation ($\beta = 0.27$, $t = 2.40$) and preference for intuition ($\beta = 0.23$, $t = 2.03$) thus providing support for H1 and H2. Hypothesis 3 is supported as the path coefficient ($\beta = 0.36$, $t = 3.03$) between preference for deliberation and job performance is positive and significant. There was no support for H4 and path coefficient ($\beta = -0.05$, $t = -0.49$) between preference for intuition and job performance is insignificant. H5 was supported as adaptive selling and job performance ($\beta = 0.22$, $t = 1.96$) showed a positive relationship between the two constructs. Results also revealed that relationship between intuition and job performance is completely mediated by adaptive selling.

Results of this study reemphasize the importance of adaptive selling for achieving better performance. This study's contribution can be seen as providing initial support for deliberation and intuition as antecedents of adaptive selling behaviors. While intuition does not directly impact job performance, its moderating role through adaptive selling brings to light the importance of understanding and developing one's intuition that can be incorporated into an effective sales strategy. Intuitive salespeople may have a better chance of anticipating customer's changing needs and adapting themselves to the changing situations. While careful planning and preparation are key requirements for sales success, intuition provides a 'feeling of knowing' (Hodgkinson et al, 2009, page 280), thus alerting the salesperson to a buyer's way of thinking. Thus, intuition may help salespeople when they are required to make on-the-spot decisions.

Since adaptive selling is the conduit through which deliberation and intuition impact performance, managers should be cognizant of a job applicant's propensity toward an adaptive style during the hiring process. Managers could also develop sales training programs to help salespeople understand intuition and to develop it into a selling tool. Salespeople should come to realize that they cannot totally rely on intuition, rather they should see intuition and deliberation as working together to achieve a common goal.

Limitations and Future Research

The performance data used in this research is based on cross sectional data and hence causality of relationships cannot be assumed. Because of the self-report responses, the study should also be replicated with objective performance data. For greater generalization, this study needs to be repeated with sample of salespeople from other business sectors.

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SALES AND VALUE CREATION: A SYNTHESIS AND DIRECTIONS FOR FUTURE RESEARCH

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ABSTRACT

How does the sales organization contribute to the creation of value to a firm and its customers? Understanding sales' pivotal role in the creation of value has been a long-standing goal of researchers and managers alike (Lindgreen and Wynstra 2005). Taking up the issue in their review of relevant literature, Haas, Snehota, and Corsaro (2011) convincingly argue that prior research has dealt with sales' value-creating role mostly per assumption and not systematically. Despite of scholars' extensive focus on sales' performance outcomes, the two most prominent salesperson behaviors under investigation in the sales literature (i.e., adaptive selling and customer-oriented selling) have been shown to account for only 9% or less of the variance in salesperson performance (Franke and Park 2006). And research that explicitly addresses the question of how the sales function adds value to the customer is still in its infancy. Accordingly, Singh and Koshy reflect (2010, p. 2): "we do not yet know if business-to-business salespersons actually create value in their relationship with customers".

The objective of this paper is to enhance the understanding of sales' role by examining the question of how value originates and is enhanced through sales in transactional and relational processes between business partners. Specifically, the paper investigates two main research questions: (1) What is the mechanism through which sales may contribute to the creation of value to the firm and its customers? (2) What are the organizational capabilities critical for sales to implement the value-creating mechanism? To answer these questions, this paper synthesizes current empirical macro sales research and thus, (a) develops an interaction-based framework of sales' role in the creation of value; (b) suggests the concept of sales' value-creating capabilities as a key mechanism for the creation of value; and, based on this framework, (c) identifies fruitful areas for future research which may guide systematic investigation of sales' value-creating role in business relationships.

The paper contributes to previous research by synthesizing current empirical macro sales research and providing an interaction-based framework of the value-creating role of sales. It integrates extant value and sales literature, proposes two perspectives of sales' role as value creator, and defines value creating capabilities as a set of organizational abilities related to a firm's sales function. This research is rooted in the concept of interaction and in line with current research on firms' capabilities (e.g., Morgan et al. 2009). To reflect the four intertwined characteristics of value-creating interactions (Haas, Snehota, and Corsaro 2011), sales functions' value-creating capabilities are conceptualized as consisting of four intertwined facets: mediating, initiating, realizing, and sense-making. These four dimensions of sales value creating capabilities serve as a key mechanism, which enhances our understanding of sales' role in the creation of value to the firm and its customers. As such, the present research provides a foundation for the systematic development of an interaction-based theory of value creation and sales' role in it.

In managerial terms, this paper highlights important areas sales managers should devote attention to (e.g., in terms of processes, sales training, etc.) in their efforts to create customer value and enhance sales performance. The proposed capabilities provide starting points for analyzing failures in the creation of customer value. Our results also inform firms about ways to design the sales function so that it will create customer value. Thus, our research supports firms and sales managers in their efforts to increase performance and customer value, and to strengthen the firms' competitive positions.

References available upon request.

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Session 3.5. Thinking Strategically

Session Chair: Nic S. Terblanche, University of Stellenbosch, South Africa

Budget Allocation for Customer Acquisition and Retention to Balance Market Share Growth and Customer Profitability

Hsiu-Yuan Tsao, Tamkang University, Taiwan

Market Orientation and Positioning Strategy: Review and Propositions

Charles Blankson, University of North Texas, USA

Stavros Kalafatis, Kingston University, UK

Kirsten Cowan, University of North Texas, USA

Jaywant Singh, Kingston University, UK

Building Dynamic Capabilities and Marketing Strategies through Trust: Values and Conflicts in a Global Economy

Sharam Alijani, Reims Management School, France



BUDGET ALLOCATION FOR CUSTOMER ACQUISITION AND RETENTION TO BALANCE MARKET SHARE GROWTH AND CUSTOMER PROFITABILITY

Hsiu-Yuan Tsao, Tamkang University, Taiwan

ABSTRACT

Blattberg and Deighton (1996) used a decision-calculus approach to construct a simple model, the BD Model, which helps managers find the optimal balance between spending on acquisition and retention to maximize the customer equity. However, little explicit research has simultaneously addressed the question of dividing spending between acquisition and retention and balancing the objectives of short-term market share growth and long-term customer equity. In response, this study develops a model and methodology to analyze the relationship between optimal spending budget and short-term objective of market share growth with the long-term objective of customer profitability. The current study developed a segment-based market share model (SBMS) to describe how allocating a budget to two programs, to meet customer retention costs and customer acquisition costs, affects the size of customer segments of three representative types, namely inertia, potential switcher, and newly acquired, resulting in market share growth. This work then combined the SBMS and the Blattberg and Deighton (BD) model to devise a method for conducting nonlinear programming and sensitivity analysis with a spreadsheet to balance the short-term objective of market share growth and the long-term objective of customer equity (CE) to arrive at the optimal spending allocation for customer acquisition and retention. We then manipulated the differential unit cost of the marginal effect for customer acquisition and retention and the size of the inertia segment on the focal brand to explore the allocation effect on the two objectives.

References available upon request

MARKET ORIENTATION AND POSITIONING STRATEGY: REVIEW AND PROPOSITIONS

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ABSTRACT

Despite years of scrupulous debate about market orientation and positioning, still these concepts, on their own, do not offer impressive firm performance (Siguaw, Brown, and Widing II 1994; Han, Kim, and Srivastava 1998; Kaynak and Kara 2004), unless they are employed synergistically with the aim of achieving long-term success (Porter 1996, 2001; Pelham 1997; Bigne, Vila-Lopez, and Kuster-Boluda 2000). This review paper fills this gap in the literature by attempting to find answers to two questions: What is the relationship between firm market orientation capability and firm positioning strategy? And what are the relationships between specific sub-market orientation strategy and individual sub-positioning strategy? The article sheds light on these issues within the context and aims to contribute to the debate.

While market orientation ensures that firms are committed to the continuous creation of superior value for the customer (Narver and Slater 1990; Kohli and Jaworski 1990; Deshpande and Farley 1998), positioning calls for deliberate, proactive, and iterative deployment of marketing strategies that alter consumer perceptions about offering(s) and thus ensures preference for an offering over those offered by competitors. Based on the recurring theme that market orientation is concerned with identifying and responding to customer requirements (Jaworski and Kohli 1996; Slater and Narver 1994), it is reasonable to expect a market orientation capability to lead to the selection of pertinent positioning strategies and then contribute to the attainment of a strong market position in the market place. One can thus assert that market orientation contributes positively to positional advantages. It is reasonable to expect that companies with higher levels of market orientation will be more successful in formulating and delivering (i.e., implementing) effective positioning strategies (Kumar, Subramanian, and Strandholm 2002; Langerak, 2003). This conceptual article highlights the pivotal relationship between the concepts of market orientation and positioning and puts forward eight key propositions to enhance a firm's long-term competitive advantage in the marketplace.

References available upon request.

BUILDING DYNAMIC CAPABILITIES THROUGH TRUST: AN EXPLORATORY MODEL OF EMPLOYEE-CUSTOMER-MANAGEMENT RELATIONSHIP

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INTRODUCTION

This paper investigates the relationship between trust and the organizational capacities of innovative firms and proposes a conceptual framework for assessing the multilevel links between trust and stakeholders' choices, motivations, and cooperative schemes. A particular emphasis has been placed on the mediating role of employees and customers who co-evolve under conditions of bounded rationality. Our study suggests that cooperation among the primary stakeholders provide a necessary, albeit not a sufficient condition for building organizational capacities and sustaining the firm's competitive advantage. Our research places a particular emphasis on the pivotal role of middle managers as key actors in providing soft information to key stakeholders (Mintzberg, 1994), and as moderators when planning, formulating, and implementing strategic decisions. Moreover, the middle management's central function as moderators in strategic decision making has been amply highlighted in strategic management literature (Wooldridge et al., 2008; Mair and Thurner, 2008; Huy, 200). While thinking strategically, brings the management to plan, command and implement strategy, doing strategy requires a continuous effort of sensemaking (Weick, 1995).. Balogun and Johnson's (2004) consider sensemaking as 'a conversational and narrative process through which people create and maintain an intersubjective world' (p. 524). In this regard, the use of cognitive structures and interpretive schemes whereby executive and middle manager, employees, and customers define goals and propose meaningful actions constitutes a particularly important step in building organizational capabilities.

Strategic planning tends to overlook a broad range of soft issues that organizations are brought to deal with during different stages of growth. Among a host of soft issues, one can refer to stakeholders' diverging goals, employee motivation and customer attitude and behavior. Attitude formation and behavioral change involve complex cognitive processes that relate to one's knowledge and thoughts as well as feelings and moods that affect individual and collective decisions (Fishbein and Ajzen, 1975). As such, behavior and behavioral change may be viewed across different complementary dimensions that take into account a wide array of endogenous and exogenous factors and biases. A significant research corpus has scrutinized the use of mental representations and short-cuts when making decisions (Simon 1957; Tverssky & Kahneman 1974; Shanteau, 1989; Giegerenzer & Todd 1999; Baron 1998). Individuals, communities, and societies show biases toward risk, success, failure, reward, status, sacrifice, tenacity, moral strength, discipline, and conflict. Cognitive biases may emanate from over-confidence and over-optimism (Cooper et al. 1998; Bernardo and Welch, 2001), control and planning fallacy (Keh et al. 2002), mood and affect infusion (Forgas, 1995); overestimation (Russo and Schomekaer 1992; Busenitz and Barney 1997), and perceived self-efficacy (Chen et al. 1998; Shane, 2003; Bandura 1995; Gist & Mitchell, 1992).

Trust, Value System and Social Exchange

A significant body of research in social sciences has brought to the fore the mediating role of trust and its impact on business performance and efficacy. The literature points to customer loyalty as a measure of perceived value and trust by a firm's clients. Customer lifetime value is defined as the present value of the future cash flows attributed to an existing customer relationship (Pfeifer et al. 2005). Different social and economic theories have offered different interpretations of potential linkages between social and economic value, social exchange and trust and how the latter affects one's attitude toward beliefs and choices. The social exchange theory underpins the desire for the exchange of values between different parties (Blau, 1964) and for building social relationships that keep customers happy over time (Sheth and Parvatiyar, 1995; Tynan, 1997; Wagner and Bouteiller, 2002). The association of customer lifetime value and social exchange theories allow to measure the impact of trust on the customer perceived value, employee loyalty and performance (Berger and Nasr, 1998; Blattberg et al., 2001; Hogan et al. 2002; Jain and Singh, 2002).

More specifically, trust is associated with one's 'value system', 'work ethics', 'morality', and 'self-esteem'. It emanates from one's past experience and encounters, sense of justice, altruistic motivations, self-regarded preferences and economic and social choices. The extent and direction of reciprocity (strong or weak, positive or negative) is likely to affect one's motivation and attitude that can be built on a moralistic, materialistic, altruistic, opportunistic basis. Trust reciprocity equally affect one's character viewed as ambitious, conservative, heroic, risk averse all of which may manifest varying degrees of stewardship, leadership, and creativity. *A contrario*, the absence of trust not only affects social attitudes and values but also conditions the

process and outcome of social actions (Olson, 1965; Hardin, 1968; Ostrom, 1999). Arrow (1951) and North (1990) suggested that social exchange dynamics and extent is indicative of the norms and institutions that foster mutual trust and uphold social capacity as a universal value system. At the same time it is noteworthy that norms, beliefs, and values serve to perpetuate the status-quo and encourage persistence to maintain certain habits and practices leading to social and organizational inertia. However, the occurrence of certain critical events can break the resistance to change and set the company and society on a new path.

Building Organizational Capabilities through Knowledge

As value creating organizations, innovative firms constitute a repository for a wide array of resources and competences. The proponents of a resource-based view (RBV) have brought to much scrutiny the importance of resources in creating and sustaining dynamic capabilities (Wernerfelt, 1984; Teece et al. 1997, Augier and Teece, 2006). The knowledge-based view of the firm (KBV) builds on and extends the resource-based theory by considering knowledge as a critical resource in supporting a firm's mission critical activities and in sustaining its competitive advantage. Teece (1998) and Grant (1996a, 1996b) underscore the strategic importance of knowledge assets and argue that knowledge integration and assimilation constitutes a critical step in building and sustaining organizational capacities. Organizational capacity may be viewed as a distinct ability to reconfigure, coordinate, and exploit resources with the objective of creating superior value. Similarly, dynamic capability may be defined as the capacity to purposefully create, extend, and modify the firm's resource base (Helfat et al. 2007, p. 4). The complex nature of modern organizations calls for an understanding of the motivations of the stakeholders and requires a careful analysis of the mechanisms that affect the decision-making process. Williamson (1985) and Coase (1990) describe institutions of capitalism as complex organizations whose evolution would entail increasing cost of planning, adapting and monitoring under alternative governance structures. Coase (1960) points to the cost of carrying out economic activities that emanate from social preferences and individual motivations. Networks reinforce human relationships, facilitate cooperation, co-creation, and exchange in multiple markets and thus reduce the overall transaction cost of economic preference and social choices (Varey, 2002; Payne, 2000).

In response to fast-paced and changing environments (Eisenhardt, 1989) and the need to identify the nature and extent of strategic change (Gioia and Chittipeddi, 1991) our research attempts to identify the mechanisms of sensemaking and sensegiving by which companies seek to enhance their dynamic capacities. Strategic decision-making quality will depend as much on individual capabilities as on collective actions and cooperative schemes of all stakeholders.

METHODOLOGY

Our study reports on a recent survey of French SMEs following the 2008 financial crisis and economic slowdown. conducted by the author using both quantitative and qualitative approaches. The methodology was developed along an analytic inductive approach that integrates both qualitative and quantitative data. To supplement the quantitative data, the author conducted a total of 14 semi-structured interviews with randomly selected managers, employees and customers. The qualitative approach provided an exploratory framework for assessing responses collected from a heterogeneous group of respondents (different age, income, gender, and work experience groups). Interviews were conducted over a 12 month time span and their primary purpose consisted of providing further insight on respondents' subjective experiences and interpretations of strategic choices. Employees from six different functional areas, namely the management (VP and regional director), sales (regional sales and account managers), marketing and communications (marketing and CRM managers), finance and accounting (financial managers), production and logistics (supply-chain managers), administration and IT division (IT and HR managers). Customers were selected randomly from a list of repeat buyers and were asked to respond to an online survey. A total of 60 respondents took part in the surveys (groups were comprised of 12 employees and 18 customers). Middle managers were requested to provide strategic guidelines, roadmaps and scorecards to their employees and customers.

A twofold strategy was to be implemented by the middle managers in response to the critical situation caused by the 2008-09 market downturns. Middle managers and employees were invited to design different cooperative schemes and ask customers to join them to define a comprehensive strategic renewal plan. The scheme offered a variety of incentives ranging from profit-sharing incentives to employees to offering discounts and product upgrades to customers. Company A made further plans to enable its employees and customers to work more closely with each other on outsourcing and co-creation options. It is important to note that company A had moved more swiftly and energetically than company B to implement its renewal strategy. Equally important is to note that company B proposed actions that focused on process improvement, cost saving and productivity gain measures. The preliminary analysis of 2011 and Q1-2012 accounts for company A showed a 6% recovery in

revenues and an increase in some key financial and economic ratios. By contrast, company B Q1-2012 figures continued to show a drop in revenues but not in profitability ratios. Company B managed to gain new clients even though the average size of client orders (measured by the moving average of monthly orders) continued to decrease.

Employees were invited to think strategically and envisage different cooperative schemes with customers with the help of middle managers. Company A did not wish to provide monetary incentives, but instead made provisions for a revised profit-sharing scheme. Company B did not desire to change its remuneration policy but envisaged to lay off 3 employees. Placed within a game-theoretic context, employees and customers who were offered incentives were expected to reciprocate, in which case the firm's probability of success would be P1. On the other hand, if employees and customers accepted to cooperate with the proposed plan (e.g. employees would accept to work harder and customers to participate in buying schemes) but the management did not reciprocate, the success would be P2. Employees and customers were invited to make choices that would maximize their expected payoffs [labeled as success: P1 or no success: P2] with $P1 > P2$. Nash equilibrium exists if all stakeholders involved decide to participate and cooperate fully with each other.

Data Analysis

Data analysis involved three different steps. First, selected employees and customers were asked to participate in a survey and respond to questions pertaining to 'performance', 'trust' and 'cooperation'. A '1-to-7' Likert scaling method was used to isolate the main mediating factors that affected trust, performance, and desire to cooperate. We discarded those items that had a low correlation with the total score across all items. We then used an exploratory factor analysis and a mean computation analysis to reexamine the underlying assumptions of the model as stated in the above propositions. We proceeded further by using regression and PROBIT analyses to investigate the relationship between financial performance (measured by quarterly and annual financial and sales ratios) and different trust-driven cooperative schemes implemented jointly by customers and employees. The model contained a vector of control variables to account for human and environmental factors that affect performance dynamics. Finally, we used conjoint analysis as a way to further elicit customer and employee preferences and choices. Conjoint analysis is used by marketing researchers who seek to determine the preferred features that are retained by customers (Green et al. 2001). In our case, we made a more expansive use of this technique to account for customer and employee motivations and choices (Teichert and Shehu, 2010).

RESULTS AND DISCUSSION

In this study we have focused on the recent evolution of two French SMEs (referred to as company A and company B) that have been facing a major drop in their revenues and profits since 2009 (27% and 31% drop in revenues respectively). With 46 employees A enjoys average annual sales of \$19,2M. For B, the figures stand at 43 employees and \$17,4 M respectively. Both companies operate internationally (\$3,6M and \$2,9M respectively). Both companies are privately owned with limited liability. Company A designs and manufactures knowledge-intensive products for a relatively small clientele base. Company B is a service-driven company and offers marketing consulting services to a fairly large group of firms. The significant drop in sales had sent a breaking signal to the management that time was up to implement a renewal strategies. Following a reorganization phase in early 2010, the author conducted surveys within two different time intervals with a view on elaborating and reinforcing different cooperative schemes to boost performance. The proposed plan sought to change a different information processing, business practices, and work flows by employees and customers.

In our example, employees, managers and customers were reminded that in the absence of effective cooperation, the Nash product would shrink and the threat zone would increase. Participants were reminded that in a trust-based relationship, aggregate decision making may be differentiated on the basis of 'choice sets' and 'payoffs' (Axelrod, 1970; Bolton and Ockenfels, 1999; Fehr and Gaechter, 2000; Schelling 2006). It was understood that trust and cooperation would positively impact the overall performance of both companies A and B. Consequently, two propositions were made to stakeholders:

Proposition 1: Management policies and measures that aim to enhance inter-company trust between employees and middle managers will be positively perceived by customers and thus related to the firm's performance trajectory.

Proposition 2: Management policies and measures that aim to enhance intra-company trust between employee-management teams and costumers will be positively related to customers' perceived value of the company and its performance trajectory.

The qualitative analyses corroborated with data measurements have illustrated that motivation, creative-thinking, and cooperation foster efficacious managerial practices, good judgment and vision (Amabile, 1998). This is particularly true when employees and customers seek mutual benefits and rewards but are not offered the opportunity to express their expectations in terms of extent and sequence of benefits (Shaver and Scott, 1991; Bernardo and Welch 2001). Empirical evidence points to readiness and willingness and the majority of participants (some showed hesitation and expressed doubt) who voiced their opinions and proposed plans of actions to change. In general, participants were keen on explaining how they expected to use their skills and leadership qualities to enhance organizational capacities.

CONCLUSION AND IMPLICATIONS FOR THEORY AND PRACTICE

The results obtained during the first phase of our study have revealed that customers and employees can build closer ties through different cooperative schemes. Judging from different financial indicators obtained during the first quarter of 2012, company A was able to strengthen its dynamic capacities and reverse the downward trend that began in 2009. The proposed cooperative scheme provided provisions for wage adjustments, work flexibility, knowledge sharing, cognitive training, extended customer relationship management, and resource sharing. The list can be extended to include specific measure on ethical practice, company transparency vis-à-vis the customers and corporate social responsibility. Employees, customers, and middle managers were encouraged to think strategically, act creatively and explore novel paths to change and innovation.

The study further demonstrates that firms can implement trust-enhancing mechanisms as a way to reduce structural and cultural persistence to organization change. However, the extent to which novel collaborative schemes can be effectively implemented will depend on a wide array of market and nonmarket factors: Such factors should include the design and implementation of robust financial metrics, innovative business models as well as sharing best practices and promoting the spirit of innovation and practice of good governance. Last but not least, building organizational capabilities also means adopting superior values and a company *mantra* to highlight the fact that strategic thinking should be the business of every employee every day. Consequently, future axes of research should examine organizational and institutional dimensions as well as specific market and industry contexts in order to enrich the theoretical debate on trust and capabilities.

References are available upon request.

Session 4.1. Service Delivery in Emerging Economies

Session Chair: Kofi Q. Dadzie, Georgia State University, USA

Towards a Demand Aggregation Theory of Marketing in Emerging Markets: An Empirical Evaluation of the Promotion of Financial Services in Ghana

Charlene Dadzie, University of North Texas, USA

Charles Blankson, University of North Texas, USA

Kofi Q. Dadzie, Georgia State University, USA

Comparing Users and Non-Users of Self-Service Technologies in an Emerging Economy

Sevgi Öztürk, Anadolu University, Turkey

Selda Kıyıcı, Anadolu University, Turkey

Ceyda Ürper, Okan University, Turkey

Utku Özgür, Anadolu University, Turkey

The Importance and Formalization of Service Quality Dimensions: A Comparison of Chile and the United States

Rodrigo Guesalaga, Pontificia Universidad Católica de Chile, Chile

Dennis Pitta, University of Baltimore, USA



**TOWARDS A DEMAND AGGREGATION THEORY OF MARKETING IN EMERGING MARKETS: AN
EMPIRICAL EVALUATION OF THE PROMOTION OF FINANCIAL SERVICES IN GHANA**

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Charles Blankson, University of North Texas, U.S.A
Kofi Dadzie, Georgia State University, U.S.A

ABSTRACT

Recent conceptualizations of marketing in emerging market contexts posit that demand aggregation is more appropriate for enhancing firm performance than conventional demand differentiation strategies commonly practiced in highly advanced economies (Sheth 2011). To contribute to the advancement of research in this area, we empirically test this proposition in Ghana's rural bank savings mobilization programs. We follow the theoretical proposition in consumer cultural theory that consumers reinterpret objects of non-local origin within their local consumption norms. Results suggest that although all four demand aggregation activities (i.e., accessibility, acceptability, awareness and affordability) were directly associated with preference (i.e., demand aggregation advantage) for bank savings, only affordability is positively linked to demand aggregation advantage. Moreover, the effect of demand aggregation activities on bank lending practices was mediated by demand advantage among existing consumers but not new consumers. These findings have significant implication for the advancement of Sheth's (2011) classic demand aggregation advantage theory.

References available upon request.

COMPARING NON-USERS, MODERATE USERS AND HIGH USERS OF SELF-SERVICE TECHNOLOGIES IN AN EMERGING ECONOMY

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INTRODUCTION

Technological advances in the service industry have led to the transformation of service delivery, from face-to-face service encounters to self-service (Lu, Chou, and Ling, 2009). By the introduction of self-service technologies (SST) previous interpersonal care in the service sector has been gradually substituted by the do-it-yourself option (Ding, Verma, and Iqbal, 2007). SST is defined as the technology interfaces which enable consumers to produce services independent of direct service employee involvement (Meuter *et al.*, 2000). Examples of SSTs include ATM's, information kiosks, online banking, flight check-in kiosks, self-service gas pumps, and self-checkout registers at brick-and mortar retail operations (Campbell, Maglio, and Davis, 2011). Today consumers make a choice between being served or serving themselves using a self-service technological interface with the service organization (Kasper, 2006). Since the implementation of new technologies is very cost-and time-intensive (Curran *et al.*, 2003) continued or high use of the self-service technologies may be desirable for those intuitions that invested to SST. So understanding the factors underlying the usage level of SST may be as important as exploring the initial acceptance of these technologies. In this research we have made an attempt to compare the consumers who are non-users, moderate users and high users of self-services technologies.

Most studies (e.g. Lee and Allaway, 2002; Beatson, Coote, and Rudd, 2006; Simon and Usunier, 2007; Cunningham, Young, and Gerlach, 2009; Beatson, 2010) investigating consumers' usage of SSTs are conducted in Western markets (Nilsson, 2007). It is still not known whether the usage of self-service technologies is similar in other cultures (Schlieve and Pezoldt, 2010). Service firms have discovered that their future survival and growth depend upon extending their services around the world (Altnay and Roper, 2000). Fortune Global 500 figures indicate that big service firms are spreading their operations worldwide (Bensidoun and Kesenci, 2008). Therefore an understanding of the self-service technology use across different context such as emerging markets is necessary. In this research, we aim to explore the determinants of the SST usage level in Turkey which can be classified as an emerging economy as well as where the services have smaller contribution to the GNP (% 60) compared to the developed economies. We chose self-check book stations (book lending kiosks) which can be categorized as customer service provider technology (Zhu *et al.*, 2007) to explore the differences among high users, moderate users and non-users of the SST. Self-check stations provide barcode reading machines to library users for borrowing, renewing and returning books on their own rather than checking out books and other materials by service staff. The study was applied in Anadolu University which was the second in Turkey to provide self-check book machines. In Turkey, self-check machines exist in 7 out of 435 university libraries (Çukadar *et al.*, 2011).

A considerable part of the SST research is realized (Curran and Meuter, 2005; Eriksson and Nilsson, 2007; Ding, Verma, and Iqbal, 2007; Berger, 2009; Weijters *et al.*, 2007) for the services where the conventional and self-service modes of service delivery are separated physically as in the example of online shopping, online banking and ATM. This study has been realized in a service setting where service staff and self-service delivery options are accessible in the same place. Thus this research contributes to the understanding of SST usage level in a context where the consumer has both choices. Also the findings from this study can serve as a contribution to companies that plan to offer their services as SST in an emerging market.

Literature on SSTs uses a number of dimensions as determinants of self-service technology acceptance and use. The factors that are used to explain SST are explained below:

Technology readiness (TR): This construct indicates the people's propensity to embrace and use new technologies for accomplishing goals in home life and at work (Parasuraman, 2000). TR cannot be ignored in assessing customers' adoption of SSTs because it plays a vital role in the resulting perceptions and behaviors (Pei and Hsieh 2006) and it is used in several research about SST use (Lin and Hsieh, 2006; Chan and Lin, 2009; Berger, 2009). Technology readiness index which is developed by Parasuraman has four dimensions: optimism, innovativeness, discomfort and insecurity. Two of these components -optimism and innovativeness- are "contributors" that increase an individual's technology readiness. These two dimensions encourage customers to use technological products/services (Lin and Hsieh, 2006). While innovativeness is a

tendency to be a technology pioneer and opinion leader; optimism is defined as one's view of technology and a belief that it offers people increased control, flexibility, and efficiency in their lives (Chan and Lin, 2009). Since self-check book terminal is a new technology, we have used optimism about technology and innovativeness as variables to explore the usage level of self-check book stations.

Self-efficacy: Meuter *et al.* (2005) show that self-efficacy is one of the key factors inducing self-service technology acceptance. It describes the individual's assessment of his or her abilities to deal with a specific situation (Bandura, 1977) and to perform a behavior (Dabholkar and Bagozzi, 2002). In the library services, consumers with greater self-efficacy can be expected to be more self-confident in their ability to use self-check book machines and use SST more.

Technology anxiety: Although most of the SSTs are user friendly, technology may lead to confusion and anxiety for some people. Technology anxiety relates to the level of anxiety experienced by an individual confronted with the decision to use a new technology (Igbaria and Parasuraman, 1989). Being one of the biggest problems in relation to self-service-technology acceptance (Ostrom *et al.*, 2002), high levels of technology anxiety may lead to the avoidance of SST tools (Meuter *et al.*, 2005).

Need for interaction: A need for interaction is defined as a desire to retain personal contact with others during a service encounter (Curran, Meuter, and Surprenant, 2003). Using self-service technology eliminates human interaction during the service encounter. In several research (e.g. Meuter *et al.*, 2005) need for interaction is used as a construct to understand the use of SST. Library users who want to avoid human contact may be expected to use self-service technology instead of personal interaction with the service employee.

Perceived usefulness: This construct refers to the benefits customers associate with using the SST. Weijters *et al.* (2007) suggest that when faced with the choice of using SST, users tend to focus on the potential benefits of what the technology has to offer. Because perceived usefulness is a primary motivator of technology acceptance (Eriksson and Nilsson, 2007; Berger, 2009), library users that perceive self-check machines as more useful are expected to use SST more.

Attitude towards SST: Fishbein and Ajzen (1975) defined an attitude as the positive or negative feelings or affect owned by a person when he/she was engaged in a specific action. Curran, Meuter, and Surprenant, (2003) has found that attitude toward SSTs (both specific STT of interest and global attitude towards service technology) is one of the forces that can move people to use a technology in the service encounter. So evaluating the self-check book machines with some degree of favor or disfavor may influence the actual use of SST.

Age and gender: Although it is claimed by Dabholkar and Bogazzi (2002) that demographic factors were not of critical interest in understanding consumers' use of self-service technologies, exploring whether the determinants of SST use differ depending on the levels of education, gender, and age is still a relevant question (Weijters *et al.*, 2007). As indicated by Simon and Usunier (2007) many researchers have founded that SST users were young on average than the non-users. Previous research did not find many differences between men and female in their SST usage. In terms of the factors explaining technology usage Venkatesh and Morris (2000) have found that men and women were different in their perception of usefulness. Based on the theoretical assumptions above, we have developed the following research hypotheses:

H1. Usage level of self-check machines as non, moderate and high vary according to the factors underlying SST use—(a)innovativeness, (b)optimism, (c)self-efficacy, (d) technology anxiety, (e)need for interaction, (f)perceived usefulness, and (g) attitude towards SST.

H2. The factors related to SST vary according to demographical characteristics: age and gender.

METHODOLOGY

The survey was conducted in the main library of Anadolu University where two self-check book machines and service staff exists to provide book lending services. Each day about 4000 transactions are made in the library. The sample for our study consists of 270 library visitors who had made a transaction for borrowing, renewing or returning books by self-check machines or by the library staff. Of the 270 participants 70% were students, 64% were female and highest percentage of age category was between 16-24. To categorize the library visitors as SST non users, moderate users and high users, we have asked the respondents' most preferred transaction mode; whenever they need to borrow, renew or return books. Then we have categorized the library users as SST non-users, moderate users and high users according to their self-check machine

usage level. Out of 270, 6 % of the participants (17 people) were non-users who have never used self-check machines. Considerable part of the sample (45%) have stated that they always used self-check machines whenever they borrow, renew or return books. 47% of the library users were categorized as moderate users. Then we have compared the high users, moderate users and non-users of self-check machines in terms of the constructs that are used in the literature to determine the acceptance of self-service technologies.

RESULTS AND DISCUSSION

We carried out exploratory factor analysis (EFA) on the items relative to consumers' use of self-service technologies. We derived the scale items from the relevant literature. Prior to EFA, both univariate and multivariate non-normality were examined. Univariate non-normality was tested using skewness and kurtosis. The extreme among all the variables was 5.25 for kurtosis and 1.88 for skewness for one variable. The criteria were that skewness should be less than 2 (Kline, 1998) and kurtosis less than 7, as suggested by Curran, West and Finch (1996). The factors explained 63.85% of the variance. In parallel to Kaiser's (1974) criteria, only factors with eigen values greater than 1 were retained; and only items with factor loadings and communalities of greater than one 0.40 were included in the factor structure. After the reduction of 3 items about optimism, 1 item about need for interaction, 1 item about innovativeness and 1 item about self-efficacy, the resultant scale's reliability was 0.889. As seen from the [Table 1](#), Cronbach's alpha values for each dimension were computed to confirm each factor's internal consistency. In the factor analysis, perceived usefulness of the self-check machines explained 26.78% of the variance and this indicates the relative significance of this factor.

In order to determine the factors that were effective in the usage level of self-check book machines, we compared the need for interaction, self-efficacy, innovativeness, optimism, technology anxiety, perceived usefulness and attitude constructs among the non-users, moderate users and high users of self-check book machines. Anova results have demonstrated that there were significant differences among non-users, moderate users and high users in terms of perceived usefulness, innovativeness, self-efficacy as well as their attitudes towards SST and needs for interaction. Optimism about technology and technologic anxiety of the library users are not found significantly different amongst none, moderate and high users of self-check machines ([Table 2](#)).

In this study we also analyzed whether demographic factors of age and gender were different amongst the non-users, moderate users and high users of SST. Men and women are not found to be different in their self-check machine usage levels. Respondents in different age groups were also not different in terms of SST usage level. However, in terms of the factors explaining SST usage, men have higher levels of optimism score (3.91) than women (3.70). Perceived usefulness, self-efficacy and attitude towards SST factors vary according to age groups of the respondents. Mean scores for self-efficacy were found as 4.28, 4.24 and 3.85 respectively for the age groups 16-24, 25-34, 35 and over. Perceived usefulness of the self-check machines have mean scores 4.54, 4.39 and 4.04 respectively for the age groups 16-24, 25-34, 35 and over. Attitudes towards the self-check machines were significantly different for the respondents in the 16-24, 25-34, and 35 and over age groups and mean scores were 4.37, 4.36 and 3.90.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

The primary objective of this study was to determine the constructs of self-service technologies (SST) usage in a library context in an emerging economy. Self-service technologies such as self-scanners in supermarkets, ticket machines, and self-check book machines are relatively new in Turkey and accordingly investigation of SST usage is new also. Current study is one of the first attempts to explore the usage of SSTs in Turkey. The results showed that constructs related to SST usage could be conceptualized and measured as a seven-dimensional construct comprising perceived usefulness, innovativeness, attitude towards SSTs, self-efficacy, optimism about technology, technology anxiety, and need for interaction. Exploratory factor analysis (EFA) revealed that all of the constructs are having acceptable reliability and validity scores. In addition, the purpose of this study was to contribute to the understanding of the differences between the constructs of SST and self-service technology usage levels as none, moderate and high usage and also demographic variables. This study has shown the high levels of SST preference by the library users over service staff. In addition to the related literature the results of this study indicate that SST usage levels do not differ according to age and gender. Understanding the seven SST constructs and their effects on SST usage level can be beneficial knowledge for the library managers, service marketers, and managers that want to deliver their services by self-service technologies in Turkey which is an emerging economy. One clear finding of this study is that there are significant differences between the non-user respondents and heavy user respondents in their need for interaction, self-efficacy and perceived usefulness dimensions. It is also found that younger respondents have higher levels of self-efficacy, more positive attitudes towards the use of self-check machines and higher perceived usefulness scores. It may

be possible to increase the perceptions about the usefulness of self-service technologies by emphasizing SST's various benefits. Self-efficacy of the consumers also may be improved by education. Service providers must consider the consumers' need for interaction in their decisions to deliver a service by self-service technologies.

This study provides a number of contributions to the understanding of usage levels of SSTs, but it has also some limitations. Data was collected at just one university in a city and from an educated and relatively young group of respondents. It is possible that a sample representing the older and less educated consumers' view would yield different results in terms of usage levels and SST dimensions in Turkey. Continued research will be able to uncover if there are differences in SST usage in different context such as self-scanners in supermarkets, bank kiosks and ticket machines.

References available upon request.

Table 1. Factors and Items Underlying SST Use

Factors	Factor Loadings (!)	Eigen values (%of variance explained)	Alpha (")
KMO: 0,889 BTS:5794,05			
Factor 1: Perceived Usefulness (5 items; Davis, 1989)		10.045(26.78)	0.91
Self-check machines make book borrowing easier.	0.825		
Self-check machines allow borrowing books faster.	0.822		
Self-check machines allow me to borrow books at any time I want.	0.771		
Self-check machines provide freedom and independence to my book transactions.	0.771		
Self-check machines are useful for book borrowing.	0.731		
Factor 2: Innovativeness (6 items; Lin and Hsieh, 2006)		3.984(10.49)	0.86
I can usually figure out new high-tech products and services without help from others	0.759		
I find I have fewer problems than other people in making technology work for me.	0.740		
I keep up with the latest technological developments in my areas of interest.	0.722		
In general, I am among the first in my circle of friends to acquire new technology when it appears.	0.700		
Other people come to me for advice on new technologies.	0.679		
I enjoy the challenge of figuring out high-tech gadgets.	0.578		
Factor 3: Attitude towards SST (6 items; Dabholkar and Bagozzi, 2002)		2.986(8.37)	0.86
Using self-check machines is pleasure	0.800		
I like using self-check machines	0.753		
Using self-check machines is fun	0.746		
Using self-check machines is favorable	0.692		
Using self-check machines is good	0.680		
Using self-check machines is beneficial	0.582		
Factor 4: Self-Efficacy (6 items)		2.046(5.53)	0.84
I can learn to use self-check machines without someone's help.	0.763		
It requires effort to borrow/return books with self-check machines.	0.731		
I'm highly confident that I can use self-check machines without assistance.	0.721		
It's complicated for me to use self-check machines for borrowing books.	0.659		
Using self-check machines is easy to me.	0.633		
Learning to use self-check machines is easy to me.	0.615		
Factor 5: Optimism about Technology (6 items; Lin and Hsieh, 2006)		1.678(4.46)	0.82
Technology gives me more freedom of mobility.	0.744		
I find new technologies to be mentally stimulating.	0.706		
Technology provides efficiency.	0.701		
Learning something about the technology is satisfactory as the technology itself	0.645		
I prefer to use the most advanced technology available.	0.623		
Products and services that use the newest technologies are much more convenient to use	0.538		
Factor 6: Technology Anxiety (4 items; Meuter et al., 2003)		1.406(3.72)	0.81
I avoid using new technology unfamiliar to me.	0.765		
I hesitate to use most forms of technology for fear of making mistakes I cannot correct.	0.759		
Technical terms sound like confusing jargon to me.	0.726		
I feel apprehensive about using technology.	0.642		
Factor 7: Need for Interaction (3 items; Dabholkar and Bagozzi, 2002)		1.211(3.32)	0.79
Personal attention by a service employee is important to me.	0.870		
I feel happy to see working staff in service outlets (banks, libraries etc.)	0.867		
I enjoy human contact with the service providing employee.	0.740		

Table 2. Comparison of Non-Users, Moderate Users and High Users of SST

	Non-Users		Moderate Users		High Users		F	P
	Mean	SD	Mean	SD	Mean	SD		
Usefulness	4,36	0,64	4,34	0,60	4,64	0,54	8,59	0,000**
Innovativeness	3,50	0,85	3,40	0,71	3,67	0,67	4,49	0,012*
Attitude	4,07	0,63	4,20	0,60	4,54	0,53	13,52	0,000**
Self- efficacy	3,80	0,71	4,10	0,64	4,47	0,53	16,68	0,000**
Optimism	3,92	0,73	3,70	0,64	3,85	0,65	2,055	0,130
Technologic anxiety	2,46	1,04	2,41	0,80	2,19	0,71	2,99	0,052
Need for interaction	4,41	0,58	3,96	0,92	3,77	0,76	5,052	0,007*

*p< 0.05; **p< 0.01

Table 3.SST Factors and SST Usage Level According to Age and Gender

SST Factors	Gender		Age	
	t	p	F	P
Usefulness	-0.223	0.824	6.505	0.002**
Innovativeness	-1.949	0.052	0.435	0.647
Attitude	0.995	0.321	4.347	0.014*
Self- efficacy	-0.174	0.862	3.671	0.027*
Optimism	-2.340	0.020*	2.567	0.079
Technologic anxiety	1.877	0.062	0.481	0.619
Need for interaction	0.827	0.409	0.745	0.476
SST Usage Levels	0.489	0.625	2.226	0.110

*p< 0.05; **p< 0.01

THE IMPORTANCE AND FORMALIZATION OF SERVICE QUALITY DIMENSIONS: A COMPARISON OF CHILE AND THE UNITED STATES

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ABSTRACT

Services account for a very large portion of the economic activity in most countries. In addition, marketing researchers have recognized a shift in companies' business orientation, from a goods-dominant logic to a service-dominant logic (Lusch and Vargo, 2006; Vargo and Lusch, 2004). Therefore, service quality becomes a critical aspect of most companies' marketing strategy. Academic research on service quality has focused mainly on determining service quality dimensions, understanding service quality antecedents, and relating service quality to key outcomes, such as customer satisfaction and performance. Still, there is limited research on how service quality perceptions differ among countries or cultures.

The purpose of this study is to compare Chile and the United States in terms of managers' perceptions of service quality across a variety of industries. Using Hofstede's dimensions of national culture and the SERVQUAL model for service quality analysis, the authors compare Chilean and US managers' perceptions of service quality in terms of the relative importance of service quality dimensions, and the degree of formalization of service quality standards. They find that *reliability* is the most important service quality dimension in both countries, and responsiveness is the second one. The dimensions of *reliability* is more important in Chile than in the US, while *responsiveness* is more important in the United States than in Chile. No significant differences in importance between the two countries are found for *tangibles*, *assurance*, *empathy*. Finally, they find that Chilean companies have more formal service quality standards than US companies in all five service quality dimensions.

References available upon request

Session 4.2. Entertainment & Leisure Consumption

Session Chair: Janée N. Burkhalter, Saint Joseph's University, USA

Turn it Up: That's My Song in that Ad

David Allan, Saint Joseph's University, USA



TURN IT UP: THAT'S MY SONG IN THAT AD

David Allan, Saint Joseph's University, USA

INTRODUCTION

Music continues to be a “considerable component” (Oakes, 2007) in marketing communications, especially television advertising. Research has shown that music can affect attention, recall, and purchase intention. However, relatively little is known about popular music's effect on attitude especially when the song in the ad is a favorite song. This study found high likeability for song, artist and brand in television ads in general, and in particular, when the song and artist were considered in terms of being a favorite with preference towards original vocal integration. This study also found the favorite song genres were evenly divided between classic rock, pop, and hip hop, with justifications for it being one's favorite primarily based upon the song qualities (e.g., beat). Finally, consistent with prior research (Janata, et al., 2007), the autobiographical memory triggered by one's favorite song was overwhelmingly a positive emotion and memory.

METHODOLOGY

- RQ₁ What effect will various integrations of favorite song (original vocals, original instrumentals and altered vocals) have on attitude towards an ad, brand and artist?
- RQ₂ What effect will favorite song and artist have on attitude towards an ad, brand, and artist?
- RQ₃ Based on these results, what conclusions can be made in regard to the use of popular music especially favorite song in advertising?

Stimulus Materials

To represent the three most utilized integrations of popular music in television advertising: original vocals and lyrics (OV), original instrumental (OI), and altered original vocals and lyrics (AV) three commercials with foreground music were selected (Alphaville-*Forever Young*/Saturn; Eminem-*Lose Yourself*/Chrysler; Dean Martin-*That's Amore*-UPS) to facilitate analysis of popular music (pop, hip hop and nostalgia) in advertising.

Participants

Eighty-four undergraduate students (ages 18-22; 45% Male and 55% Female) from Principles of Marketing classes from a large university were randomly assigned to hear one of the three experimental conditions.

Procedure

After the initial welcome, briefing and completion of basic demographic information (age, gender, and race), one of the three television commercials was played (rotated for each group to control for primacy and recency). The same set of questions was asked after each commercial to determine familiarity and attitudes towards these specific ads. Familiarity (How familiar are you with this Ad? How familiar are you with the Brand in this Ad?) was ranked (very familiar/very unfamiliar) on a seven-point semantic differential scale (Park and Lessig, 1981). Attitude-towards-the-ad (A_{ad}) and attitude-towards-the-brand (A_b) included three items (“good/bad,” “pleasant/unpleasant,” and “favorable/unfavorable”) and were ranked on a seven-point semantic differential scale (Lutz et al., 1983). In each case, the presence and integration of popular music was controlled (“Did this Ad have popular music?” [yes/no] “What type of popular music treatment was used?” [OV, OI, or AV] and followed by “Please rate your beliefs about how this Ad uses popular music based on these dimensions” and measured with three items (“good/bad,” “pleasant/unpleasant,” and “favorable/unfavorable”) and ranked on a seven-point semantic differential scale. All results were factor analyzed (Principal Component extraction with varimax rotation) and shown to load together (all loadings > .7) on a single factor that was highly reliable (Cronbach's alpha).

Once these three sections were completed, each person was asked the same set of questions to determine attitudes towards popular music in advertising in general, including the artist and the brand in general, and in particular, when using their favorite song(s) in general. This section included the following: “Please rate your beliefs about Ads in general that use popular music based on these dimensions,” “Now think of your favorite song, What is it?” “Who is the artist?” “Why is it your favorite song?” “What do you think of when you hear this song?” “Please rate your beliefs about an Ad that uses your favorite song.” “Please rate your beliefs about a Brand that uses your favorite song in an Ad.” “Please rate your beliefs about

an artist (band) that allows your favorite song to be in Ad.” “Which version (OV, OI, or AV) of your favorite song (depending on how they answered the questions “Did the ad have popular music? “What type of popular music was used (original vocal, original instrumental, or altered vocal”) would be the “Best/Worst” (depending on how they answered the question: “Please rate your beliefs about an ad that uses your favorite song.”

RESULTS AND DISCUSSION

A preliminary check of ad and brand familiarity showed all ads highly familiar except Saturn (Table 1) and all brands familiar (Table 2). Significant differences observed between all ads and brands, except between brands Saturn and Chrysler.

Table 1. Ad Familiarity

Commercial	M	N	SD
Saturn (OV)	2.3	84	1.51
Chrysler (OI)	4.9	84	2.21
UPS (AV)	4.3	84	2.18

$$F(1,84) = 39.192, p < .00$$

Table 2. Brand Familiarity

Commercial	M	N	SD
Saturn (OV)	5.1	84	1.55
Chrysler (OI)	5.4	84	1.74
UPS (AV)	6.3	84	1.38

$$F(1,84) = 13.399, p < .00$$

RQ₁ asked what effect various integrations of favorite song (original vocals, original instrumentals and altered vocals) will have on attitude towards an ad, brand and artist. The results show high attitude toward ad (Table 3), brand (Table 4), and integration (Table 5). Significant differences were observed between all ads and brands, and integrations except Chrysler (OI) and UPS (AV).

Table 3. Attitude Toward the Ad

Commercial	M	N	SD	α
Saturn (OV)	5.3	84	1.04	.87
Chrysler (OI)	5.9	84	.906	.88
UPS (AV)	5.6	84	1.06	.85

$$F(1,84) = 7.494, p < .00$$

Table 4. Attitude Toward the Brand

Commercial	M	N	SD	α
Saturn (OV)	4.8	84	1.10	.91
Chrysler (OI)	5.4	84	1.11	.94
UPS (AV)	5.9	84	1.05	.95

$$F(1,84) = 21.565, p < .00$$

Table 5. Attitude Toward the Integration

Integration	M	N	SD	α
Saturn (OV)	5.7	79	1.03	.92
Chrysler (OI)	6.2	80	.684	.86
UPS (AV)	6.0	60	.84	.91

$$F(1,80) = 6.720, p < .00$$

RQ₂ asked what effect favorite song and artist will have on attitude towards an ad, brand, and artist. A high attitude preference for the use of popular music in advertising (Table 6), attitude toward ad (Table 7), brand (Table 8), and artist (Table 9) were found.

Table 6. Attitude Toward the Ads that use popular music

Aad	M	N	SD	α
	6.2	83	.66	.89

Table 7. Attitude Toward the Ad that uses your favorite song

Aad	M	N	SD	α
	6.3	80	.99	.95

Table 8. Attitude Toward the Brand that uses your favorite song in an Ad

Aad	M	N	SD	α
	6.0	80	1.2	.94

Table 9. Attitude Toward the Artist that allows your favorite song to be in an Ad

Aad	M	N	SD	α
	6.0	82	1.2	.98

As to what type of integration of popular music in advertising is preferred, the choice was the “original vocal” with 52% (Table 10). This is probably not surprising considering the use of popular music is highly likeable and thus, when the song is liked, original vocals are preferred due to their prominence. For advertisers looking for brand recall, this may be a dilemma, since prior research suggests that instrumentals can more effective than vocals (Roehm, 2001) but supports past observations that original vocals are more effective than altered vocals when the song has personal significance (Allan, 2006).

Table 10. Integration preference

Integration	%
Original Vocal	52
Original Instrumental	34
Altered Vocal	14

With regard to the questions concerning favorite song, artist, associated with a particular reason and memory, the primary genres of artists and songs were evenly divided between classic rock, pop, and hip hop. The justifications for being a favorite song were primarily based upon the song itself, and reminiscent of the “American Bandstand” response when many teenagers told Dick Clark that they liked a song because it “had a good beat and you could dance to it.” These responses included: “I like the beat and lyrics,” and “Sick beat, good lyrics.” Consistent with prior research (Janata, et al., 2007), when asked what came to mind when their favorite song was heard, the autobiographical memories were overwhelmingly a positive emotion and memory. These included: “It brings up feelings of nostalgia and reminds me of freshman year of college,” and “I like the way it sounds and brings back memories.”

RQ₃ asked that based on these results, what conclusions can be made in regard to the use of popular music especially favorite song in advertising. It is clear that this sample likes when their favorite song is used in a commercial. They also prefer that the integration be the original vocal as compared with original instrumental or altered vocal.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

It is clear from this study that this generation (demographic) considers the use of popular music in advertising highly likeable, even when it is a favorite song. Maybe it is because the use of popular music in advertising has saturated their commercial awareness all their lives and so any alternatives are not being evaluated (e.g., jingles). It could also be that advertising has become a promotion and distribution source and record company strategy for not only familiar popular music, but new music and artists as well. Or maybe, it is because the popular music of today is more disposable as some popular culturalists might argue. I would suggest, however, that this generation looks at popular music as selling in rather than selling out with no discounting of the value of popular music today versus yesterday. This is good news for brands and bands as they continue to unite at the Alter of the Marriage of Culture and Commerce.

In any case, if it is true, what Marshal McLuhan (1964) predicted, that “historians and archeologists will one day discover that the ads of our times are the richest and most faithful daily reflections that any society ever made of its entire range of activities,” then I wonder what will be concluded from the Kia hamsters’ commercials? Perhaps their cultural judgments of this integration of popular music in advertising at this time will be, as Simon Frith (1990) describe as a *pop* discourse where “the ideal of cultural experience [was] *fun*; [and the] provide[d] routinized pleasures, more intense than the everyday but bound into its rhythms.”

References Available Upon Request

Session 4.3. Marketing Marketing Education

Session Chair: Dawn Keig, Brenau University, USA

Marketing FutureCast Lab – Prospecting Trends for a Better Future

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Carmo Leal, ISCTE – University Institute of Lisbon, Portugal

Revealing Possibilities for Co-Branding: Focusing on Finnish Higher Education of Creative Economy

Kati Suomi, University of Turku, Finland

Ulla Hakala, University of Turku, Finland

Arja Lemmetyinen, University of Turku, Finland

Ranking Scholarly Marketing Journals by Major Subarea

Brian Vander Schee, Aurora University, USA

Matt Elbeck, Troy University, USA



MARKETING FUTURECAST LAB – PROSPECTING TRENDS FOR A BETTER FUTURE

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Carmo Leal, Marketing FutureCast Lab, Portugal

ABSTRACT

Marketing FutureCast Lab is a research and analysis lab targeting on international marketing trends. It was created in 2008 as a part of ISCTE – University Institute of Lisbon and has, as financing members, about 20 large national and multinational companies (TAP – Portuguese Airlines, Portugal Telecom, Unilever, Nestlé, Santander, Heineken Group...).

So far, the lab analyzed over 140 new trends, creating digests (short reports), developing market studies with innovative methodologies and supporting innovation processes inside partner companies.

The logics underlying our approach is that sustainability (either economic, social, environmental or cultural) will brand not only the companies' organizational structure but also each of the substantiations of new buying and consumption patterns inside the new normal we live in, where nothing is the way it was in the past.

New worries characterize this age of brand scrutiny. Social responsibility – companies' or individuals' – reflects in the market, in the choice of brands and selling points, in leaner processes to decide acquisition, in the transparency of digital media where companies show the consumers their inner reality.

References available upon request.

REVEALING POSSIBILITIES FOR CO-BRANDING – FOCUSING ON FINNISH HIGHER EDUCATION OF CREATIVE ECONOMY

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ABSTRACT

Increasing competition for students, funding and support has made universities, MBA programs and other educational parties realize a growing need to market themselves to their key stakeholders as well as to differentiate themselves from their competitors, i.e. to brand themselves. Discourse about branding higher education has emerged in marketing literature during the last few years but is still rather scarce and fragmented. This paper contributes to yet limited higher education (HE) branding literature, the purpose being to explore co-branding possibilities of a Master's degree program, its host city and an annual international cultural event arranged in the city. The qualitative empirical data covers both interviews with the employees of the program and other stakeholders, as well as a survey among the students of the program. The results suggest that educational programs and institutions could obtain differentiation and brand synergy from related city and festival brands through close cooperation and networking with surrounding stakeholders, i.e. co-branding. Moreover, the results show that even if the host city is not considered a strong brand itself, it is possible to benefit from the place brand 'entity'. Close cooperation is favourable to the host city and the cultural event, as well as to the program.

INTRODUCTION

Increasing competition for students, funding and support has made universities, MBA programs and other educational parties realize a growing need to market themselves to their key stakeholders as well as to differentiate themselves from their competitors. Discourse about branding higher education has emerged in marketing literature during the last few years (see e.g., Bennett and Ali-Choudhury 2009; Chapleo 2009; 2007; 2005; Hemsley-Brown and Goonawardana 2007; Jevons 2006; Judson et al. 2009) but is still rather scarce and fragmented (Hemsley-Brown and Oplatka 2006). Thus, this paper contributes to yet limited higher education branding literature, the purpose being to explore co-branding possibilities of a Master's degree program, its host city and an annual international cultural event arranged in the city. Extant literature has only mentioned *location* as an element or a factor of a university brand (e.g., Chapleo 2010; Ali-Choudhury et al. 2009,) but has not, however, discussed it deeper or described opportunities of co-branding between a higher education brand and a city brand or related event brand. Empirical research on co-branding has been limited to studies that have typically examined product concepts or fictitious products, and empirical research on co-branding services is limited (Cornelis 2010). This study was conducted in Finland, the country that has been ranked high in the Program for International Student Assessment (PISA) and of which quality of primary education is ranked to be the 1st of 139 compared countries (WEF Global competitiveness report, 2010-2011). Also the Finnish university system has gained international fame thanks to being of high standard, yet egalitarian and free of charge. Universities, being either academic or artistic institutions, focus on research and education which is based on academic research. Universities confer Bachelor's, Master's, licentiate and doctoral degrees. (Ministry of Education and Culture).

BACKGROUND

Bennett and Ali-Choudhury (2009:85) define a university's brand as 'A manifestation of the institution's features that distinguish it from others, reflect its capacity to satisfy students' needs, engender trust in its ability to deliver certain type and level of high education, and help potential recruits to make wise enrolment decisions.' Moreover, according to Ali-Choudhury et al. (2009:11), a university brand comprises: the educational identity, location, graduate employability, visual imagery, the general 'ambience', reputation, sports and social facilities, the learning environment, the courses offered and community links. The location can refer to the place, i.e. the home city, or the actual site of the university in the city. Both are important but in this paper the interest is on the home city and how it possibly adds value to a Master's degree program.

Many similarities can be found between a successful university and a good consumer brand (e.g. Judson et al. 2009; Jevons 2006) but customers – referring to potential students, members of staff, and sponsors, among others – find it difficult to evaluate the quality of a university in advance, as it is mostly intangible by nature. Branding, however, can offer a shorthand evaluation measure of the criteria that construct the quality of a university relieving the risk, giving people greater confidence in their decision making and increasing trust. A strong university brand can also serve as a tool of differentiation, a way to

increase market share and raise the quality of those enrolling. Among the students, it can ease the choice process by creating distinctiveness. (Mourad, Ennew, and Kortam 2011; Jevons 2006; Naudé and Ivy 1999). A good public image will also help attract and retain qualified staff (Sargeant 2009). In addition, Melewar and Akel (2005:41) argue: 'In a market where students are recognised as customers, universities have to implement strategies to maintain and enhance their competitiveness. They need to develop a competitive advantage based on set of unique characteristics. Furthermore, universities need to communicate these characteristics in an effective and consistent way to all of the relevant stakeholders.'

However, branding universities may be challenging, because as Wæraas and Solbakk (2009:449) note the 'university may be too complex to be encapsulated by one brand or identity definition.' Besides, every university has several publics, and the university has to manage and nurture relations with them (Kotler and Fox 1995). The stakeholders, for instance the local businesses, can bring in specific linking value to the university brand. In this paper we are examining the linking value – besides of the home city of the Master Degree program – of an annual music festival, which has become an internationally well-known event, to a Master Degree Program (see [Figure 1](#)). The linkage is important as upon making their educational choice, students gain information not only of the institution, but also of the city and its activities (cf. Brown 2012).

CO-BRANDING

In Finland, where the study was conducted, universities are public entities. However, on account of the tough economic conditions and the limited public money available the Finnish government is making universities take more responsibility for their own operations and funding. This has led to competition between the institutions. Following the Bologna Declaration and the homogenization of higher-education standards the education market is becoming increasingly competitive and this is having a significant psychological impact upon the universities as the providers of education, and on their students as customers (Hakala and Nygrén 2010). That said, branding has become a strategic managerial issue also for universities; however, due to brand proliferation, rising competition and costs as well as internal resistance from non-business oriented faculties conventional brand management may not be adequate in the market (Argenti 2000). And since the education is free of charge, the size of the tuition fees cannot be used as an indicator of superiority as in the US, for instance.

One way of branding is to join forces with actors that can bring synergy to the offering and create linking value, i.e. co-branding – also called joint branding, brand bundling, brand alliances or composite brand extension (Cornelis 2010). As discernible from the many names, there is no universally accepted definition of co-branding. According to the narrow definition, co-branding means combining two constituent brands to create a single and unique product, i.e. a composite brand (Washburn et al., 2000). More broadly defined, it means cooperation where two or more brand names are presented jointly to the customer. In this situation, the participants' brand names are retained (Blackett and Russell 1999; see also Motion, Leitch, and Brodie 2003). This definition of co-branding will be used in this paper.

Co-branding may be the ultimate form of cooperation between the parties in the sense that they make the relation visible and the partners stake their reputations on the outcome. The potential benefits and risks must, consequently, be identified. (Park, Jun, and Shocker 1996) Based on their study findings, Washburn et al. (2000) suggest that pairing of high-equity brands endows the co-brand with a highly positive image. Furthermore, Simonin and Ruth (1998) suggest that perceptions of a co-branded product or service can have spillover effects and that lesser known brands are likely to be affected the most. In this study, the master-degree program represents the lesser known brand as the city has existed over 450 years and the jazz festival has been organized ever since the year 1966. At best, for public institutions like universities, co-branding can offer a way to augment core values, create brand equity, position the HE offering, as well as gain and speed publicity. However, the risk is the lack of control and focus when becoming aligned with another brand. Even strong brands can be harmed by a wrong co-branding strategy (Cornelis 2010). Therefore, for co-branding to succeed, the co-operating brands must have a logical fit in order to maximise the advantages of each while minimizing their disadvantages. (Kotler, Keller, Brady, Goodman, and Hansen 2009)

RESEARCH METHODS AND THE CASE UNDER STUDY

The method used in this paper was a case study (Yin 2003). According to Yin (2003) subjects of a case can be, for example, individuals, organizations, relationships and projects. In the present paper, the case is a *relationship* between a Master's program, its Finnish host city and a music festival arranged in the city. The program in the question is a multidisciplinary two-year Master's degree program concentrating on the management of creative processes and creative fields of business. The program combines business and art in a new and innovative way and is jointly implemented by two Finnish university departments: a school of economics and a department of art and media studies. Students can take the degree either in

economics or art. In the course, special emphasis is given to themes such as leadership of multidisciplinary experts and teams, creation of service and product concepts, comprehension of visual culture and media, understanding of the special characteristics of creative industries, as well as business.

The program takes place at a University Consortium (UC), which is an umbrella organization for branch departments of universities operating in the city. The UC is situated in a middle-sized Finnish city which is about 230 kilometres north-west of the capital of Finland. The city does not have a university of its own. With 83 000 inhabitants the city is probably best known for its international jazz festival. The festival has been arranged in the city since 1966 when only some 600 people participated in the event. Its longevity means it is a very well-known festival brand in Europe. Numerous world-famous musicians have performed at the festival, e.g., James Brown, Miles Davis, Dizzy Gillespie, Carlos Santana and others. Today it has over 150 000 yearly spectators. The festival is named after its home city. (Sources: the program website, the festival website and the city website, not specified in the paper for reasons of anonymity.)

The qualitative data for the study was gathered in three phases (Table 1). In the first phase, eleven semi-structured interviews (Silverman, 2005) were conducted among actors who initiated the Master's program. The second phase of the study was a survey for the students of the program. Thirty-two students filled out the questionnaires of 33 open questions. In the last phase, ten semi-structured interviews were conducted among internal and external stakeholders of the program. Two of the interviewees were interviewed also in the first phase of the data collection in 2010 as they are key persons related to Master's degree program in the department of art and media studies and are still intensively involved with the program. All material gathered was then content-analysed (Goodman 1999). In addition, bearing in mind Yin's (2003) suggestion to use multiple sources of evidence when conducting a case study, we utilized web pages, brochures, reports and other secondary material as additional sources of data. We also used participant-observation (Gummesson 2000; Yin 2003): two of the authors work in the school organizing the program. Participant-observation took place in meetings with the staff as well as in meetings with the students. Notes were taken in those occasions. The idea of the research setting was to get a whole picture of the applicability of co-branding.

RESULTS

Although the first selection of students for the Master's degree program was not until 2009, the roots of the program date back to 10–15 years. The local visionaries saw the demand for combination of management and business studies on one hand and art and design studies on the other. One explanation for this new combination is the long tradition of the music festival in the host city. The organizers have learned over the almost 50-year history of the event to combine both business and artistic forces. Relationships between the local stakeholders and the representatives of the UC facilitated the initiative to seek funding for the Master's degree program. This is demonstrated by the next quotes:

“For a long time we had been dreaming of something that would be like higher-management education for [event] producers.” (11a)

“We had economics which was described ‘hard’, in a way. And then we had ‘softer’ art [in the UC] and we thought that they should discuss with each other. The interface between them was the interesting thing, and no one had yet combined them in a same way.” (14a)

It seems that from the beginning it was important that the program would act as a ‘living lab’ and a ‘platform’ for new and creative ways of working and ‘problem based learning’. The results show as well that the former long-term director of the cultural event has acted as an important mentor and a supporter for the program from the very beginning of the planning. He is already at retirement age but still acting as a senior adviser for the event. He has shown commitment to the program by talking positively about the program in his networks and in media as well. Moreover, the Master's degree program has been mentioned in a favourable way in the festival's online social blog. This kind of support is very significant for an establishing educational brand as the festival is regarded as a strong brand nationally and even internationally.

As one example of this close collaboration between the music festival and the Master's degree program can be mentioned a summer seminar which focuses on culture management and is arranged in conjunction with the Master's program. The seminar is targeted at professionals within creative economy fields and was arranged the first time in 2007 when the staff was yet planning the Master's program. In 2011 students were in charge of the arrangements. The seminar is organized during the same weeks as the jazz festival in July. The program in the seminar comprises key notes speeches, workshops, a researcher

meeting and “a clinic” for discussing selected events and their challenges as cases under the leadership of well-known event experts. The students of the program, who are interested in event organizing, can obtain ECTS credits by marketing and producing the summer seminar and thus enhance their studies. This is illustrated by the next line:

“I think it is a very unique situation that students can be planning and implementing a real event from the beginning.” (I6b)

The music festival is tightly integrated in producing the summer seminar. For example, the senior adviser and the current director of the festival have given key note speeches at the seminar. Moreover, the senior adviser has evaluated and advised organizers of cultural events, who want to tell their challenges and obtain counselling during “the clinic” as a part of the summer seminar. The collaboration with the cultural event has been so close that the seminar bears partly the event’s name. In addition, all the seminar attendees have had a possibility to participate in the festival as part of the seminar program. The following quotations exemplify the close co-operation:

“This city has this festival; it has been arranged over 40 years. It is the coolest music festival in the country. According to a recent study, this city is particularly known for the festival...and the reputation is positive...we are like ‘under the wing of the festival. It’s quite good for us. In a way it supports this program dealing with creative economy. It’s a kind of a good ‘reputation shoulder’ for us.” (I6b)

“Mr X [the former festival director] has given positive statements in local media and built good grounds for the appreciation of this idea and the program.” (I2a)

With regard to the host city, some of the interviewees and the respondents of the survey described the city rather remote from the capital of Finland, and transportation links a little difficult. The city seems to have suffered from somewhat boring reputation and is not considered a traditional university city. However, as one interviewee noted, it has well managed to improve its profile as a university city:

“This city is not a traditional university city, not a traditional city of education, certainly it has lifted its face in the last couple of years...but still...this city has somewhat problematic transportation links, it’s a small city with a short history of academic education....But, yes... I think this city has constantly enhanced its profile.” (I8b)

Moreover, the UC and the departments operating in it seem to have strong support from the host city, regional development actors, media and local business community. The following citation encapsulates the view:

“This program, if anything, is good for our profile and also for the region... of course the city is known for being ‘the city of creative industries’ and also this region, I think. We have this festival brand and the theatre life which is extremely lively... This program matches surprisingly well with the city brand and is very good for the development of the University Consortium, as well.” (I2b)

Cooperation between different HE institutions, regional development agencies, companies and other actors is considered rather informal and fluent. In addition, it seems that programs like the Master’s program described in this paper, can enhance the brand of the city, as visions of the city aim at being ‘The city of creative cultures’ as well as being among the top-3 of Finnish festival and congress cities by 2025.

Based on the results of this study, the program has gained plenty of positive influence from the music festival’s brand. The festival organization, for its part, has achieved positive effects from the cooperation as well. The results show that they have had a possibility to influence the program contents and to participate in the societal discussion on education and its future in Finland. Supporting an educational program in public can be considered as positive publicity to an organization. It seems that this kind of synergy is possible through close cooperation and networking between the staff of the program and the staff of the cultural event. Moreover, the UC and the office of the music festival are situated in the same building which once served as a cotton factory but has since been renovated for educational, cultural and business use. Some of the interviewees mentioned also the role of fortunate coincidences in building the program: when the right people meet each other by accident.

Furthermore, the results show that the regional values and the cultural event of the host city are related to the city brand, as well as to the program’s brand in a positive way (see also Wæraas and Solbakk 2009). Moreover, the beautiful riverside location and the period architecture are considered to match well with the innovative nature of the program (see also Melewar and Akel 2005). An advertisement of the program on the website demonstrates this:

"The Master's degree program takes place in the UC in an old cotton factory by the river X. The beautiful appearance of the factory has been preserved but otherwise it has been totally renovated in order to be a modern university campus."

However, the partners in a cooperative, co-branding relationship have to be aware of the risks of co-branding as well. This is especially important for the weaker brand, which in this case is the Master's program. Being 'under the reputation shoulder' of the stronger brands, in this case the cultural event and the city, has its pros and cons. From both perspectives, the key persons' personal connections and relationships are at stake. Herein, the role of the event's senior adviser and his contacts have had a crucial role in building the Master's program and creating the links between the event and the city. However, depending too heavily on one person only can have its risks. Furthermore, reputational damage of any partner and the increasing emphasis on economic figures in the Finnish university system may cause potential negative bottom line effects (cf. Cornelis 2010) or at least negative spillover effects. The cooperative relationship between the two universities has also to be taken into account; a potential risk is one of the universities withdrawing from the Consortium.

DISCUSSION

The purpose of this paper was to explore the co-branding possibilities of a Master's degree program, its host city and an annual international cultural event arranged in the city. Earlier HE marketing research has mentioned location as an element of the university brand (e.g., Ali-Choudhury et al. 2009) but has neither discussed it further nor covered related event brands. Thus, the novelty and importance of the study lie in the perspective of co-branding the Master's degree program, its host city and the local music festival.

As a theoretical contribution to the HE marketing literature, this study confirms Chapleo's (2005:61) argument that 'the image or brand of the city is to some degree inseparable from that of the university'. This in turn means that some universities benefit more from the city brand than others, depending on the attractiveness of the host city. However, the results of the study show that even if the host city is not considered a strong brand itself, it is possible to benefit from the place brand 'entity'. The challenge is: how to communicate effectively the strengths to prospective students and other major stakeholders? The results imply that the power of networks and word-of-mouth may be the answer. Thus, alumni may be the best promoters of the program in the future, provided that they are satisfied with it. Bearing in mind Chapleo's (2010:177) argument that 'there can be a great deal of synergy between a successful university brand and the town/city brand', we yet add a cultural event to the circle of the actors creating synergy within the university city.

As to the risks of co-branding, negative spillover effects (cf. Cornelis 2010) are possible also in the HE context. Reputational damage is, however, a more probable threat than an effect on the bottom line. Furthermore, the changes in the partner university's future plans have to be taken into account proactively in order to eliminate the possible risks.

In regard to managerial implications, this study suggests that educational programs and institutions could gain differentiation and brand synergy from related city and event brands through close cooperation and networking with surrounding stakeholders, i.e. co-branding. This is particularly important when the educational program is new and operating with rather limited marketing budget and the brand is yet an establishing one.

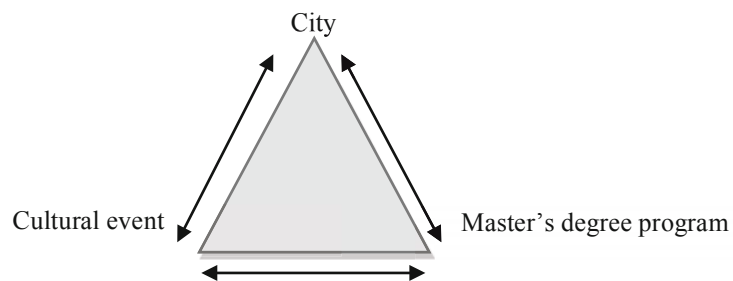
This study is limited in that it focuses on the relationship of one Master's degree program, its host city and the local festival as the case. Moreover, the data was gathered within the context of multidisciplinary Master's degree program, and thus the results cannot be generalized to all types of educational institutions and courses of study.

With regard to future studies, a logical extension to the present study would be broadening the view to networks of the program including branding issues of other relevant stakeholders, particularly focusing on the two organizing universities of the program and the UC where the program takes place. Moreover, it would be useful to interview some of the representatives of the city in order to explore co-branding possibilities more deeply. In this study, students were considered as the demand side i.e. the customers of the higher education market (e.g., Ali-Choudhury, Bennett, and Savani, 2009; Balmer and Liao 2007). However, the opinion of external stakeholders, such as public and media are highly significant in branding and thus further study should focus on them.

Table 1. The informants of the study

February – May 2010
Director of the School of Economics (I4a)
Former director of the local music event (I5a)
Planning officer (I6a)
Professor (I1a)
Professor (I2a)
Professor (I3a)
Representative of an institution developing art and education in Finland (I7a)
Researcher (I10a)
Researcher (I11a)
Researcher (I8a)
Researcher (I9a)
December 2010
Student respondents (S 1-32)
September – October 2011
Director of the University Consortium (I2b)
Head of development at the School of Economics (I8b)
Marketing manager of the University Consortium (I9b)
Planning officer (I5b)
Planning officer (I7b)
Professor (I1b)
Professor (I3b)
Professor (I6b)
Representative of a regional development agency (I4b)
Researcher (I10b)

Figure 1: The setting of the study



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RANKING SCHOLARLY MARKETING JOURNALS BY MAJOR SUBAREA

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ABSTRACT

This study seeks to rank scholarly marketing journals in five major subareas using website, opinion and citation data. The five major marketing subareas are identified as the most popular US marketing doctoral program areas. The selection and ranking of scholarly journals in each of the five marketing subareas is based on the average unweighted normalized ranking of input from marketing doctoral program directors/chairs, journal editors, the literature, and citation data. The ranking of scholarly journals by marketing subarea offer an objective ranking of journal quality for use by marketing departments, doctoral programs, doctoral candidates and scholars wishing to submit their manuscripts to the most influential journals in their marketing subarea.

Despite a proliferation of journals devoted to the marketing discipline, from 261 in 2006 up 98% to 517 in 2011 (Cabell, 2011, 2006), marketing journal ranking studies consistently rank the top five scholarly journals in marketing as *Journal of Marketing*, *Journal of Marketing Research*, *Journal of Consumer Research*, *Marketing Science* and the *Journal of the Academy of Marketing Science* (Bauerly and Johnson, 2005; Yoo, 2009; Baumgartner and Pieters, 2003). Nonetheless, ranking journals representing scholarship in the field of marketing as a whole overlooks additional journal collections of top tier scholarly journals representing discrete and sizeable subareas. This study continues work on subareas of marketing (Baumgartner and Pieters, 2003; Chan et al 2011; Gorman et al, 2011; Kumar and Kwon, 2004; Hult et al, 2009) by (a) focusing on all major subareas of marketing and (b) using a multi-item measure approach to journal ranking.

To identify the most common marketing subareas, the study focused on sustained subareas offered by marketing doctoral programs in the US. Of the 108 schools was sourced from the AMA (2011), six schools were removed as they do not offer the doctoral program. The websites of the useable sample of 102 schools were examined to identify specializations offered in the marketing doctoral program. When this was not clear, the program director of the program was e-mailed and invited to list the institution's marketing doctoral program specializations.

Seeking input regarding the top tier scholarly journals in each of the five subareas of marketing followed a sequential solicitation of journal ranks from key informant groups. The first group was 62 marketing doctoral program directors (referred to as 'institutional'), followed with editors of the journals cited by the program directors. For both groups, the e-mailed request to participate required three weekly waves. The next data source was marketing subarea journal ranking studies in the literature, resulting in two subarea ranking studies for each subarea with the exception of logistics & SCM that included three ranking studies. As there was only one journal ranking study for international marketing, the second study used ranked journals in international business. Finally, average citations per article per journal over the decade 2002 to 2011 were sourced using the Google Scholar software (Harzing, 2011). Each of the four sources ranks (institutional, editor, literature, citations) were ranked by normalizing the raw data. The overall ranking score for each journal was a normalized average of the four source ranks.

Even though each subarea's overall ranking is the unweighted mean of four independent data sourced rankings, none of the marketing subareas is significantly related to the citation ranking, a remarkable finding given the practice that citation data is an unequivocal measure of scholarly impact. This finding strengthens the value of this study because although each subarea includes a 'top five' marketing journal (with high citations/article), these journals are not necessarily ranked highest overall. For all subareas, there is a significant relationship between overall ranking and institutional ranking suggesting that doctoral program directors/chairs, presumably as a result of their professional experience, are able to combine attitudinal and citation data into their assessment of journal quality. The lack of significant differences in average citations/article between each subareas' collection of journals encourages confidence that each subareas' collection of journals possess an overall similar level of scholarly impact according to citations/article, and that no one subareas' collection of journals outperforms another.

References available upon request

Session 4.4. Conspicuous Consumption or Value Choices?

Session Chair: Alexander Leischnig, Freiberg University of Technology, Germany

Ukukhothana: The Curious Case of Conspicuous Consumption and Destruction of an Emerging Economy

Kerry Chipp, University of Pretoria, S.Africa

Dimitri Kapelianis, University of New Mexico, USA

Penelope Mkhwanazi, University of Pretoria, S.Africa

Consumer's Conspicuousness and Its Underlying Traits

Retno Suryandari, University of North Texas, USA

Sua Jeon, University of North Texas, USA

Exploring Country-Based Motives for Anti-Consumption: A Qualitative Study

Jose Manuel Ortega-Egea, University of Almería, Spain

Nieves Garcia-De-Frutos, University of Almería, Spain

From Consumer Socialization to Status Consumption: A Cross-Cultures Study among High School Students

Thuy Nguyen, University of North Texas, USA

Mariel Ma, University of North Texas, USA

Lili Gai, University of North Texas, USA

Waros Ngamsiriudom, University of North Texas, USA



UKUKHOTHANA: THE CURIOUS CASE OF CONSPICUOUS CONSUMPTION AND DESTRUCTION IN AN EMERGING ECONOMY

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Dimitri Kapelianis, University of New Mexico, U.S.A.
Penelope Mkhwanazi, University of Pretoria, South Africa

INTRODUCTION

This study investigates “ukukhothana” as a form of conspicuous consumption and destruction among poor black youth in South Africa. Ukukhothana is an isiZulu word and translates loosely as “to lick like a snake” (Nkosi, 2011) and those who engage in this activity are known as iZikhothane (“the lickers”). In highly-stylized public displays, competing crews gather to flaunt and taunt: they parade their wealth—typically luxury brands, but also cash—while boasting of their superiority. The displays culminate with acts of conspicuous destruction during which the luxury products are ripped, smashed, or burned. Based on qualitative research conducted in several townships, including depth interviews and observation, this study yields insights into the main features of ukukhothana as well as the drivers for engaging in this behavior. We conclude by comparing and contrasting ukukhothana to other forms of behavior.

RESEARCH METHODOLOGY

Consistent with our goals of studying and understanding an emergent phenomenon that has not yet been discussed in the academic literature, we favored the use of qualitative research methodologies. First, we attended and observed several ukukhothana events (known as “trips”) in order to develop an initial understanding of the typical pattern and sequence of activities. At this point we started recruiting ukukhothana participants for face-to-face depth interviews using a snowball sampling technique where one respondent refers the researcher to other potential respondents. This technique is particularly useful for accessing hidden and hard-to-reach populations, especially if these populations are seen as deviant or stigmatized (Biernacki and Waldorf, 1981). In total, we interviewed ten participants, described in [Table 1](#) below:

Table 1: Participant Details

Interview #	Name	Age	Years as an iZikhothane	Gender
1	Zweli	18	4	Male
2	Nico	15	3	Male
3	Njabulo	16	3	Male
4	Neo	16	1	Male
5	Andile	14	4	Male
6	Mpho	16	3	Male
7	Morena	16	2	Female
8	Ayanda	16	2.5	Female
9	Lerato	17	2	Male
10	Mdu	17	2	Male

While the interviews were unstructured we did develop an interview guide in order to increase consistency in question content and sequence from one interview to the next. However, there was minimum focus on the specificity of the guide as specificity may result in rigidity and so hinder the unveiling of rich information from the respondent (Patton, 2002). The interviews were recorded and later transcribed. Transcripts were analyzed using standard protocols of content analysis to detect and verify emergent themes. While space limitations preclude us from doing so here, during our presentation we will share numerous verbatim quotations from iZikhothane, photographs, and video clips, all by way of providing a thick description of this phenomenon (Geertz, 1973).

WHAT IS UKUKHOTHANA?

Ukukhothana first emerged in South Africa's townships in the late 2000's. Based on direct observation, depth interviews, and media accounts we note that ukukhothana has the following features:

Stylized: Ukukhothana events (or trips) do not just emerge spontaneously. They are planned months in advance with the date and venue being publicized by word-of-mouth. Crews use this planning period to save for and purchase the products that they will display and destroy. Also, many crews choose to coordinate their outfits, wearing what amounts to a uniform or gang colors. Further, the sequence of activities at an ukukhothana event is highly scripted: crews arrive in special minibus taxis, flaunt their wealth (luxury brands, wads of cash, gold dental grills, etc.), taunt competing crews for their poverty or lack of taste, and then destroy the products or cash. Finally, there is a formalized score sheet to log and keep track of the person and crew that destroys the most wealth.

Social: Every element of ukukhothana is social. The iZikhothane join crews with names such as Milano Boys, Reflection Destructor Crew, Element of Style Crew, Izinyoka, and Cassanova Boys. The trips are held at local parks or open spaces. Crowds of people, often reaching into the hundreds, attend these events to cheer or jeer the crews. The upshot of all of this is to make the consumption and destruction as public and as conspicuous as possible.

Competitive: One goal for all iZikhothane is to achieve superiority. To this end, ukukhothana is extremely and openly competitive. Martin (2011) suggests that the term iZikhothane, which loosely translate as "the lickers", echoes Caribbean slang where to get "licked" is to be beaten, bested or trumped. The role of taunting in competitive settings including, for example, primitive warfare, sports, and dissing battles in hip hop, has long been recognized by anthropologists and sociologists. One purpose of taunting is to make opponents lose control of their emotions, thus empowering the taunter (Gaffin, 1995). Crews compete to display and destroy the most prestigious and expensive brands and there is a formalized log to keep score. Male crew members compete on the basis of who has the most sexually attractive female companion. Female iZikhothane competing with hairstyles are called "Lady Moshu" (Martin, 2011).

WHAT ARE THE DRIVERS OF UKUKHOTHANA?

We identify three *primary* and *inter-related* drivers of ukukhothana: (1) as a form of costly signaling; (2) as a form of sexual signaling (3) as a response to structural powerlessness and as a means of asserting power. We discuss each driver in turn below.

Costly signaling: Conspicuous consumption, as initially formulated by Veblen (1899), was seen as an honest and costly signal of true wealth and status. Costly signaling must meet the following requirements: (1) the signal should be visible to observers and in a very obvious way; (2) the signaler must benefit from signaling; (3) in order to signal the act needs to be costly to the signaler, either economically or from a risk or time point of view; and (4) the signal must be a yardstick the observer can use to measure a particular trait in the signaler. Of course, there is always the possibility that this signaling might be deceptive: Van Kempen (2003) discusses counterfeit goods among the poor in developing countries as status signaling devices that rely on the deception of the observer. To this end, iZikhothane takes great care that their own signals are not deceptive often conspicuously displaying the store price tags on the product.

Sexual signaling: Related to the notion of costly signaling, we also view ukukhothana as a form of sexual signaling. Recent work by evolutionary psychologists demonstrates that showy spending is often a social signal directed at potential partners to secure short-term mating (Sundie *et al*, 2011). Further, conspicuous displays of consumption serve as costly signals of desirable mate qualities. Inducing mating goals in men increases their willingness to spend on conspicuous luxuries (Griskevicius *et al*, 2007). Similarly, in ukukhothana we observe young males, in particular, going to great lengths to signal their wealth to potential sexual partners.

Power and powerlessness: Because of the interaction of their poverty (Van Kempen, 2003), their race (Charles, Hurst and Roussanov, 2009; Posel, 2010), and their age (Isaksen and Roper, 2008), poor, black youth in South Africa are often structurally powerless. Rucker and Galinsky (2009) demonstrate convincingly that powerlessness fosters a compensatory motive to restore power and that the powerless prefer visible or conspicuous consumption that signals status to others. Similarly, we hear from many iZikhothane how the conspicuous display and destruction of luxury products makes them feel empowered.

UKUKHOTHANA COMPARED TO OTHER BEHAVIORS

While we believe that ukukhothana is unique as a form of conspicuous consumption and destruction, it does nevertheless share some similarities with other behaviors that have been studied by anthropologists, sociologists, and consumer researchers. In this section we compare and contrast ukukhothana to five other behaviors: (1) oSwenka; (2) disposition and destruction; (3) potlatch; (4) conspicuous consumption by the underclass; and (5) dissing battles.

oSwenka: According to Martin (2011), ukukhothana is reminiscent of the South African phenomenon of oSwenka competitions, a tradition developed by migrant laborers in the mining hostels for their Saturday night self-entertainment. Contestants don their finest suits, Italian shoes and silk ties and "swank", with audience reaction being taken into consideration by a judge when awarding the prizes. Like ukukhothana, oSwenka involves stylized and social competition centered on the public display of luxury brands; unlike ukukhothana, oSwenka does not involve any taunting of competitors, nor the deliberate destruction of expensive products.

Disposition and destruction: The disposition of products has received some attention in consumer research (Price, Arnold and Curasi, 2000; Lastovicka and Fernandez, 2005). However, to date, research has centered on "special" or "meaningful" possessions. By contrast, in ukukhothana the products disposed of are not carriers of emotional valence and meaning. Rather, the products destroyed possess only as much valence as their monetary value.

Potlatch: Perhaps the behavior that most closely resembles ukukhothana is the potlatch, best known as a gift-giving festival by indigenous peoples of the Pacific Northwest Coast. At potlatch gatherings, a family hosts guests in their family's house and holds a feast for their guests. The main purpose of the potlatch is the re-distribution and reciprocity of wealth. However, several instances of potlatch have been documented where wealth was conspicuously destroyed. Some groups, such as the Kwakwaka'wakw and the Southern Kwakiutl, used the potlatch as an arena in which highly competitive contests of status took place. In some cases, goods were actually destroyed after being received, or instead of being given away. One difference between potlatch and ukukhothana is that the former is situated within the family as its basic social unit, while the latter is situated within the crew as the basic social unit.

Conspicuous consumption by the underclass: Conspicuous consumption, as initially formulated by Veblen (1899), was seen as an honest and costly signal of true wealth and status. However, in many instances, conspicuous consumption is now increasingly associated with the underclass. For example, Mukherjee highlights the central role of bling, or ostentatious shows of jewelry, in what she terms the "ghetto fabulous" aesthetic. As another example, Hayward and Yar (2006) note how the upscale Burberry brand has become increasingly associated with England's underclass of Chavs. Similarly, ukukhothana prominently features conspicuous consumption by South Africa's underclass of poor black youth. By contrast, however, this appears to be the first documented instance of conspicuous destruction by a segment of the underclass.

Dissing battles: Dissing or taunting is a much-noted aspect of the competitive arena, whether in sports or primitive warfare. One purpose of taunting is to make opponents lose control of their emotions, thus empowering the taunter (Gaffin, 1995). Another purpose of dissing is to elevate one's own status to members of the opposite sex while simultaneously lowering the status of same-sex competitors (Greengross and Miller, 2008). The taunting of competing crews is a central feature of ukukhothana. However, unlike ukukhothana, dissing battles do not feature conspicuous consumption and destruction.

References available upon request.

CONSUMERS' CONSPICUOUSNESS AND ITS UNDERLYING TRAITS

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INTRODUCTION

Conspicuous consumption is the behavior whereby individual displays wealth through extensive leisure activities and luxury expenditure on consumption and service (Veblen 1898; Trigg 2001; Griskevicius et al. 2007). The tendency to display wealth is no typical only to consumers in developed countries, but also in developing countries. The phenomena of conspicuous consumption are even more prominent in the society where cultural and social categories are diffused and the environment undergoes rapid changes. Wealth and exhibition of possession become important for the society members to communicate themselves (McCracken 1988). In the emerging countries, such as China, the demand growth for luxury products has attracted many global luxury brands producer to execute the opportunity (Chu 2012). Globally, in 2009, the growth was contracted, however, in 2010 the market for luxury goods were estimated to reach \$222.9 billion, a 10% growth from the prior year and is predicted to reach \$307.3 billion by 2015 (KPMG 2011).

What drive consumers' conspicuousness? Previous studies have recognized that conspicuous consumption is related to consumers desire to show their association with a certain social class, to confirm their status in their group, and to be acknowledged as a unique individual who can possess certain material things that no one else can afford it (Trigg 2001; Nagel and Holden 2002; O'Casey and Frost 2002; Truong 2012). However, only few studies incorporated a holistic approach to understand this particular consumption behavior (Truong 2010). In this study, we aim at exploring the potential determinant of consumers' conspicuousness and expect to answer the questions of what factors drive the consumers' conspicuousness and how these factors associate to consumers' traits. We employed social comparison theory to explain materialism, self-concept, competitiveness, and self-monitor as consumers traits that lead to consumers need for social status, for group conformity and for uniqueness.

LITERATURE REVIEW

Conspicuous consumption, defined as the public display of goods, or as desire to earn a uniqueness and social memberships via the possession of status symbol, is pervasive in consumer behavior (Veblen 1898; Trigg 2002; Truong 2010; Patsiaouras and Fischett 2012). Conspicuous consumption provides a symbolic representation of prestigious position within the social interaction (Schukla 2008). The social interaction provides the guides and norms in term of acceptable social behavior for individuals. One significant social norm which greatly influences consumers' behavior is the concern for social status (Goldsmith and Clark 2008). According to Duesenberry (1949), a concern for status causes people to imitate others, especially the ones with higher social status, to affirm their membership in a certain social class. Veblen (1899) proposed the concern for social status as the leading factor to conspicuous behavior. Marcoux et al. (1997) indicated that social status demonstration is a dimension of conspicuous consumption. In other studies, conspicuous consumption was shown to be undertaken or pursued in order to enhance, to conform, or to display one's position in society (Brewer 1991; Fromkin and Snyder 1980; Esterlin 1995; Congleton and Rauscher 1993)

How people utilize their consumption to achieve a certain social status? Social comparison theory links people's tendency to evaluate their position based on the aspired group situation, and make the efforts to elevate their position as close as possible to the aspired group. Social comparison theory suggests that people are driven to compare his own ability, opinion, and performance to others' in order to evaluate whether they are in the same level, whether they are worse off, or whether they are better off in comparison to others (Festinger 1954). As the result, people might have feeling of dissatisfied, inadequate, or envious when other is doing better than the self (Buunk et al. 1991; Ogdesh and Venkat 2001; Argo, White and Dahl 2006). On the other hand, when people considered that they are better off, the superiority feeling will elevate the competitiveness behavior to maintain the superior position. In the first situation, people are motivated to reduce any discrepancy they perceived to be exists. In this case, social comparison information feeds the attempts to adjust the perceived discrepancy through group conformity, seeking social status. Second situation will gear people toward competitive behavior to protect superior abilities (Festinger 1954). Pertinent in the original idea of social comparison is self-concept, self-monitor, and competitiveness,

Self-concept represents the totality of the individual's thoughts and feelings, is usually made up of "self-esteem" which is the value with which a person views himself/herself, and "self-image" which is the perception that people have of what they are like (Runyan 1988). Self is represented in multiple dimensions (Blackwell et al. 2001). Onkvisit and Shaw (1987) stated that

people learn their self-concept through their interactions with the external environment. Self-concept may be useful to marketers because this concept forms part of an individual's basic personality (Mowen and Minor 2000). Belk (1988) suggested that people communicate their self-concept through their possession, and are attached to their particular possession that considered as part of the self. This notion suggests that the level of self-concept could be related to the need for social status, conformity and individual uniqueness.

Self-monitor has attracted growing attention from social psychologists since its introduction by Snyder (1974). Self-monitor is self-observation and self-control to notice situational cues for socially appropriate behavior, in order to modify one's behavior accordingly (Snyder, 1974). Slama and Celuch (1995) argued that self-monitor is important in understanding marketplace behavior as it relates to interpersonal influence, which is in itself an important consumer behavior issue. High self-monitors people are those who are sensitive to the expression and self-presentation to others in social situations. Such individuals modify their expressive behavior from situation to situation for the sake of social approval. In contrast; low self-monitor individuals are those who have not acquired similar concern for social appropriateness. Such individuals do not engage in expressive control since their expressive behavior reflects their own inner attitudes, emotions, and dispositions (Goldsmith and Clark 2008). Since self-monitor implies the effort to adjust own condition to align with social surrounding, it suggest that self-monitor is related to the need for conformity, uniqueness and social status.

Competitiveness refers to individual tendency to maintain a slightly higher position in comparison to others. The drive to be slightly higher than the aspired group is translated as the drive to change own position relative to others, and to be different in the social hierarchy. In some societies, competition has been deeply embedded in the social values that it fosters the competitive attitude among its member. Competitiveness is defined as "the enjoyment of interpersonal competition and the desire to win and be better than others (Spence and Helmreich, 1983). The drive to flaunt the excessive consumption is related to the desire to sign favorable characteristics in society (Sundie et al. 2010, Griskevicius, 2007). Mowen (2004) suggested that the competitiveness in consumers might impact consumers' preference for activities, vicarious experience, and the need for uniqueness, social status and conformity.

Previous studies found that materialistic value highly related with the social comparison tendency. Materialists usually focus more on the symbolic function of possessions than on its utilitarian function (Richins and Dawson 1992; Campbell 1995; Wong1997). Possessions provide the extension and become the vehicle for consumers to communicate their self-concept. In this study we expect that materialism is positively related to the need for social status, conformity and uniqueness. To summarize, based on the literature review, following the position of social comparison theory, we propose that consumers' conspicuousness could be measured by the need for social status, the need for conformity and the need for uniqueness. These three variables are further related to consumer's materialism, self-concept, self-monitor and competitiveness.

METHODOLOGY

An online survey using Qualtrics software was used in data collection. The participants were students from a Midwest state university. Partial course credits were offered as incentive to take the survey. After data cleaning, 321 usable responses were further analyzed. The demographic analysis shows that mostly participants are female (82%), in 2-25 age group (54%), in junior year (45%), employed part time (54%), with income under \$20,000 (76%).

We used existing scale to measure the constructs in this study. A factor analysis was conducted, and the items were refined through the deletion of items with weak loading or strong cross loading. Further, the data were analyzed using Structured Equation Modeling. Two-step approach was employed (Anderson and Gerbing 1988). The factor loadings are presented on [Table 1](#), along with the global fit indices. The global fit indices suggest an acceptable fit for the factor structure.

Reliability was assessed using CRs and Alpha scores. All the CRs were above 0.81 and the Alpha scores were above 0.69 (Nunnally 1978). All AVEs were above 0.51. Construct validity was assessed following the suggestion by Fornell and Larcker (1981), AVEs for the underlying latent constructs are greater than the shared variance. From [table 2](#), we can see all construct fulfill the requirement for discriminant validity.

After the measurement model, we tested the hypothesized relationship using SEM procedure. [Table 3](#) indicates the structural path estimates, the corresponding t-values, and the global fit indices. Based on this structural model, the global fit indices indicated acceptable fit with the data. i.e., χ^2 (df) = 963.15 (773); RMSEA= 0.057, p value= 0.000, NFI = 0.93, CFI = 0.96, IFI = 0.96, RMR (SRMR) = 0.17 (0.068), GFI = 0.85 (Anderson and Gerbing 1988; Mulaik et al. 1989; Iacobucci 2010).

Table 1. Confirmatory Factor Analysis, the Items and Constructs

Constructs	Items	CFA
Materialism Richin and Dawson (1992)	Buying a lot of luxury brands/products...	.72
	I like a lot of luxurious things...	.74
	My life would be better...	.72
	I would be happier...	.68
	It is really true that money...	.66
Self-Concept (Campbell et al. 1996)	My dream in life76
	My belief about myself...	.77
	I have consistent opinion77
	I feel that I am really the person78
	In general I have a clear sense...	.83
Self-Monitor (Snyder 1974)	If I wanted to, I would tell someone...	.57
	I can make impromptu speeches...	.63
	I guess I could put on a show to impress...	.81
	I would probably make a good actor.	.84
Competitiveness (Mowen 2004)	I have considered71
	To be a real success I feel...	.77
	It is important to me to do better...	.77
	I feel that winning is important...	.78
	I judge my performance on whether I do...	.83
Need for Group Conformity	It annoys me when other people...	.57
	Using certain brand can help me to connect70
Need for Social Status	I feel bond with people77
	My choice of a brand says something80
	I avoid choosing brands...	.75
	I use brands to communicate...	.84
	I choose brands that are associated...	.87
Need For Uniqueness (Marcoux et al 1997)	The brands I use reflect...	.81
	I communicate my achievements...	.81
	I like to try new goods and services79
	I have sometimes purchased unusual...	.87
	I often try a more interesting version...	.88
	I am often on the lookout for new products44

$\chi^2(df)= 953.53(469)$; p-value= 0.00 RMSEA= 0.057; NFI= .93; CFI= .96; IFI= .96; RMR(SRMR)=.16(0.06); GF = 0.85

Table 2. Construct Assessment

Variables	AVE	CR	Mat	SC	SM	C	NGC	NSS	NU	Cronbach Alpha
Materialism	0.53	0.87	0.73							0.87
Self- Concept	0.58	0.87	0.03	0.76						0.87
Self-Monitor	0.57	0.89	0.31	0.1	0.75					0.83
Competitiveness	0.55	0.88	0.38	0.03	0.23	0.74				0.86
Need for Group	0.58	0.80	0.61	-0.14	0.38	0.4	0.76			0.81
Need for Social Status	0.66	0.91	0.57	-0.1	0.33	0.27	0.78	0.81		0.91
Need for Uniqueness	0.62	0.89	0.3	0.16	0.26	0.16	0.29	0.28	0.79	0.91

Table 3. Paths Analysis Results

Paths	Hypothesis	Estimate	t-value
H1: Mat→NGC	+	0.50	6.46*
H2: Mat→NSS	+	0.16	2.14*
H3: Mat→NU	+	0.24	3.31*
H4: SC→NGC	-	-0.15	-2.81*
H5: SC→NU	-	-0.18	-2.94*
H6: SM→NGC	+	0.24	4.11*
H7: SM→NU	+	0.17	2.69+
H8: C→NGC	-	0.16	2.50+
H9: C→NSS	-	- 0.06	-1.14
H10: C→NU	-	0.03	0.39
H11: NGC→NSS		0.71	8.23#

$\chi^2(df)= 963.15(473)$; p-value= 0.00 RMSEA= .057; NFI= .93; CFI= .96; IFI= .96; RMR (SRMR)= .17(.068); GFI= .85

*Hypothesis is supported; +significant result, but opposite to the hypothesis; # not hypothesized.

RESULTS AND DISCUSSION

This study aimed to develop a model to explain the antecedent and the component of consumers' conspicuousness. Consumers' conspicuousness is defined by the need for group conformity, need for social status and the need for uniqueness. Referring to the social comparison theory, self-concept, self-monitor, and competitiveness as well as materialism are strong precursors of consumers' conspicuousness. We confirmed that materialism is highly related to the consumers' conspicuousness (Richins and Dawson, 1992, Wong, 1997). Similar finding applied on the self-concept and self-monitor. Higher self-concept is positively related to the need for uniqueness; hence in the same time it is negatively related to the need for group conformity (Wong 1997; Wu 2009). Further, we expected that higher self-monitor is positively related to the need for group conformity and negatively related to the need for uniqueness. However in this study, self-monitor and the need for uniqueness is positively related. The explanation could be that although high self-monitor prompts the need to conform social expectation, however, the need for uniqueness could be more outstanding as social norms. Interesting finding that need for group conformity fully mediates the effect of self-monitor and self-concept on the need for social status. It implies that high self-monitor lead to group conformity which later leads to the need for social status. Further, we found that the competitiveness related to the group conformity, but not to social status and uniqueness. This is contrary to our prediction that the competitiveness should relate strongly to consumers' uniqueness and social status, but negatively related to the group conformity. The explanation could be that whereas competitiveness value is embedded in the society in which this study was conducted, competitiveness then is a norm for the group member and not necessary a trait that lead to the need for social status and uniqueness directly.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

This study was not without limitations. The sample which was students should be extended to other group of population to see if wider sample can explain the phenomena of conspicuous consumption better. As this study has not included the outcome of consumers' conspicuousness, we expect that in the future the study could the proposed model here could be valuable to predict consumer behavior such as in their choice in brand or in type of product they would prefer as the vehicle to their conspicuousness. For practical purpose, this study strengthens and enriches the studies on conspicuous consumption that would benefit the understanding of consumer's characteristics. By profiling consumer characteristics, it will help the manager to better positioning their product lines to entice the target segments the managers have set to aim at.

References available upon request.

EXPLORING COUNTRY-BASED MOTIVES FOR ANTI-CONSUMPTION: A QUALITATIVE STUDY

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INTRODUCTION

Although still in its infancy, anti-consumption literature has shed some light on the motives behind consumers' avoidance of commercial products and brands. Country-based consumption resistance—the focus of this paper—has been examined mostly through the effects of 'country animosity' and 'consumer ethnocentrism' on reluctance to buy foreign products (Lee, Motion, and Conroy, 2009). Yet, despite the importance of these concepts, alternative country-based issues are likely to underlie anti-consumption decisions. Hence, this work delves into the country-based antecedents of product avoidance—that is, it explores the country-based components/antecedents of consumer resistance and anti-consumption; moreover, the authors take a broader look at the roots of country animosity. To accomplish these purposes, a qualitative, interpretive approach is adopted.

BACKGROUND

Anti-consumption movements are gaining significance in many parts of the world, particularly in industrialized societies (Krishnamurthy and Kucuk, 2009). Resistance, avoidance, and anti-consumption manifestations are best understood as subjectively expressed through a broad array of consumer practices (Cherrier, Black, and Lee, 2009; Iyer and Muncy, 2009). This is consistent with the view of product and brand avoidance as multi-faceted phenomena (Lee et al., 2009); thus, it is reasonable to expect that different motives underlie country-based anti-consumption.

The international marketing literature reveals that a product's country-of-origin (COO) may be an important cue for consumers' product evaluation and choice (Verlegh and Steenkamp, 1999; Balabanis and Diamantopoulos, 2004). More specifically, COO has proven effective in predicting consumers' product evaluations—in terms of quality, risk, or value—and, to a lesser extent, willingness to buy (Roth and Diamantopoulos, 2009). Three different mechanisms have been described as being responsible for COO effects on consumers' decision-making: cognitive, affective, and normative ones (Verlegh and Steenkamp, 1999; Brijs, Bloemer, and Kasper, 2011); However, few studies have encompassed the whole range of COO influence mechanisms (Brijs et al., 2011). Anti-consumption research shows 'how' such *cognitive*, *affective*, and *normative* (country-based effect) mechanisms may be salient in consumer actions—when products/brands are the object of resistance: first, negative beliefs or bad past experiences with a product (brand) will typically lead to product (brand) avoidance; also, products/brands tend to be avoided when consumers attach a negative symbolic meaning to their purchase (and use) (Lee et al., 2009); moreover, the majority of (socially and environmentally) 'responsible' consumers can be expected to act out of moral concerns (Iyer and Muncy, 2009).

However, of all the possible anti-consumption manifestations, most previous works using country itself as the object of resistance have focused on two *normative* concepts: 'ethnocentrism'—reluctance to buy products from foreign countries—and 'country animosity'—reluctance to buy products from a specific foreign countries. In a similar fashion to COO effects on consumers' purchasing behavior, country animosity has an important role to play in consumption decisions—ie, as an influencing factor on consumers' reluctance to buy (Nes et al., 2011; Nijssen and Douglas, 2004). Moreover, country animosity has been found to be distinct from other country-based concepts and influences—such as product judgements or ethnocentrism (Klein et al., 1998; Riefler and Diamantopoulos, 2007). The phenomenon of country animosity traces back to Klein, Ettenson, and Morris's (1998) study on Chinese consumers' avoidance of Japanese products; later studies have extended the work of Klein and colleagues with additional antecedents and moderators of country animosity—in and toward many countries (eg, Jung et al., 2002; Nijssen and Douglas, 2004; Nes, Yelkur, and Silkset, 2011). However, country animosity, and its antecedents and components, have been mostly treated as given facts—with most authors focusing on war-based and economic-based country animosity (Riefler and Diamantopoulos, 2007; Nes et al., 2011). Recent studies point to the alternative, underresearched components/antecedents of country animosity, such as politics and people—respectively understood as political and cultural reasons for disliking a country (Nes et al., 2011). Moreover, with increasing social and environmental concerns in society, it is reasonable to expect that—at least for a segment of the population—social/environmental factors be considered as (potentially) important drivers of country animosity.

Finally, country information can affect consumers' purchasing behavior at three levels: country, product/brand, and (product or service) attributes (Leonidou, Palihawadana, and Talias, 2007; Amine, 2008; Roth and Diamantopoulos, 2009). For

example, a person may hold a positive image of Spain, in general, and be willing to visit the country to enjoy the local food; but, at the same time, the same person may hold a negative view of Spanish home appliance products, and thus refuse to buy them for his/her home. When different levels of country-based influences converge in the same direction—fostering either willingness to buy or anti-consumption—consumers will be more likely to act accordingly—that is, purchasing or avoiding the evaluated product (from the given country). However, different levels of country-based influences may elicit different reactions in consumers' minds—thus making consumption and anti-consumption decisions more complex.

RESEARCH METHODS

Due to the complexity of the studied phenomenon—and scarcity of research to date—, an interpretive, qualitative approach would render useful insights into country-based motives for anti-consumption (Miles and Huberman, 1994). The sample was recruited through the 'snowball' technique and comprised 21 persons with ages ranging from 22 to 62 (mean of 37.1). There was a predominance of women (67%) and people with a high level of education (38% of respondents had a college degree). Consistent with the exploratory nature of this work, semi-structured, face-to-face interviews were used to explore respondents' narratives and motives for country-based resistance and anti-consumption. Data collection took place in Spain between September 29th and October 15th 2011. It consisted of open-ended questions, allowing respondents to elaborate in detail—in their own terms—on their country-based resistance beliefs and behavior; the duration of each interview ranged from 5 to 20 minutes. Interviews were recorded and later transcribed for easier analysis; then, relevant information was coded and classified into categories; such categorization allowed issues—pertaining to consumer resistance and anti-consumption—to emerge from the data (Miles and Huberman, 1994).

In the first part of the interview, participants were asked to elaborate on general animosity beliefs or dislike feelings toward other countries; by allowing respondents to elaborate on their animosity toward countries that have—and have not—been involved in war or conflicts with Spain (Jiménez and San Martín, 2010), the authors would be able to uncover a broad array of antecedents/components of country-based anti-consumption. The second part of the interview focused on apparel shops and products; this product category was deemed appropriate to elicit more product-specific reasons of country-based anti-consumption; most respondents were expected to be familiar with apparel products and shops.

RESULTS AND DISCUSSION

The selection of the apparel product category proved useful in uncovering consumption avoidance manifestations—ie, motives for consumer resistance and anti-consumption—, at the product/brand, store, and country-level (see [Table 1](#)).

These findings are highly in line with prior research suggesting that people from developed countries show less preference for products from countries they rate as 'less developed' (Papadopoulos and Heslop, 1990; Verlegh and Steenkamp, 1999; Leonidou et al., 2007). Nearly three-fourths of the sample revealed anti-consumption behaviors with regard to Chinese apparel products and shops. It is interesting that—even limiting our attention to China—it is possible to identify a variety of motives for anti-consumption:

Product-related motives were given by the majority of the interviewees, showing that their perceptions of products from China are very negative—at least in the apparel product category. Low quality, unappealing design, reduced duration, unavailability of sizes for tall women, general bad, personal experiences and concerns about the safety assurances of Chinese products were the reasons fitting into this category.

Patriotic motives were given by two participants: one saw Chinese companies as contributing to unemployment in Spain; another respondent reported a preference for Spanish apparel, as a means to counteract the Chinese expansion.

Social motives: three interviewees reported that they were avoiding Chinese apparel (products and shops) because of the exploitation of workers in Chinese sweatshops.

When focusing on respondents' level of country animosity, only one-fourth of participants reported such feelings at first. An interesting finding was that practically all respondents stated that they avoid or try to avoid products from the target country of animosity. The rest of the sample did not report animosity feelings toward a particular country; such respondents were asked to mention the country they disliked the most. With regard to the consumption of products from disliked countries, a more complex pattern emerges—with both willingness to buy and consumption avoidance manifestations (see [Table 2](#)).

Table 1. Apparel avoidance manifestations

Brand	Motives
Recognized brands	Overprized (2)
China	Preference for Spanish brands
Lacoste	Bad experience
Store	Motives
Chinese-owned	Low quality (4) Unappealing design Short duration
Expensive (they sell recognized brands)	Overprized (2)
Arab owned	Low quality Owners' culture
Flea-market	Low quality
Mall stores	Encourage overconsumption
Country of origin	Motives
China	Low quality (4) Foreign 'invader' Loss of Spanish jobs Exploitation of workers (3) Less security controls (2) Bad experience No size for tall women
Thailand	Low quality
India	Exploitation of workers
Taiwan	Exploitation of workers
United States	Brands taking advantage of globalization

Note: Numbers in parentheses indicate the (absolute) frequency of each motive. Participants were free to elaborate on the specific targets (ie, products/brands, stores, and countries) and motives for avoidance. Four interviewees reported not to engage in any form of apparel avoidance behavior.

The reasons for country animosity comprised war- and economic-based motives—the latter, economic concerns were particularly associated with China. However, interviewees named also political, cultural, religious, and even societal concerns as alternative—and rather underresearched—components/antecedents of country animosity. Environmental reasons did not emerge as a salient driver of country animosity—which may in part have been due to the sample characteristics—, unlike social issues.

In light of the findings of this study, it seems plausible to suggest that a variety of motives underlie country-based anti-consumption; not only the more traditionally analyzed issues—economy and war—, but also additional components/antecedents—eg, cultural and social concerns—may extend our understanding of anti-consumption phenomena.

References available upon request.

Table 2. Animosity results: countries, motives, and product avoidance

Target country	Motives for animosity	Avoidance of products
China	Foreign 'invader' (2) Causes loss of jobs in Spain Imperialist aspirations	Yes (3)
Arab Countries	War	No, except for travelling
France	Attacks to Spanish horticultural exports	Yes
Germany	Second World War	Yes, except for some categories
Morocco	Culture War	Yes, at least tries
Rumania	Culture	Yes
Disliked country	Motives for disliking	Avoidance of products
Arab Countries	Culture (3) Women treatment War	No (1) Yes (2)
Russia	People Climate Political ideology	No (2) Yes (1)
North Korea	Political situation (2)	No (1) Yes (1)
Morocco	Culture Religion Women treatment	No (1) Yes (1)
Iraq	War	No
China	No motive	Depending on the product category
USA	Globalization	Yes
Colombia	Inner warfare	No, except for travelling

Note: Numbers in parentheses indicate the (absolute) frequency of response. Participants were given the possibility to mention more than one country and motive for animosity and disliking. Two participants did not report any target of country animosity or disliking.

FROM CONSUMER SOCIALIZATION TO STATUS CONSUMPTION: A CROSS CULTURES STUDY AMONG HIGH SCHOOL STUDENTS

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INTRODUCTION

Consumer socialization (Ward 1974) or consumer development (McNeal 2007) is the area of marketing concerning “consumer orientation” of the individual, i.e., their growth in the areas of material and symbolic consumption, as opposed to physical and cognitive development in other areas. In fact, “functioning” in the “marketplace” is a sign of growth and maturity (Scott 1974 p.2). Any parental book, such as *The Wonder Years* (Altmann 2006), can give evidence on how children grow up through various areas of consumptions (diapers, toys, apparels, foods, etc.). For example, at one month of age, babies learn to look at themselves in *mirrors* on their *car seats* or in their *cribs*. Inevitably, when they grow older they start learning the symbolic meaning behind those products, such as parents’ love, which is accompanied by brands and price tags.

This paper proposes a conceptual framework focusing on the symbolic aspect of consumer socialization in order to examine the factors motivating children’s comparison behavior. Specifically, we shall attempt to answer the following questions: (1) what factors in consumer socialization process motivate children to engage in social comparisons based on possessions? (2) How do various socialization agents contribute to children’s social comparison tendencies? (3) How does these aforementioned impact children’s social comparison, and (4) How do children’s social comparison affect their tendency to become status consumption oriented? Children as consumers are important because they are three markets in one: the primary market that has lots of time and money (\$9 billion on children’s direct spending in the U.S.); the influence market on their family purchases (\$130 billion on children involved family purchase in the U.S.); and the future market when children grow up (McNeal 1992).

The proposed study has the potential to contribute to the literature in three ways. First, the majority of existing studies on children’s consumer socialization pertain to certain specific factor, such as parental style (Bao et al. 2007; Rose 1999; Rose et al. 2003) and advertising toward children (Chan 2008; Sherry et al. 1999). This study is devoted to examining additional major influential factors in their consumer socialization. Specifically, the conceptual framework will be proposed to explain how parents, peers, mass media, businesses and school contribute to children’s comparison on possessions across cultures. Second, the theory of consumer socialization is substantiated by introducing social comparison as a mediator, and status consumption as the consequence. This framework will be empirically tested among Chinese, American, Thai, and Norwegian children. Third, Scott Ward (1974) pointed out that consumer socialization research had been problematic in sticking to the core of consumer learning and behavior among children. This paper investigates the teenage stage (ages 15 through 18) of consumer socialization in order to identify the factors that motivate children to learn to become status consumers by social comparisons.

LITERATURE REVIEW

The topic of consumer socialization of children started catching researchers’ attentions during the mid-1960s (McNeal 1964; McNeal 1969) and entered the mainstream around the 1970s (Ward and Wackman 1972; Atkin et al. 1975; Moschis and Churchill Jr. 1978). Young as this stream may be, many studies imply that consumer socialization of children is fundamental to marketing research in general and consumer behavior research in particular (McNeal 2007; Dotson and Hyatt 2005; Moore et al. 2002; Rose et al. 2002). Previous research found that children’s consumer socialization is closely related to parental styles, particularly parents’ communication orientation and patterns (Bakir et al. 2006; Carlson et al. 1990; Kim et al. 2009), as well as conformity to parents and peers (Mandrik et al. 2005; Meyer and Anderson 2000). A great number of studies of children’s consumer socialization also focused on attitude toward advertising (Mangleburg and Bristol 1998; Moscardelli and Liston-Heyes 2005), shopping and purchasing activities (Cao 1997; Grossbart et al. 1991; Lueg et al. 2006), decision making styles (Hafstrom et al. 1992; Shim 1996), brand preferences (Braun-LaTour et al. 2007; Roper and La Niece 2009), understanding commercials (Chan and McNeal 2004; Kapoor and Verma 2005), and cultural differences (Kim et al. 2009; Mathur et al. 2008). The question remains: how consumer socialization affects the social comparison, and ultimately status consumption.

Consumer socialization refers to the processes by which children learn the skills, knowledge and attitudes related to consumption. The cognitive perspective of consumer socialization is primarily derived from Jean Piaget's cognitive stage theory (Piaget 1928). According to this, from birth to adolescence, children go through four major stages in their intellectual development: the sensory-motor period (0-2 years), the preoperational period (2-7 years), the concrete operational period (7-11 years), and the formal operational period (11-15 years) (Piaget 1928). Above 15 years of age, children's consumer socialization is fully formed and manifested. Each stage prepares children for the next stage of their intellectual development (Piaget 1928).

During the process of consumer socialization, children learn to acquire products and services and compare such possessions to others' in order to measure themselves. In materialistic societies, such as the U.S. (Belk 1985; Belk and Pollay 1985), the extent of social comparison regarding consumption may reflect the level of consumer socialization. It becomes a means by which people communicate and interact and therefore shapes their identities (Benn 2004; Belk 1988). As Belk et al. (1982) and Mayer and Belk (1982) showed, a very young child, as early as grade school level, can identify the symbolic meaning of consumption.

Having a social identity, as opposed to having a private self-identity, children compare themselves with similar others, such as peers (John 1999). Social comparison theory describes people's desire to affiliate with others, to obtain information about others and to evaluate themselves against others (Taylor and Lobel 1989). While rank and social "fitting in" are salient dimensions of social comparison (Allan and Gilbert 1995), violation of consumption norms may result in a child becoming the target of ridicule (Wooten 2006). Ultimately, consumers compare with one another for the purpose of establishing their social identities or to achieve satisfaction (Buunk and Bibbons 2006; Karlsson et al. 2005). Empirical evidence (Argo et al. 2006) indicates that social comparison activities have two directions, the upward comparison (against a better target) and the downward comparison (against a worse target).

Status or conspicuous consumption is defined as "visible consumption of goods as a mechanism to enhance one's social standing" (Grace and Griffin 2009). Even though conspicuous consumptions are often used to gain social status, conspicuous consumers use these ostensive status symbols to categorize himself / herself in the society, to express his / her multiple identities, and to facilitate his / her self-transitions to achieve a sense of self congruency (Belk 1988; Chaudhuri and Majumdar 2010).

It is apparent that, both the process and outcomes of consumer socialization are the essential prerequisites for children's social comparison behavior and status consumptions. Based on the theories of consumer socialization and social comparison, a conceptual framework of children's consumer comparison behavior is proposed. Numerous studies can explain why parents, peers, mass media, businesses and school are involved in the formation of children's consumer behavior. First, parents are likely to see children as the extended self (Belk 1988). Second, conventional wisdom also holds that parents become less important as children grow and peers become more important. Ward's (1974) study also shows that children's consumer socialization develops more through social learning (e.g. through interacting with peers), rather than through purposive and systematic parental training. Third, as to the influence of mass media, children now live in an exciting virtual world more than in the real world, where they have to deal with boring reality. While "TV commercials" and "product placement" belong to the last decade, children now enjoy "advertainment" and "advergaming" through various platforms via the online mass media (Berger 2003; Kretchmer 2004). In the borderless online territory, children from all over the world are gradually converging on their media consumption patterns and their preferences for brands. Fourth, physical retail stores provide children with the opportunities to experience various products and brands that they cannot experience anywhere else (Chan 2005). Fifth, consumer education at school can also be viewed as a subset of the larger process of consumer socialization (Mayer and Belk 1982). Each factor above (i.e., family, peers, mass media, businesses and school) can be seen as a great influence in children's consumer socialization process. Next, each of these socialization agents will be examined for potential influence on children's social comparison

CONCEPTUAL FRAMEWORK

As previously explained, the proposed conceptual framework for understanding children's consumer comparison contains five major socialization agents and one developmental factor expected to influence children's comparison tendencies. The five socialization agents are (1) parents, (2) peers, (3) mass media, (4) businesses, and (5) schools. Also, in this study, the term *consumer comparison* means children's social comparison with others in general beyond their immediate group members because the empirical evidence shows that people usually have a wide range of comparison targets in mind when given the chance to compare themselves to others (Taylor et al. 1989). Please see [figure 1](#). Therefore, we are proposing the following hypotheses:

H₁: The more the parents communicate with their children about consumption, the less the children's tendency to compare themselves with others based on possessions.

H₂: The more often the children communicate with peers about consumption, the more children's tendency to compare themselves with others based on possessions.

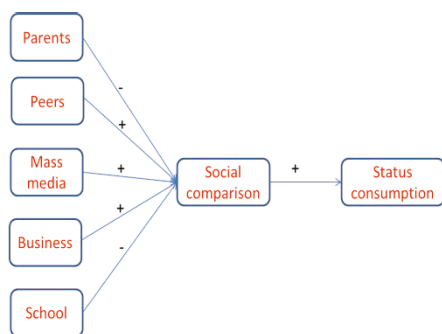
H₃: The more children use mass media as information sources for products, the more their tendency to compare with others based on possessions.

H₄: The more children visit stores, the more their tendency to compare with others based on possessions.

H₅: The more the children learn about thrift and saving at school, the less their tendency to compare with others based on possessions.

H₆: The more the children compare themselves with others, the more their tendency to exert status consumption.

Figure1: Proposed framework



METHODOLOGY

The six hypotheses on the influences of various social agents on children's social comparison tendencies will be tested using data collected from four countries: US, China, Norway, and Thailand. Most of the measurement scales for the key variables are adapted from previous studies related to consumer learning. According to the study procedures described in McNeal and Ji (1999), Chan and Zhang (2007), and Chan (2008), the questionnaire would be constructed first in English, translated into targeted countries and then back-translated into English in order to check for translation accuracy. Afterwards, the questionnaire would be modified and tested again. The questionnaire would also be pretested and revised for clarity and accuracy. Two hundred high school students from each country will be randomly selected for taking the survey. Before students fill out the questionnaires, an announcement would be made that the survey is voluntary and students may leave the entire questionnaire or individual question blank if they do not want to participate. Researchers would also assure students that the responses are anonymous. In order to determine what constructs emerge from the data, two exploratory factor analyses will be conducted – one for the exogenous variables and another for the endogenous variables. Some of the measures may be revised or deleted due to low or cross-loadings. Composite reliabilities, as indicated by Cronbach's alpha, would be examined to see whether they fall above the recommended threshold of .60 (Bagozzi and Yi 1988). Afterwards, confirmatory factor analysis will be performed. Structural equation modeling (SEM) with maximum likelihood estimation will be used to examine the measurement properties of the scales and to test the proposed theoretical framework.

CONCLUSION

This study is expected to identify the major social agents in children's consumer socialization and how they encourage or suppress children's social comparisons about possessions and their tendency to become status consumption oriented. The biggest limitation is the teenager's inability to comprehend the questions in the survey. The second limitation is the reactance effect: children may think the survey is a school test and give false answers other than their true thoughts. The results will offer rich implications to businesses, parents, and schools. In the process of consumer socialization, children compare what they have to what others have in order to measure their consumer abilities and identify their social identities.

References Available Upon Request

APPENDIX

Survey Instruments

Key Variables	Measures	Sources of measures
Social Comparison Tendency	<p>I often compare what I have with what others have.</p> <p>I always pay a lot of attention to what I have with what others have.</p> <p>If I want to find out how much I have, I compare what I have with what others have.</p> <p>I am not the type of person who compares often with others on possessions.</p>	Gibbons and Buunk (1999)
Communication with Parents about Consumption	<p>I ask your parents for advice about buying things.</p> <p>My parents and I talk about buying things.</p> <p>My parents and I talk about product usage and prices.</p>	Ward and Wackman (1971)
Communication with Peers about Consumption	<p>I ask friends for advice about buying things.</p> <p>My friends and I talk about buying things.</p> <p>My friends and I talk about product usage and prices.</p>	Moschis and Moore (1982)
Mass Media Usage	<p>I use mass media to find out how good a product is.</p> <p>I use mass media to find out what things to buy to impress others.</p> <p>Mass media help me decide what things to buy.</p> <p>Mass media help me find out where I can buy something I want.</p> <p>Mass media provides me product information so I have something to talk about with others.</p> <p>I use mass media to learn about the 'in' things to buy.</p> <p>I see people through mass media who are examples of the way I wish I were.</p>	Moschis and Moore (1982)
Store Visits	<p>How often do you go shopping by yourself or with others (e.g. parents, relatives, and friends)? Please answer in number of times per week.</p>	McNeal and Yeh (2003)
Learning about Thrift and Saving at School	<p>I learn a lot about thrift and saving at school.</p> <p>I should listen to what teachers say about thrift and saving.</p> <p>I agree with what we learn at school, thrift and saving are virtues.</p>	New
Status consumption	<p>Using certain brand can help me to connect with other people and social groups.</p> <p>I buy brands to be able to associate with specific people and group.</p> <p>I feel bond with people who use the same brand as I do.</p> <p>By choosing certain brands, I choose who I want to associate with.</p>	Marcoux et al. (1992)

Session 4.5. Consumers and Health Care

Session Chair: Charles Cui, University of Manchester, UK

Direct-to-Consumer Advertising: A Review and Agenda for Future Research

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Baby and Me: Single Mothers by Choice and the Artificial Reproductive Technology Marketplace

Sarita Ray Chaudhury, Humboldt State University, USA

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An Investigation of Young Consumers Alcohol Consumption: An Irish Perspective

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DIRECT-TO-CONSUMER ADVERTISING: A REVIEW AND AGENDA FOR FUTURE RESEARCH

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INTRODUCTION

Direct-to-consumer advertising (DTCA) of prescription drugs is allowed currently only in the United States and New Zealand. Promotional spending on DTCA has grown from \$2.5 billion in 2000 to \$4.5 billion in 2009. DTCA has been an issue of intense debate since the early years of its existence (Hoek, Gendall, and Feetham 2001; Royne and Myers 2008; Pol and Bakker 2010). Therefore, DTCA is undoubtedly an important topic that deserves researchers' sincere attention (Farris and Wilkie 2005; Gellad and Lyles 2007). The research on DTCA has grown in a fragmented manner across several disciplines such as marketing, communication, public health, pharmacy, economics, medicine, and so on. There has been little to no effort to bring together these diverse bodies of literature and identify critical research trends and themes that would bring a holistic understanding to this intriguing body of research and show the way to future researchers to explore further in this area. Research on DTCA has been described as lacking in empirical content, rigorous methodology, comprehensive model building, and cause-effect studies. This study aims to review studies on DTCA with the aim of exploring the past and current trends in research, offering a comprehensive and inclusive definition of DTCA, identifying key themes on DTCA research, and providing potential agenda for future research.

WHAT IS DIRECT-TO-CONSUMER ADVERTISING?

Direct-to-consumer advertising is not a novel term among health communication and marketing researchers. Yet, there is a call for an explicit definition of DTCA. There are two common problems with existing definition of DTCA in the literature. One set of definition such as Bradley and Zito (1997) referred to direct-to-consumer advertising to the general public in the lay media without specific reference to new and emerging interactive and two-way media platforms. Another set of conceptualization used the term DTCA without specifying whether DTCA includes advertising of over-the-counter medications or only prescription medications. In order to reconcile these ambiguities and bring clarity to the scope and nature of the construct of DTCA, this study defines direct-to-consumer advertising as "the different types of promotional efforts employed by pharmaceutical companies to provide prescription drug information to the general public through consumer-oriented media that includes the promotion of prescription drugs through not only traditional media such as print, TV, and radio; but also via other emerging and sophisticated media such as, direct-to-consumer (DTC) website, social media".

METHODOLOGY

Sample and Procedure: To identify the key research streams, we reviewed the content of published journal articles on DTCA by executing an online search through multiple sources. A wide array of information including research title, year of publication, name of journal, key research theme(s), sample description, data collection and analysis method, sources of DTCA, drugs used in the study, study variable(s), and findings was recorded from each paper. The initial sampling frame included twenty seven journals both scholarly and practitioner including *Health Marketing Quarterly*, *Journal of Health Communication*, *Health Communication*, *Journal of Advertising Research*, *Journal of Medical Marketing*, and *Journal of Public Policy & Marketing*. The journal articles using five key words -- "Direct-to-consumer advertising", "DTC Advertising", "Direct-to-consumer advertising of prescription drugs", "DTCA", and "Prescription drug advertising" -- were amassed from various sources such as university library electronic source, Google search, and journal websites. A random online search identified nine additional journals that published DTCA research, resulting in a total of 36 journals in the sample pool.

Preliminary results indicate that in the sixteen year period from 1997 to 2012, at least one hundred and thirty articles have been published in the domain of DTCA within our sampling frame. In this study, we opted to integrate the articles from the year 1997 as it was the year the Food and Drug Administration loosened restrictions on DTCA of prescription drugs in the United States. Majority of the studies were published between 2004 and 2009 (61.1%); 2009 represents the highest number of publications (15.2%). Among the sampled journals, the top three journals that published DTCA research were: *Healthcare Marketing Quarterly* (9.2%), *Journal of Health Communication* (7.1%), and *Health Communication* (6.1%). The most frequently used data collection method was survey (49%); followed by experiment (14.3%), content analysis (8.2%), and interview (3.1%). Commonly employed sampling unit was typical consumer (53.1%); followed by DTC advertisements (9.2%), physicians (7.1%), and college students (5.1%). 64.3% of the studies utilized primary data while only 23.5% used

secondary data. Interestingly, 36.7 % of the primary data included student sample. Most studies relied on descriptive statistics and simple statistical techniques such as simple regression analysis (15.3%), analysis of variance/multivariate analysis of variance (16.3%), and t-test/Z-test (11.2%). Only a handful of studies utilized sophisticated analysis such as structural equation modeling and time series analysis.

KEY THEMES IN DTCA RESEARCH

A systematic review of the content of research papers published over the period from 1997 to 2012 resulted in seven key themes: consumers' attitudes toward DTCA (21.3%); physician-patient interaction (16.5%); content of DTC advertisements (15.2%); awareness, literacy, and memory (11.1%); information source and search (9.3%); DTCA expenditure and its impact on financial performance (7.5%); and physicians' attitudes toward DTCA (6%). These themes are discussed below.

Consumers' attitudes toward DTCA (A_{DTCA}): While majority of the studies concludes that consumers have favorable attitudes toward DTCA (e.g., Handlin, Mosca, and Forgione 2003; Herzenstein, Misra, and Posavac 2004), consumers still have less favorable attitudes towards prescription drug advertising than non-prescription medications (Diehl, Mueller, and Terlutter 2008). A_{DTCA} has been found to be a key to their behavioral intentions such as likelihood of searching for additional information and interacting with their physicians about the advertised drug (e.g., Herzenstein and Colleagues 2005; Deshpande et al. 2004; Peyrot et al. 1998; Singh and Smith 2005; Herzenstein, Misra, and Posavac 2004). Studies also reported a number of determinants of A_{DTCA} such as exposure to prescription drug advertising (Alperstein and Peyrot 1993), consumer involvement and ad type (Limbu and Torres 2009), and information sources (Lee, Salmon, and Paek 2007).

Physician-patient interaction: The second largest line of research centers on the physician-patient interaction. Studies have investigated a number of antecedents to consumers interacting with physicians for information about advertised drugs. The majority of the studies have shown that consumers are more likely to interact with physicians if they have positive A_{DTCA} (An 2007; Herzenstein, Mishra, and Posavac 2004; Singh and Smith 2005; Wilson and Till 2007; Lee, Salmon, and Paek 2007; Sumpradit, Fors, and McCormick 2002). Other studies indicate that consumer's involvement in healthcare, motivation to seek out, televised DTCA, consumer's reliance on interpersonal channels for health information, perceived information value, quality of the DTC ad, and consumer's perceived competence influence physician-patient interaction (Wilson and Till 2007; Lee, Salmon, and Paek 2007; Huh and Becker 2005; Singh and Smith 2005).

Contents of DTC advertisements: Other research focuses on content of advertisements. A number of studies examined the side effects or risks, benefits, and symptoms (Davis 2000, 2009; Mackert and Love 2011; Park and Grow 2010; Roth 2003). Some studies center on types of advertisements (Limbu and Torres 2009; Khanfar, Loudon, and Sircar-Ramsewak 2006), message appeals (Limbu, Huhmann, and Peterson 2012; Frosch et al. 2007; Main, Argo, and Huhmann 2004; Macias, Pashupati, and Lewis 2007), message framing (Kim and Park 2010), brief summary (Menon et al. 2003), media credibility and informativeness (Huh, DeLorme, and Reid 2004).

Awareness, literacy, and memory: The fourth largest stream of DTCA research focuses on awareness (Roth 2003), memory and recall (Limbu, Huhmann, and Peterson 2012), and health literacy (Mackert and Love 2011). Roth (2003) found that message strategies (e.g., use of transformational messages and non-comparative advertisements, exclusion of symptom information) can improve DTCA awareness. Contrary to the current trend of increasingly employing emotional appeals (e.g., humor, and endorsers) in DTCA, Limbu, Huhmann, and Peterson (2012) found that emotional appeals in DTCA does not improve memory of target audience who are suffering from a medical condition. Along the same line, Mackert and Love (2011) argue on the role of DTCA in educating consumers as it fails to offer useful information (e.g., other strategies for dealing with conditions). Overall, researchers are critical on the role of DTCA in improving consumers' awareness, literacy, and memory.

Consumer information source and search: A small number of DTCA studies focused on the effectiveness of information sources and consumer search behavior (Macias, Pashupati, and Lewis 2007; Lee 2009; Menon et al. 2002). For example, Lee (2009) investigated the effects of four information sources -- small-print information, the Internet, a toll-free number, and health-care providers -- on patients' requests for prescription drugs from physicians. Lee, Salmon, and Paek (2007) found that consumers' reliance on interpersonal channels, rather than mass media, for health information had a direct and significant impact on their interaction with physicians. Similarly, Lee (2010) found a stronger and superior influence of expert opinion leadership (e.g., physicians, pharmacist) on consumer information search behavior than mass media (e.g., DTCA).

Effect of DTCA expenditures on financial performance: A handful of studies confirmed a positive role of DTCA on drug sales (Narayanan, Desiraju, and Chintagunta 2004), market share (Kalyanaram 2009), and return on investment (Narayanan, Desiraju, and Chintagunta 2004). In line with these findings, Amaldoss and He (2009) found an inverted U-shaped relationship between the brand specificity of DTCA and firm's profits. Conversely, Kopp and Sheffet (1997) found that the retail gross margins for advertised brands decline with the initiation of DTCA. Sen (2011) investigated an impact of market share on DTCA spending and reported a negative influence of market share on the ratio of DTCA to sales. Contrary to the general contemplations on DTCA's role in rising drug's price, Capella et al. (2009) uncover a non-significant role of DTCA expenditure on price elasticity, thus suggesting that DTCA does not increase drug prices.

Physicians' attitudes toward DTCA: Research that explored physician's attitudes toward DTCA offers mixed results. While Lipsky and Taylor (1997) assert that physicians have negative feelings about DTCA in both print and electronic media, Weissman et al. (2004) find that physicians have overall positive views on DTCA. According to Huh and Langteau (2007), physicians perceive that DTCA influences patients' inquiries with their doctors and requests for advertised drugs. Physicians believe DTCA is not only likely to increase the prescription request; it also increases the likelihood of the advertised drug to be prescribed by them (Parker and Pettijohn 2003). According to Gönül, Carter, and Wind (2000), physicians' attitudes are influenced by various factors such as experience, exposure to DTCA, number of patients they examine, etc. For example, more experienced physicians, physicians who see more patients, or those who have more exposure to pharmaceutical advertisements are more likely to accept DTC advertising of prescription drugs.

AGENDAS FOR FUTURE RESEARCH

Based on the review of research on direct-to-consumer advertising of prescription drugs, the current study offers a comprehensive agenda for future research. Past research primarily focused on consumers' and physicians' attitudes toward DTCA, physician-patient interactions, content of DTC advertisements, consumer awareness, literacy, and memory, information source and search, and role of DTCA expenditure on financial performance. Yet, future research should be directed towards focusing on empirical research, testing comprehensive models of consumer behavior, and representing understudied areas such as role of Internet, efficacy of television DTCA, and development of measures.

More empirical studies: Additional review of top fifty mostly cited and seminal DTCA studies reveals that 64% of them were conceptual and exploratory in nature (e.g., Calfee 2002; Donohue, Cevasco, and Rosenthal 2007; Wilkes, Bell, and Kravitz 2000; Holmer 1999) that means, only 36% of them were causal studies that test hypotheses about cause-and-effect relationships. Therefore, in line with Wilson and Till (2007), who argue that comprehensive and empirically validated models of consumer responses to DTCA are missing from the literature, we strongly call for additional empirical research on DTCA.

Research on televised DTCA: While the majority of the DTCA empirical research, especially experiment-based, has relied on print advertisements as stimulus materials, in practice most DTC advertisements that consumers encounter in daily basis are on television. The results show an increasing preference of DTC researchers to focus on print media. Therefore, there remains an ample room for future research about televised DTCA.

Online DTCA in emerging media: Pharmaceutical companies are putting enormous resources on Internet marketing. For example, DTC brand websites are used as vehicle for communicating DTC advertisements. However, efficacy of such online DTC ads has yet to be assessed. Thus, we recommend future researchers to endeavor to fill this gap.

Development of measures: Our review shows that DTCA researchers are relying on poor measures to assess the recurrently investigated constructs such as attitudes toward DTC advertising (A_{DTC}) and patient-physician interaction. Interestingly, 58% of our sample studies used self-generated scales devoid of any validation. Most of them were single-item measures. Thus, there is an enormous opportunity to develop DTCA-specific measures such as patient-physician interaction, intention to search more information about advertised drug, and attitudes toward DTC advertising.

Ethical issues and regulations: While ethical issues, government regulations, and pros and cons associated to prescription drug advertising have been well-studied, only 2.3% of empirical research on DTCA addressed these topics. DTCA is one of the most controversial and dubious promotional practices, which often draws the attention of regulatory bodies as well as consumer protection agencies. Some critics are concerned about its value to consumers and society and are in favor of banning it. Therefore, more rigorous empirical research are sought to scrutinize whether DTC advertisers offer value to consumers and whether they abide by FDA guidelines and regulations.

Country of interest: The current research confirms that predominantly 93.1% of the studies on DTCA focused on United States while only 3.2% centered on New Zealand, another country that allows DTCA. Therefore, researchers should pay a sincere attention to DTCA attitudes and response in New Zealand.

Nurses and pharmacists' attitude toward DTCA: Past empirical studies mainly focused on consumers and physicians and little is known about the perceptions of nurses and pharmacists on DTCA. In today's healthcare system, these parties play a pivotal role in patient care. Hence, an investigation of their attitudes and behavior regarding DTCA should have enormous managerial and public policy implications.

CONCLUSION

If any clear takeaway can emerge from the DTCA debate, it is that more research is needed. Extant research findings lay a clear groundwork for where the logical next steps can be taken. Regulatory standardization is recommended as a way to "lock in" standard DTCA practices and content boundaries. Standardizing DTCA regulations will go a long way towards eliminating many of the variables that make it so difficult to study, and making DTCA legal in countries on the fence. More countries with legal DTCA will mean larger populations available for research, which in turn means greater levels of clarity regarding DTCA's strengths, weaknesses, benefits, and flaws. Our research provides ample fodder to the proponents and opponents in the debate on the future of DTCA by highlighting the state of the art in empirical evidence and its shortcomings. Finally, before arguing about banning DTCA, our research highlights the need for policy-makers and academics to take account of the key learning from existing empirical research.

References available upon request

BABY AND ME: SINGLE MOTHERS BY CHOICE AND THE ARTIFICIAL REPRODUCTIVE TECHNOLOGY MARKETPLACE

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This study adopts an interpretive research approach to explore the consumer experiences of a self-identified group, “Single Mothers by Choice” (SMCs). These women are either in the process of becoming mothers, or have attained motherhood, with the help of the assisted reproductive technologies (ART) industry. In the mid-nineties, the fledgling ART industry sought to serve heterosexual couples in (preferably) long-term committed relationships that faced problems in conceiving naturally (Houston, 2004). A decade later, the profit seeking industry’s rapid embrace of “other mothers,” (single and lesbian women) is indicative of an evolving marketplace that is largely unregulated and may be selective of who it serves (Houston, 2004). The potential vulnerabilities of such a marketplace invite further exploration by consumer researchers. Research on motherhood indicates that this life-stage experience involves extensive transitional consumption as women undergo the physical and socio-cultural transformation into becoming mothers. Recent research on new mothers’ consumer experiences (Jennings and O’Malley, 2003; Prothero, 2002; Carrigan and Sczmigin, 2004; Thomsen and Sorensen, 2006; Banister and Hogg, 2006; Voice Group, 2010) challenge dominant theoretical assumptions that consumers are automatically motivated to make informed decisions to consume through transitory life-roles (Voice Group, 2010). In this research we seek to understand the lived experiences of SMCs as they attain motherhood through ART.

The first phase of our study consisted of netnographic discourse analysis (Kozinets, 2010) of posts and blogs from select online communities of self-identified SMCs to understand and contextualize their consumption experiences in the ART marketplace. In the second phase of the study we recruited eighteen informants to participate in e-mail and Skype interviews (Ballantine and Creery, 2010). Since we aimed to understand overall consumer experiences in the ART marketplace, we included SMCs who traversed the entire gamut of the motherhood experience. We invited our participants to narrate their life-stories of how they initially decided to become a parent. Interview topics ranged from their reproductive background, romantic relationships, kin and social networks, careers and finances, and ideas about motherhood and family.

SMCs exchanged surprisingly candid technical, financial, and medical information in their online discourses. Preliminary findings from data analysis through iterative readings conducted independently by the two authors revealed that many SMCs described receiving positive reception as prospective customers at the ART clinics. However, social exclusion and fear of disapproval from social and kin networks were prominent in these discussions as were signs of defiance and celebration of independent decisions within virtual SMC communities. Womens’ consumption experiences in the ART industry, which due to its position as unregulated and largely unaccountable to customers, has been known to differentially treat single women (straight or lesbian) and heterosexual, married couples (Houston, 2004). In addition, our data analysis include accounts of treatment misinformation, inadequate screening processes of sperm donors, and deliberate withholding of financial obligations indicate a discernible lack of consumer control in a life event fraught with emotional investment in the consumption process. Our findings show that conceiving through ART is the least desirable choice for all women irrespective of their single or married status. ‘Trying to make a baby’ through the conventional route of love, marriage and sex, is portrayed as a positive experience of welcoming a child into the world to a two parent loving family. It is a powerful narrative that is ingrained in the cultural fabric of most societies. ART is often the last, desperate effort to experience pregnancy and biological motherhood for many women (Hertz, 2006). Previous research has indicated that heterosexual couples who resort to ART due to infertility problems draw strength and support from each other as they experience the emotionally and physically strenuous journey to parenthood (Fischer, Otnes and Tuncay, 2007). SMCs on the other hand report loneliness as they contemplate becoming single mothers through ART with the added burden of secrecy for fear of disapproval and exclusion from social networks (Hertz, 2006).

In conclusion, our research extends previous research on motherhood related consumer experiences (Fisher, Tuncay and Otnes, 2007; Houston, 2004) by developing a conceptual model that describes the transitional life-stage of SMCs and their interactions with the ART marketplace. The model outlines individual and collective resources of SMCs and other influences that contest and shape their experiences as ART consumers. The model illustrates how the advent of scientific technology, combined with fading boundaries of the digital and physical world of human social networks, influence evolving consumer experiences of women who choose to become mothers without the direct help of Mother Nature.

References Available Upon Request.

AN INVESTIGATION OF YOUNG CONSUMERS ALCOHOL CONSUMPTION: AN IRISH PERSPECTIVE

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INTRODUCTION

This study focuses on alcohol consumption in Ireland. The aim of this research is to investigate how young Irish consumers use alcohol in their endeavour to construct a coherent social identity within a culture of excessive alcohol consumption. The research also investigates the socialisation process that works to encourage this apparent excessive consumption. Essentially, the research focuses on exploring the ways in which social values and attitudes with respect to alcohol consumption are fashioned, sustained and expressed through the process of socialisation. In addition, the research focuses on gaining a greater understanding of how individuals resolve the tension that exists between the desire to achieve social inclusion through conforming to group norms that promote consumption versus the desire to retain an element of agency or control over one's own consumption behaviour. The research also aims to identify a number of public policy recommendations that can contribute in a meaningful way to future social policy formation.

A review of the relevant literature highlights that there appears to be a scarcity of research that focuses explicitly on the issues of socialisation and identity construction with regard to alcohol consumption amongst the youth cohort. Given the prevalence of this consumption practice in Ireland across all age cohorts but particularly with regard to the younger generation, it is felt that there is a clear need to progress the level of research undertaken in this area.

Background

Recently, alcohol consumption has risen to the fore of both public and social policy debates, mobilised predominately around concerns regarding the pervasive concept of „binge drinking“ amongst the youth cohort (Griffin *et al.*, 2009). However Tucker (2004) highlights that excessive episodic alcohol consumption or „binge drinking“ within Ireland does not represent a new found social phenomenon and he argues persuasively that its presence has been evident for decades albeit largely overlooked perhaps due in part to the stigmatised nature of the issue. This is supported by Ramstedt and Hope (2003) who note that excessive episodic alcohol consumption represents a prevalent social practice in the lives of Ireland's youth cohort. In regard to the issue of increasing consumption rates, Jernigan (2001) states that Ireland has one of the highest proportions of mid-teen drinkers. This is supported by more recent research undertaken on behalf of Alcohol Action Ireland, the national charity for alcohol related issues, which highlights that Irish consumers consume approximately twenty per cent more than their European counterparts (Alcohol Action Ireland, 2012). In addition, research conducted by the charity indicates that half of Irish drinkers engage in what has been described as harmful or hazardous consumption behaviour with respect to alcohol. For example, four in ten women and seven in ten men engage in harmful consumption behaviour with respect to alcohol (Alcohol Action Ireland, 2012).

Given the prevalence of the consumption practice, few would dispute the fact that alcohol consumption and indeed excessive episodic alcohol consumption has become a normalised social behaviour (Tucker 2004; Griffin *et al.*, 2009; Measham and Brian, 2005). Furthermore it is noted that alcohol has become entrenched in our means and perceptions of socialisation. Tucker (2004) argues that alcohol consumption is almost universally defined as a social activity and he further argues that alcohol consumption now represents a standard prerequisite for successful socialisation. The research focuses on gaining a more profound understanding of this socialisation process. It is felt that there is insufficient research that focuses specifically on this socialisation process and the role alcohol plays in consumers' identity projects. It is also apparent that there is a scarcity of Irish based research that extends beyond merely adopting a “cause and effect” approach.

With regard to the theoretical framework utilised in the study, the research draws upon literature related to three distinct areas within the field of consumer research. Firstly, the research draws upon theory related to the *self-concept* and more specifically the *social self* construct in addition to incorporating the use of social identity theory. Furthermore, the research incorporates the use of *socialisation theory* in order to investigate the effect that reference groups and the establishment of group norms can have on individual behaviour. Essentially, these theories combine to form the prevailing conceptual framework utilised in the current research.

Socialisation theory, reference groups and norms

Socialisation Theory (Oetting et al, 1998) holds that all social behaviours essentially represent learned behavioural traits that are influenced and structured through cultural interaction. According to Oetting *et al.*, (1998) socialisation theory holds that within a given culture the communication of the culture's norms, ideals and expected behaviours are assigned, often implicitly, to certain socialisation sources. Socialisation theory states that within a given society there are explicit primary socialisation sources or reference groups that work to instil certain behavioural norms that: „...promulgate either prosocial or deviant behaviour“ (Oetting *et al.*, 1998:279). Childers and Rao (1992) note that through the process of socialisation, reference groups or socialisation agents influence individuals' norms, attitudes and values and a distinction can be drawn between what are termed „comparative reference groups“ and „normative reference groups“. However, with regard to the current research, theoretical emphasis has been placed upon investigating the effect that normative reference groups and, more specifically, peer groups have on individual behaviour with respect to alcohol consumption. Within this, the research also focuses on exploring the effect of the value expressive influence that these particular referent groups are capable of exerting (Childers and Roa, 1992). The following section provides a brief overview of the relevant theory related to the self concept and social identity theory.

The self concept and social identity theory

The research also draws upon the literature discourse related to the self-concept in order to investigate identity construction and more specifically the construction of a coherent sense of social identity. Through application of theories related to the self-concept, the research explores the ways in which young adult consumers use alcohol consumption in their endeavour to construct a coherent social self within a culture of excessive alcohol consumption. In addition, the research incorporates the use of Social Identity Theory (Turner, 1985) in order to explore how individuals construct a coherent sense of social identity in addition to gaining a more profound understanding of the effect that social influence can exert on individual behaviour. Social Identity Theory (Turner, 1985) affords one the opportunity to comprehensively examine the effects of group membership and the role social influence can exert over individual behaviour (Johnston and White, 2003). Hogg *et al.*, (1995) state that in essence, social identity theory represents a perspective: „...on the dynamic mediation of the socially constructed self between individual behaviour and social structure“ (1995:255). According to Turner (1985), the theory holds that an individual's behaviour is heavily influenced by society and societal units. This is supported by Hogg *et al.*, (1995) who state that interaction with societal structures such as groups, cultures and organisations function to guide individual behaviour. They further note that due to its predominant theoretical emphasis, social identity theory can be gainfully employed in research undertakings that seek to link: „...individual social behaviour to dynamic features of social structure“ (1995:266). Essentially, it is believed that social identity theory adds a beneficial strand to the current research as it provides a means of gaining a profound understanding of the role alcohol plays in aiding one to construct a coherent sense of social self.

PROPOSED METHODOLOGY

It is intended that the research will adopt a qualitative research orientation, wherein the overall intention is to conduct an ethnographic study of young Irish consumers' alcohol consumption. It is felt that the depth and richness of the required data necessitates the use of a qualitative research orientation. The research will be positioned within the field of Consumer Culture Theory (Arnould and Thompson, 2005) and will draw heavily upon aspects of the „consumer identity projects“ and „marketplace cultures“ research domains of Consumer Culture Theory (CCT). According to Arnould and Thompson (2005) CCT: „...offers a distinctive body of theoretical knowledge about consumption and marketplace behaviours...[and]...is fundamentally concerned with the cultural meanings, socio-historic influences and social dynamics that shape consumer experiences and identities...“ (2005:857). With regard to instrumentation it is intended to adopt a tripartite or multilateral approach that incorporates the use of ethnography (Spradley,1979; Atkinson and Hammersley, 1994), nethnography (Kozinets,1998; 2002) and phenomenological interviewing (Thompson *et al.*, 1998; 2002) as a means of data collection. It is believed that adopting such a multilateral approach is ideally suited to the role of data collection as it offers the potential to yield valuable results in terms of providing a more holistic understanding of consumers' behaviour with respect to alcohol consumption. A brief discussion of the results from a preliminary study undertaken by the researchers is presented below. The study focused on exploring the experiential aspects of postgraduate alcohol consumption.

BRIEF DISCUSSION OF PRELIMINARY FINDINGS

The current study builds upon previous research undertaken by the researchers with a purposive sample of six postgraduate consumers from a range of academic disciplines. The preliminary study focused on investigating the experiential aspects

associated with alcohol consumption and was successful in identifying that older postgraduate consumers have successfully undergone a transition with regard to the behavioural and attitudinal connotations they hold with respect to alcohol consumption. The current study aims to explore and expand upon a number of key issues identified within the preliminary study which warrant further investigation. Preliminary research findings highlighted that young consumers consider excessive alcohol consumption to represent a rational, normalised social behaviour. Furthermore, the findings of the research also indicated that consumption is strongly correlated with socialisation and the goal of achieving social inclusion. For example, this exploratory research accentuated the perceived importance of alcohol as a means of facilitating social interaction and the key role it plays in the formation of friendship networks. The findings of study also suggest that alcohol consumption is considered to represent a form of expected behaviour and this provides further justification for the assertion that alcohol consumption is considered to represent a normalised social behaviour. Specifically, the majority of research participants made reference to the fact that alcohol consumption represents a „common ground“ for them and those within their immediate frame of reference. Furthermore, all participants displayed a strong sense of aversion towards the notion of not consuming alcohol and within this made reference to the fact that failure to conform to what they perceived to be a group norm – that of consuming alcohol – carried with it negative consequences such as social exclusion. It also became apparent that alcohol consumption is also intrinsically linked to consumers’ identity projects and more specifically the construction of a coherent sense of social self. Peer influence also represented a prominent subtheme identified within the research. For example, the findings of the study highlighted the importance ascribed to company and how consumption behaviour can be heavily influenced by those within one’s immediate frame of reference.

CONCLUDING REMARKS

Essentially the current research represents an extension of previous research, in that it focuses on providing a richer analysis of the aforementioned research themes in addition to gaining a more profound understanding of young Irish consumers’ consumption behaviour and attitudes with respect to alcohol, through using an appropriate ethnographic methodology wherein the overall aim is to provide a more holistic understanding of this prominent consumption and societal issue.

References are available upon request

Session 5.1. How Customers are Served in BRICS

Session Chair: Niki Hynes, ESC Dijon, CRCGM Clermont Ferrand, France

Banking in India: Role of Self Service Technologies

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Segmentation Analysis of Mobile Phone Users based on Frequency of Feature Use

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Anské Grobler, University of Pretoria, S.Africa

Service Entry in Emerging Marketing: Introducing Foreign Services to Russian Markets

Ania Rynarzewska, Florida State University, USA



BANKING IN INDIA: ROLE OF SELF-SERVICE TECHNOLOGIES

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INTRODUCTION

India evolved into an emerging economy based on its economic growth for the last two decades and its demographic dividend. India resiliently weathered the global financial crisis by growing at an average rate of 6% to 9% during 2007-2010 as compared to its erstwhile traditional growth rate of 2.5%¹(Tata Statistical Outline of India 2008-2009, 2009-10. Economic, social and demographic metamorphoses dramatically altered the competitive landscape of Indian businesses. The banking sector which was critical for bridging the large rural-urban divide and achieving India's financial inclusion goals, also transformed significantly. Yet even though income levels were rising and 81% of households saved, 36% kept their savings at home as cash (The Marketing Whitebook 2009-2010). About 48% of urban and 62% of rural Indians did not even have a bank account (Naik 2008). As regulatory restrictions eased, multinationals and the Indian private sector rapidly entered the market, increasing competitive pressure on the public sector (i.e., government owned) banks that had hitherto operated more for achieving government mandated financial inclusion goals than for profit. By 2009, India had 27 government banks with 85.8% of the branches and 77% of deposits; 21 private sector banks with 13.7% of the branches and 18% of deposits; and 30 multinational banks with 0.5% of branches and 5.2% of deposits (www.rbi.org.in).

Unlike the large government banks that had deployed technology for the back-end, new banking entrants enhanced customer relationships with front-end self-service technologies (SSTs) such as Automated Teller Machines (ATMs), telephone and Internet banking. Mobile banking was seen as a promising option for reaching inaccessible rural areas where cell phone connectivity was expected to increase to 200 million by 2012 (Sindhu 2008). SSTs also helped banks prune costs per transaction – \$1at branches, 30 cents at ATMs, and 8 cents online (Gupta and Gupta 2008, Naik 2008) – enabling expansion into high volume, low value rural areas. Private and multinational banks had mostly young (20 to 40 years), urban, technology-savvy clients, while the highly political, public sector banks were left with older (50 years and above), technology-adverse and change-resistant clients (De and Padmanabhan 2002).

GLOBAL RESEARCH ON BANKING SSTs

SSTs provided customization, flexibility, improved service recovery (Bitner et al 2000), and thereby enhanced customer equity, satisfaction, loyalty, and service quality perceptions (Parasuraman and Grewal2000, Rust and Kannan 2003). SSTs could also fail or be poorly designed (Bitner 2001). The Technology Acceptance Model (TAM) (David 1989) and the Technology Readiness Index (TRI) (Parasuraman 2000) helped understand SST adoption.

In banking, SST service quality dimensions identified were customer service, technology security/information quality, technology convenience, technology usage ease and reliability (Ganguli and Roy 2011). However, differences existed between different types of banking SSTs. For example, in studying predictors of attitudes towards SSTs, ease of use was found to be important for ATM but not for Internet or telebanking; risk was important for online banking but not for telebanking or ATM; usefulness was important for ATMs and telebanking but not for online banking (Curran and Meuter 2005). Studies in Austria (Grabner-Krauter and Faullant 2008) and China (Zhou et al 2010) found that attitudes towards Internet banking were influenced more by trust and risk perceptions, than ease of use. In New Zealand, SST adoption was found to depend on time and place utility while preference for human interface was a deterrent to adoption (Marr and Prendergast 2003). Size and reputation of bank was important for assuring online banking customers but not in the absence of cues such as good service at the branch (Yap et al 2010).In Finland some deterrents identified for mobile banking were usage, value, risk, tradition and image (Laukkanen and Kiviniemi2010). Durkin (2004) identified different decision styles of consumers in Sweden, UK and USA that influenced adoption of Internet banking. A study in China identified consumer clusters based on TRI but noted the need for cross-country research for incorporating the role of culture and values on technology adoption (Elliott and Meng 2009, Lee et al 2007). Thus banking SST research was ongoing globally but the impact of social factors and culture remained relatively unexamined.

BANKING SST RESEARCH IN INDIA

Banking SSTs were a relatively recent introduction in India. A 2005-2006 survey of 6365 urban Internet users across India, revealed preferred modes of banking as ATMs (53%), Internet (23%), branch (18%), phone (4%) and cell phones (2%) (Internet and Mobile Association of India 2006). However, with just 7.1 million broadband users (Dharmakumar 2010) the results of the study were not generalizable to the billion plus population, 70% of which remained rural. Banks were innovating to extend the reach of ATMs into rural areas, for example, taking ATMs in vans to villages, making ATMs a part of multipurpose kiosks, and using voice or biometrics identification, local languages, and solar power (Outlook 2009, Rao 2009, Banknet India 2007). Internet banking was being used by young, educated, and largely urban consumers. The extent to which the online environment could raise new service quality issues such as efficiency, fulfillment, and privacy (Parasuraman et al 2005), was not clear in the Indian context. Despite 500 million active mobile connections (Dharmakumar 2010), mobile banking had also not yet taken off. Banks could not base their acquisitions and retention goals on SST adoption because they remained unclear about SST adoption in India, and faced technological, socio-economic and attitudinal challenges in rolling out SST tools.

Adhikari and Rao(2006) suggested that in emerging economies like India where the availability of technology was recent and computer penetration was low, consumers' adoption of technology depended not only on their readiness, but also their inclination to fulfill life's needs with technology enabled methods rather than traditional methods. They found that 59% of Indian consumers (as compared to 40% in US and 50% in China), were unlikely to adopt technology, and that income did not impact technology adoption. Further, India was a melting pot where economic as well as social and cultural factors drove consumption, posing huge challenges to marketers including bankers. For example, young, post-liberalization Indians were comfortable with debt for financing consumption and assets, unlike the older, pre-liberalization Indians whose socialist beliefs associated borrowing with social stigma. Yet in many other ways young Indians were not "wannabe westerns" like their counterparts in several BRIC countries, and they displayed both an ethnic as well as international perspective (Bijapurkar 2007). Thus it was no surprise that, India's billion plus population (almost 60% in the 15-59 years range), and its burgeoning middle class (close to 40% of the population) had attracted many multinationals, but brands performed differently in India than in many other emerging economies. For example, value-for-money brands (e.g., Nokia and Honda) fared far better than luxury brands (Bijapurkar 2007, The Marketing Whitebook 2007-2008, Beinhocker 2007). Since inability to use technology made consumers perceive high risk, prefer human contact and exhibit technologically-induced hostility (Walker and Rees 2005), it was imperative for banks to understand the technology adoption propensity as well as the social and cultural factors that drove attitudes, beliefs, and values of Indian consumers.

However, India was geographically large, had low per-capita income, and very high consumer diversity (literacy, religion, income, age, consumption values, beliefs and traditions), which complicated the identification and deployment of an appropriate research method and tool to study technology adoption. Also, while heavy SST users relied more on their attitude towards a specific technology, light users depended more on their global attitude towards technology (Curran et al 2003), so for India both types of consumers had to be studied. The TAM had successfully been adapted for use in other countries. For example, for studying Internet banking consumers in Estonia, Eriksson and Nilsson (2005) added trust, and in India Kesharwani and Bisht (2012) added security and privacy to the TAM instrument. But Bandhopadhyay and Fraccastoro(2007) noted that to study technology adoption outside of the US cultural variables had to be included.

PROPOSED RESEARCH: OBJECTIVES, PLAN AND CONTRIBUTION

The aim of this project is to examine Indian banking consumers' attitudes and beliefs about technology in general, and their propensity to adopt specific banking SSTs. This research could enable bankers to apply out-of-the-box thinking to create and deploy innovative SST technologies for extending banking services to areas and socio-economic classes with hitherto untargeted consumers. It would also benefit marketers deploying or marketing technology products in India. Further, extending the TAM by adding cultural and social variables would aid the deployment of these instruments in emerging and developing economies. We believe that by studying Indian consumers' attitude towards and usage of technology and specifically SSTs will yield valuable insights that likely differ from those gleaned from other parts of the world and will make a significant academic and managerial contribution.

This study is awaiting funding approval, after which an extended TAM (including new social and cultural variables) will be deployed for studying a cross-section of the Indian population of varying age, education and income groups. The study is tentatively scheduled for September 2012.

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SEGMENTATION ANALYSIS OF MOBILE PHONE USERS BASED ON FREQUENCY OF FEATURE USE

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INTRODUCTION

The rising popularity of mobile phones in the South African population, currently 80% ownership (All media products survey, June 2010-July 2011), indicates both the importance of these devices and acceptance of mobile technology amongst this group, in which there is wide disparity in terms of socio-economic status. The high penetration of mobile phones presents this medium as an attractive platform for marketing communication activities. To implement effective marketing communication campaigns, using the various features hosted by mobile phones, requires understanding of a) which mobile phone features people have access to; b) which mobile phone features people make use of; and c) how often people use specific mobile phone features. The purpose of this study is to build segmentation profiles based on the mobile phone features people use and the frequency of use. These segments were compared on attitudinal and behavioural factors concerning the importance of mobile phones and social transformation within the context of a postmodern environment.

BACKGROUND

Segmentation

The literature tends to discuss segmentation in relation to marketing strategies (Claycamp and Massy 1968; Dickson and Ginter 1987; Smith 1956). Smith (1956) made significant inroads to advance market segmentation research, when he remarked that as markets matured they tended to move towards a state of imperfect competition by diversifying instead of perfect competition and becoming more similar. Smith (1956), therefore, advocated the application of market segmentation strategies in situations of imperfect competition.

Market segmentation strategies enable organisations to market the same goods or service to different segments of the market by positioning the goods or service in a way that best appeals to each segment. Various segments will have varying demands for different offerings (Dickson and Ginter 1987). The authors contend that the same rationale, warranting the use of segmentation in marketing strategies, should be extended to marketing communication. Therefore, a medium, such as the mobile phone, could be used to distribute marketing communication content to several market segments.

Cluster analysis has been used to segment populations into mutually exclusive groups (Everitt, Landau, Leese and Stahl 2011; Wedel and Kamakura 2000), and has been applied as a preferred method of segmentation in studies involving mobile phones. Prior research has used cluster analysis: to produce patterns of mobile service usage (Sohn and Kim 2008); to segment mobile phone users according to their preferences to use certain mobile phone functions; to assess which consideration factors are involved in the purchase of mobile phones (Kimiloğlu, Nasir and Nasir 2010); to identify mobile Internet adopters; and to associate different consumer lifestyles with payment of various mobile services (Zhu, Wang, Yan and Wu 2009).

Mobile phones and marketing communication

Mobile phones have progressed from products that were limited to voice only mobile telecommunication to smart mobile media devices that possess multi-functional capabilities. Examples of these capabilities include, but are not limited to: texting, multimedia services, GPS navigation, photograph and video cameras, digital music players and or recorders, radio, email and Internet access, games, calculators, calendars, notes functions, and access to a range of downloadable applications to fulfil a multitude of needs. Mobile phones permit their owners to choose what content or functions these individuals wish to access at their convenience (Groening 2010). The various mobile phone functions present marketing communication opportunities for practitioners to connect with their target audiences.

The proposed profiles segment mobile phone users according to the different mobile phone functions they use and the frequency of usage. Thus, providing an indication of which mobile phone functions would be suitable for practitioners to implement marketing communication initiatives to communicate with their various target segments.

RESEARCH METHOD

Scale items were developed from the literature and in consultation with industry and academic experts. The questionnaire contained items relating to respondents' tendency to use specific mobile phone features; as well as items to measure the importance of mobile phones with respect to respondents' media consumption through these devices; and items to measure social transformation, as an indication of some of the reasons for respondents to use social media as a platform to interface with marketing offers. A convenience sample comprising of full-time registered students at the University of Pretoria was used. A total of 333 completed usable questionnaires were obtained.

K-means non-hierarchical clustering method was used to obtain clusters from the data and principle component exploratory factor analysis was applied to investigate the dimensionalities of two newly designed measures, the one capturing mobile importance and the other aspects of social transformation.

RESULTS AND DISCUSSION

The cluster analysis produced four clusters, namely *Connectors*, *Conventionalists*, *Technoisseurs* and *Mobilarti*¹. The final cluster centre values for each of the thirteen clustering variables by cluster are listed in Table 1.

Table 1: Final cluster centres – mobile phone usage types

	Mobile phone usage types				Overall Mean
	Connectors (28%)	Conventionalists (33%)	Technoisseurs (19%)	Mobilarti (20%)	
Talking	<i>2.750</i>	<i>2.670</i>	2.870	2.970	2.790
Messaging	2.970	<i>2.910</i>	2.980	3.000	2.960
Accessing social media	2.860	<i>2.580</i>	2.970	2.830	2.790
Accessing the Internet for information	2.700	<i>2.060</i>	2.610	2.550	2.460
Listening to or downloading music	2.170	<i>1.640</i>	2.610	2.130	2.100
Using email	2.890	<i>1.940</i>	2.570	2.570	2.480
Playing games	<i>1.490</i>	<i>1.590</i>	2.150	2.670	1.910
Taking photographs	<i>1.850</i>	<i>1.550</i>	2.560	2.750	2.070
Taking videos	<i>1.240</i>	<i>1.180</i>	2.020	2.350	1.630
Using calendar function	2.650	<i>2.000</i>	<i>2.200</i>	2.870	2.410
Using calculator function	2.060	<i>1.590</i>	<i>1.570</i>	2.810	1.960
Using notes function	2.360	<i>1.590</i>	<i>1.620</i>	2.810	2.120
Using mapping/navigation function	1.500	<i>1.170</i>	<i>1.200</i>	1.980	1.460

Figures in bold are larger than the overall means, whilst figures in italics are less than the overall mean

Connectors make up 28% of the total group. They primarily use their mobile phones for communicating and organising; making use of messaging, social media and email functions on an almost daily basis. *Conventionalists* account for 33% of the overall group. *Conventionalists* are inclined to restrict their use of mobile phone features to talking and texting, and thus are regarded as technology laggards. *Technoisseurs* make up 19% of the overall group. *Technoisseurs* frequently use a variety of different mobile phone features and listen to or download music more than any other cluster in the group. *Mobilarti* account for 20% of the total group. Although, the *Mobilarti*, possess the lowest proportion of sophisticated mobile phones in comparison to the other three clusters, they make extensive use of multiple mobile phone features accessible through their mobile handsets.

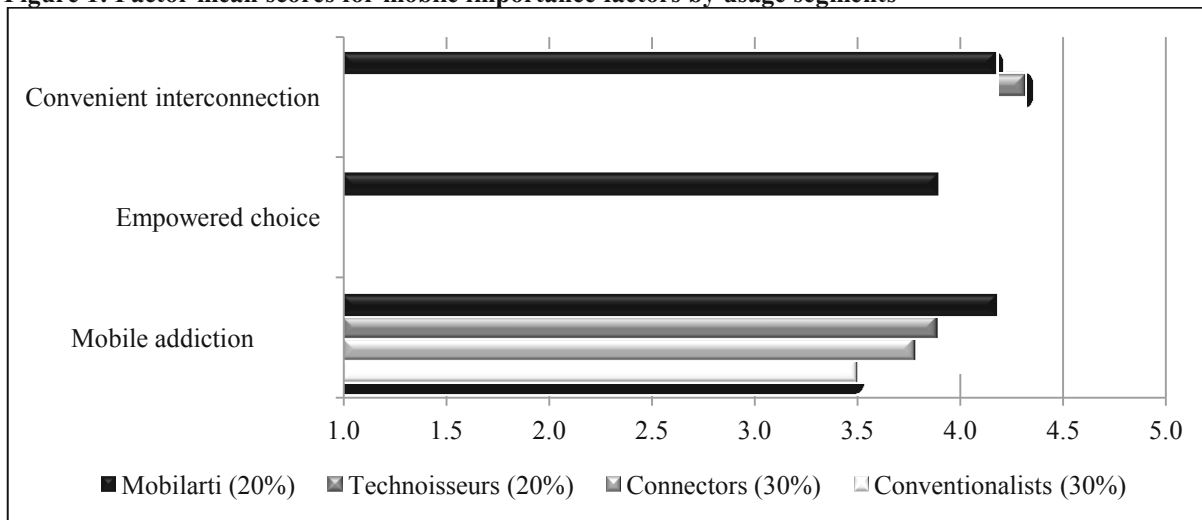
Mobile Importance

For mobile importance, three factors were extracted from seven items, using principle components exploratory factor analysis (EFA) with varimax rotation. The first factor, *Mobile addiction*, can be regarded as being indicative of the postmodern characteristic of *de-differentiation*, through the reversal of roles between subject and object as inferred through the status conferred by respondents to their mobile phones. The second factor, *Empowered choice*, is indicative of respondents' right to choose what media they wish to consume under conditions of abundant choice and therefore suggestive of postmodernism's philosophy for *tolerance of diversity*. The third factor, *Convenient interconnection*, is suggestive of the postmodern characteristics of *hyperreality* and *de-differentiation*, arising from the blurring of boundaries. The boundaries in this case are between physical and virtual media, which is made possible through the use of mobile phones. The three factors together are

¹ The authors acknowledge an anonymous reviewer's suggestion of the term *Mobilarti* that was made on an earlier version of this paper.

considered to be behavioural outcomes in response to a postmodern environment and enable mobile users towards postmodern behaviour. A comparison of the mean scores for each factor across the four usage segments is shown in [Figure 1](#).

Figure 1: Factor mean scores for mobile importance factors by usage segments



The *Technoisseur* group obtained the highest mean scores for *Convenient interconnection* and *Empowered choice* across the mobile phone usage groups. Since the majority in this segment own smartphones, the technological capabilities of their devices facilitate access to and use of a range of media applications and social media platforms. The *Mobilarti* group had the highest mean score across the groups for *Mobile addiction*, which illustrates their high dependency on mobile phones in comparison to the other three clusters. The *Connector* group had slightly higher mean scores than the *Mobilarti* group on *Convenient interconnection* and *Empowered choice*; which supports the assumption that this group uses mobile devices for connectivity, and have the choice to choose which mobile phone features or what media content they wish to engage with through their mobile phones. The *Conventionalist* group consistently recorded lower scores for each dimension than all other groups, indicating their comparatively lower dependence on mobile devices, despite the fact that their mobile devices are mostly smartphones.

Social Transformation

Social transformation is argued to be an outcome of postmodern behaviour and is manifested through respondents' use of social media. Aspects of social transformation were measured using twelve items, and the EFA analysis revealed four factors. The first factor, *Hyperreal cult*, represents the postmodern characteristic of *hyperreality*, and positions social media networks as important communication platforms in contemporary culture, that link and provide the interface that bridges people between the physical and virtual worlds. The second factor, *Hyperreal escapism*, dovetails with the postmodern characteristic of *hyperreality*. It suggests escapism through respondents' participation with virtual games and the exchange of virtual capital between parties. The third factor related to *Interactive collaboration*, is suggestive of the postmodern outcome of *collaborative marketing*. It recognises customers as co-collaborators in marketing, who exchange information within relevant communities of interest. The fourth factor, *Dissolved boundaries*, represents the postmodern characteristic of *de-differentiation*. In this instance it pertains to the fact that using social media networks dissolves boundaries of time, space and place. Social media networks facilitate global connectivity of communities.

The means of the four factors were further compared across the four cluster usage groups, as shown in [Figure 2](#).

Figure 2: Factors mean scores of social transformation factors by usage segments

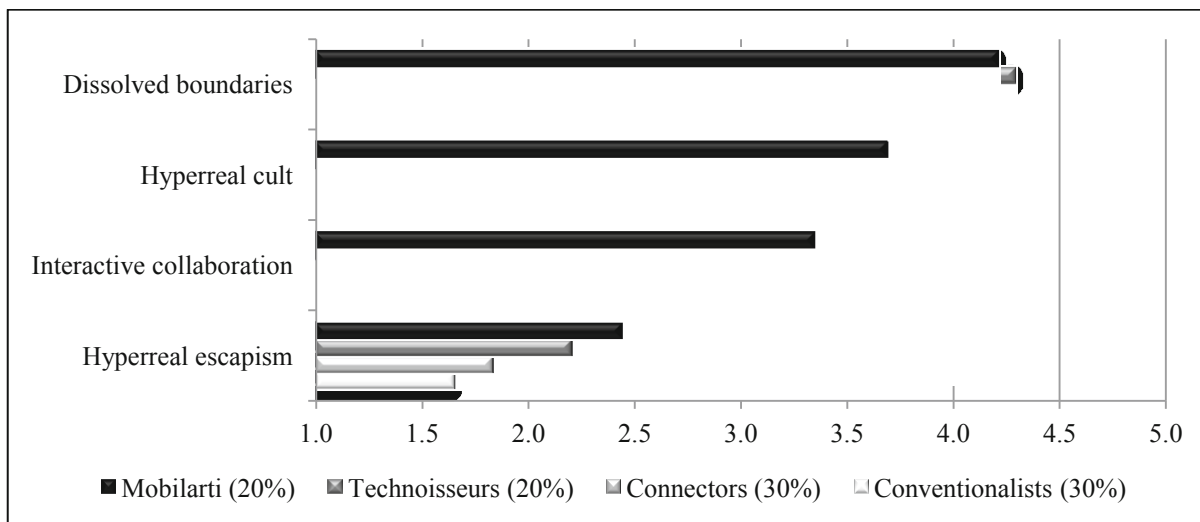


Figure 2 shows a similar pattern for the factors of social transformation to the factors of mobile importance with the *Mobilarti* and *Technoisseurs* obtaining the highest mean scores followed by *Connectors* and finally *Conventionalists* for each of the four factors. The exception is the *Mobilarti* group that had the second highest score for *Dissolved boundaries*. This result may be due to the lower incidence of smartphone ownership within this group and possibly reduced financial resources available to this cluster when compared to the other groups. Lack of mobile phone features in conjunction with financial constraints may be limiting this groups’ perspective of social media networks as platforms to overcome boundaries of time, space and place to cultivate global connectivity.

Summarising, this study is one of the first attempts to segment mobile phone users by features in South Africa. The emergence of four clusters as opposed to a single group confirms that people are different and demonstrate their differences in their attitudes and behaviours. The composition of the four clusters differ by age; ethnicity; and socio-economic factors which may exert financial limitations on the type of handset respondents use (feature phone versus smartphone) and the level of income available to respondents to pay for Internet access via their handsets in order to benefit from various media applications.

On the basis of the clustering arrangements two technology limiting dimensions may explain the differences in clusters, namely the sophistication of mobile technology available to respondents and secondly respondents’ proficiency of mobile technology. The factors emerging from dimensions of mobile importance and social transformation relate to postmodern traits, where mobile importance recognises mobile phones as important enablers of postmodern behaviour, and social transformation characterises outcomes of postmodern behaviour. Mobile phones make it possible for respondents to exhibit postmodern behaviours, for instance interacting with each other across physical domains through virtual media platforms, or participating in collaborative marketing initiatives with specific brands.

References Available Upon Request

SERVICE ENTRY IN EMERGING MARKETS: INTRODUCING FOREIGN SERVICES TO RUSSIAN MARKETS

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ABSTRACT

Emerging markets are those in the process of transitioning from being centrally planned to democracy driven with a more independent economy that is market-orientated. Emerging markets are currently experiencing rapid economic growth. Because of current and past economic and political situations, emerging markets also typically differ from developed markets.

The objective of this study is to propose a testable model of service entry in Russia. This paper attempts to identify areas of focus for firms considering investing in emerging markets. At the core of this framework is the assumption that consumers in emerging markets behave differently than those in developed countries. Each country experiences globalization differently. These differences are primarily due to diverse historical and cultural backgrounds, demographics, economic resources and development priorities, as well as the current and emerging political-economic trends. This is why companies need to learn about the economic and social conditions in emerging markets in order to be successful.

In summary, this paper attempts to identify a number of important variables likely influencing Russian customers to approach foreign services. Using the Theory of Planned Behavior, variables that are likely to influence Russian customer to intend to approach new service were identified and include: normative beliefs, motivation to comply, valence and strength, ability to choose and the price of service offered. Finally, a potential moderator of the intention and actual action that is the first time service encounter was also proposed. Trust in the services provider is thought to moderate this relationship. In times when Russian market becomes flooded with foreign investors, this paper offers areas of focus for the companies that wish to enter this rich in opportunity market.

References available upon request.

Session 5.2. Entertainment & Leisure Marketing

Session Chair: John Gironda, Florida Atlantic University, USA

A Comparison of American and Hong Kong Consumers' Attitudes toward Product Placement in Movies

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Claire Stammerjohan, University of Louisiana Monroe, USA

Exclusion from Entertainment and Leisure Venues: Can't We Play, Too?

Geraldine Rosa Henderson, Rutgers Business School, USA

Jerome Williams, Rutgers Business School, USA

The Business Model and Value Chain of Cultural and Creative Industry

Shun-Ching Horng, National Chengchi University, Taiwan

An-Hsin Chang, National Chengchi University, Taiwan

Kuan-Yang Chen, National Chengchi University, Taiwan



A COMPARISON OF AMERICAN AND HONG KONG CONSUMERS' ATTITUDES TOWARD PRODUCT PLACEMENT IN MOVIES

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ABSTRACT

Product placement, which is the appearance of brands in motion pictures, television programs, video games, and other entertainment venues has seen tremendous growth in the United States and worldwide. However, product placement is relatively new in Hong Kong and has seen some backlash among consumers. Several studies have examined consumers' attitudes toward this practice, and some have compared cross-cultural attitudes. The present study examines attitudinal difference across U.S. and Hong Kong consumers regarding attitudes toward product placement in movies. Results indicate several significant differences in attitudes, indicating a need to consider standardization modification strategies when exporting U.S.-based entertainment to Hong Kong.

References available upon request.

EXCLUSION FROM ENTERTAINMENT AND LEISURE VENUES: CAN'T WE PLAY, TOO?

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ABSTRACT

The purchasing power of historically invisible groups is growing and yet we continue to see instances of entertainment and leisure venues either outright denying access to them and/or at least degrading the service that they receive. We study this and other such discrimination and injustice against groups based on gender, religion, skin tone, body image, weight, sexual orientation, language, disability, and other demographic markers (Walsh 2009). We provide a historical perspective, discuss our qualitative methodology, present our findings, and conclude with some recommendations for marketers and researchers in supporting the transformation of the lives of consumers in oppressed groups and segments from positions of being discriminated against and experiencing marketplace injustice to a position of fair and equitable treatment in a marketplace reflecting social justice.

We have developed a theoretical perspective on why these injustices are differentially perceived across groups. Thus, our research questions are as follows: To whom does Entertainment and Leisure Marketplace Discrimination occur and how? Do members of traditionally dominant groups and traditionally marginalized groups differ in the perceptions of Marketplace Discrimination? How are service provider reactions to allegations of Marketplace Discrimination perceived by members of marginalized groups?

We collected primary data in the form of depth interviews and drew heavily from extant literature. Respondents represented various ethnoracial backgrounds, genders, sexual orientations, religions, etc. (cf. Motley and Henderson 2008; Motley, Henderson, and Baker 2003; Spiggle 1994). The coauthors and student collaborators interviewed people identified in multiple ways. The interviews were either conducted face-to-face or over the telephone, via the internet (e.g., Skype). Each interview was audio and/or video-taped and were between 40 and 90 minutes long. Interpretations of emergent themes were derived directly from interview transcripts, interviewer notes and the extant literature. The themes were independently developed by the co-authors and their research assistants, and while the labels differed, the interpretations overlapped.

We believe that the emergent themes from our data are best captured by our theoretical framework: liberation psychology. At its core, liberation psychology concerns the interaction between individuals and society (McKown 2005). Liberation psychology assumes that oppression often includes a tacit acceptance of inequities by oppressors and oppressed. From this perspective, oppression reflects lack of awareness of societal conditions that maintain oppression. The key to overcoming oppression is thus the development of "critical consciousness" on the part of oppressed people, or an awareness of social and economic contradictions, particularly the conditions of social inequality. Adams, O'Brien, and Nelson (2006) focus on three central tenets of a Liberation Psychology analysis: adopting the perspective of the oppressed, recovering historical memory, and de-ideologizing everyday experience (Martin-Baro, 1994, p. 30).

Liberation Psychology provides the perfect theoretical base to account for our marketplace discrimination data. We maintain that if more entertainment and leisure marketers adopted the perspective of the oppressed, they would be less likely to create/tolerate such circumstances. In addition, to the extent that marketers are able to Recover Historical Memory they would understand the context in which their traditionally marginalized customers put what they may believe are innocent mistakes. Lastly, by moving past feelings of guilt and confronting the issues head on, owners and managers of entertainment venues will be able to have a productive dialog with consumers about what constitutes fair treatment.

References available upon request.

THE BUSINESS MODEL AND VALUE CHAIN OF CULTURAL AND CREATIVE INDUSTRY

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ABSTRACT

The framework of Porter's value chain(1985) is extremely useful for manufacturing firms to conduct competitive analysis and formulate strategy. However, Cultural products carry a strong symbolic value which is determined by the social and cultural meanings associated with it that allow consumers to express individual and social identity via the purchase and use of the product. We believe the original value chain is not applicable to firms marketing cultural and creative products. Based upon case study from the experiences in Taiwan, we propose a Culture Creative-Based Value Chain (CCVC). Drawn from CCVC, we find there are three different business models utilized by firms, namely, company with marketing competence, craftsman/designer brand, and vertically integrated company. We also compare the various value activities of CCVC for the three business models.

INTRODUCTION

In recent years, culture and creative industries (hereafter referred to as CCIs) play an important part in the national development policies in many developing countries; especially Asian countries have historic and unique cultural resources (United Nations Conference on Trade and Development, 2008). CCIs can be both high-tech and high-touch, are highly creative and with potentials in economic development. However, how the value-added activities actually work out remains unclear (Eikhof and Haunschild, 2007). It is crucial to understand the value chain in order to assess the value of CCIs. Examining the value-creation processes by traditional value chain may be not suitable for CCIs since value chain model was originally developed from a manufacturing setting (Porter, 1985). We aim to propose the value chain model of CCIs in Taiwan and to explore how firms in these industries create value for their customers through a series of value creation activities. Understanding how value chain works for their consumers, firms can employ their unique business models to build sustainable competitive advantages.

THEORETICAL BACKGROUND

According to United Nations Educational, Scientific and Cultural Organization (2007), the concept of "cultural industries" centers around the cultural heritage and traditional and artistic elements of creativity, and the term "creative industries" tends to emphasize on individual creative talent and innovation, and on the exploitation of intellectual property. According to the Taiwanese government, there are at least 15 Cultural and Creative Industries, which are visual art, music and performance art, cultural assets application and exhibition and performance facility industry, handicrafts, film, radio and television broadcast, publication, advertisement, product design, visual communication design, designer fashion, architecture design, digital content, creativity living, popular music and cultural content (Ministry of Culture, 2010). Apparently, there are significant differences among these industries. Being more familiar with industrial structure and people in this industry, we choose to study handicrafts industry.

Cultural products carry a strong symbolic value which is determined by the social and cultural meanings associated with it that allow consumers to express individual and social identity via the purchase and use of the product (Ravasi and Rindova, 2008). In the theory of consumer behavior, product consumption has begun to be seen as involving a steady flow of fantasies, feelings, and fun encompassed by the "experiential view." Likewise, our understanding of leisure activities, consumer esthetics, symbolic meanings, variety seeking, hedonic response, psychotemporal resources, daydreaming, creativity, emotions, play, and artistic endeavors may benefit from this view (Hirschman and Holbrook, 1982; Holbrook and Hirschman, 1982; Holbrook et al., 1984).

From the perspective of a firm, crucial in assessing the value of a local and/or regional creative industries sector is to understand the value chain (Henry, 2007). Firms in these industries should understand what the value chain is and to assess their positions in the value chain structure. Porter's value chain model (1985) consists of primary activities (inbound logistics, operations, outbound logistics, marketing and sales, and services) and support activities the firm marshals to create values (infrastructure, human resource management, technology development, and procurement). At one end the process of shifting goods are origination and the producer; in the middle the commodity and its distribution; at toward the other end is the

consumer or end user (Hartley, 2004).

However, there are two limitations for applying traditional value chain analysis to CCIs. Firstly, CCIs firms share many characteristics of the service economy (Potts, Cunningham, Hartley, and Ormerod, 2008), and they are usually small in size. Value chain model is logical for firms that produce tangible products that require physical inputs and large investment for production capacity and raw materials, but service firms rely more on human assets as the primary ways for value creation (Cartwright and Oliver, 2000). Secondly, Value chain cannot capture the complexity of roles and relationships in the CCIs. As cultural goods are examples of the hybrid and complex relationships between production and consumption, the symbolic meanings and materials (Pratt, 2008). O'Connor (2010) emphasized that "technological reproduction is necessary but not sufficient to explain the expansion of cultural commodity production". Pratt (2008) maintained that "front line" artists or cultural workers are often seen as only ones who create value. Cunningham (2002) argued that the creative industries involve higher value-added inputs (i.e., digital contents, knowledge and skills) in the upstream activities of the value chain, and this is where they take their part in the knowledge-based economy. Based upon case study from the experiences in Taiwan, we propose a Culture Creative-Based Value Chain (CCVC).

METHODOLOGY

In Taiwan, the dynamic and diverse handicrafts industry is included as one of the 15 CCIs. Local handicrafts products are made according to daily needs of people, climate, natural environment, culture, history and religion (National Center for Traditional Art, 2012). Many traditional handicrafts creations in Taiwan are originated from the Ming and Ching Dynasty, in Kenton and Fujen provinces of China. Handicrafts products are also influenced by local aborigine handicrafts, Japanese arts, industrialized and western civilizations; they have evolved from history and developed their own features (National Taiwan Craft Research and Development Institute, 2001). We focus on handicrafts industry which has high economic value and possesses strong cultural connotations (United Nations Educational, Scientific and Cultural Organization, 2000).

According to our understanding of the Taiwanese handicrafts industry, we picked three famous and successful firms, which the first researcher is personally familiar with these founders. Since these companies are relatively young, these founders are also company CEOs. The three companies we chose were Artimize, Franz, and Tittot, which represent different business models respectively of the handicrafts industry in Taiwan. We adopted a discovery-oriented approach, which included secondary data analysis and key informant in-depth interview. Secondary data include press release, company brochures, business and management magazine reports, etc.

RESULT AND DISCUSSION

Based on the case analysis of the three companies, we propose a generic Culture Creative-Based Value Chain (Figure 1), which consists of six key components of value creation: culture, ideation, design, production, branding and channel. The first two components are the foundation upon which the other four value activities create values for consumers. As contrast to Porter's, Culture and Ideation are similar to the support activities; while design, production, branding, and channel are similar to the primary activities.

The value chain in handicrafts industry begins with the recognition of cultural context which provides symbolic meaning with unique value to certain consumers. The cultural context serves as input to the process of ideation which is the initial moment and forum of creativity. It is argued that cultural planning must be strategic, integral, responsive and comprehensive in its scope (Mercer, 2006). It can be observed that there is much usage of oriental cultural elements, especially Chinese culture in the creation of cultural and creative products in Taiwan, as well as the process of incorporating local Taiwanese culture, Western influences and modern technologies.

Cultural product design is a process of rethinking, reviewing, and redefining cultural features. Culture diversity constitutes an important foundation for creativity and innovation in Taiwan's handicrafts business. Handicrafts products are not only of functional use, but also the aesthetic qualities are highly appreciated during the design stage. Production is the transformation of ideas into cultural goods and services, and it deals people, resources, productive capacities and training available to aid the transformation of ideas into marketable products (Landry, 2000). Due to cost consideration and customer's requirements of mass production, overseas production has become common for Taiwan industries. Although many handicrafts firms have moved their production bases to China and other countries, the production of premium products, and their R&D and design centers remain in Taiwan.

Based upon CCVC, we found there were three different business models, namely, company with marketing competence, craftsman/designer brand, and vertically integrated company. The characteristics of these business models are shown in [Table 1](#). Whether the business founder/CEO is an artist or not, these firms have long been aware of the power of brand value, therefore brand- building is the core of their strategy management.

Model 1, company with marketing competence is represented by Artimize Worldwide, established in 2004, which is a marketing firm focuses on promoting cultural and creative items, is noted for collaborative work among artists, designers and entrepreneurs. Successful collaboration of its design and production outsourcing partners enables the company to build up brand new business models with art and creative products. The main business activities included international marketing of, design, and copyright management for art items (Ministry of Economic Affairs, 2011). “Tales by Pave” is the company’s handicrafts product line of decorative art tiles. These tiles are created in square and rectangle ornamental stone decopaves that are illustrated with ancient myths and stories (Artimize Worldwide, 2008).

Model 2, craftsman/designer brand, is typified by Tittot, established in 1994, which is a fine handicrafts brand, engaged in the crystal glass design, processing, producing and sale of glass handicrafts products and accessories. Having originated from ancient Chinese crystal glass, Tittot has created a new life for it. Artists usually focus on creating art work and do not have much of an idea about or energy left for production, management and marketing, therefore the brand management needs to rely on business professionals to. It is often that artists shun entrepreneurship, and entrepreneurs and financiers have stereotypic ideas of artists, but it is important to match artistic expertise with knowledge of business, though not necessarily within the same person (Pratt, 2008). Fortunately, the company was founded by two brothers. One is an artist, the arts director, who possesses the skill to create and design beautiful products. The other is the CEO, who runs the company effectively. They have been synchronizing perfectly since the establishment of the firm.

Model 3, the vertically integrated company, is represented by Franz. Its parent company, Seagull Décor, has more than two decades experience earlier as toy and gift manufacturer without its own brand, e.g., Original Equipment Manufacturing (OEM). Actually OEM is still the major business model of most Taiwanese companies. The brand name Franz is named by Franz Chen, the founder and current CEO. Interestingly, unlike Tittot, Chen does not have the skill to create /design a product. The company designs, creates and markets a variety of functional and home decor accessories. The collections include porcelain tableware, vases, decorative products, and a line of exquisite jewelry (Franz, 2012). Franz Porcelain is well-known for its harmonic balance of Chinese fine porcelain handicrafts with styling inspired by classic Art Nouveau designs. The achievement of the brand is largely contributed to the company’s management of market knowledge, recruitment of talented porcelain makers and designers, advanced technology and the capability of establishing sales channels. Founded in 2001, it is quite exceptional that a young brand like Franz, has become the most well-known handicrafts brand in the greater China. Franz is actively attending international exhibitions and trade shows and accumulating many awards. It is an effective way to maximize brand exposure and attract attention from potential customers globally. Interesting enough, both governments of Taiwan and China present Franz products to international state guests as their representative gifts.

CONCLUSION

Inspired by the conventional value chain, we propose a Value Chain for the Cultural and Creative Industries, based on case analysis of three firms in the handicrafts industry of Taiwan. According to the value chain analysis, three business models are utilized by firms to create values for their markets. Firms in these industries can develop more sustainable competitive advantages from constructing a unique configuration of CCVC.

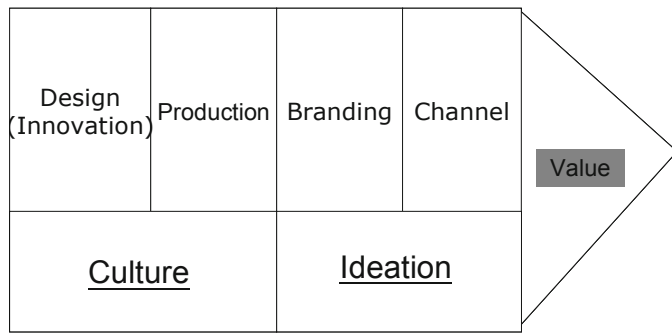
TABLES

Table 1: Business Models Drawn from CCVC

Model	Unit	Culture	Ideation	Design	Production	Branding	Channel
Model 1: Company with marketing competence		Brand stories are derived from ancient oriental culture such as China and India	Stone carving of legendary stories and historic objects on square and rectangle ornamental stone deco paves.	Collaborating with local designers and artists in Asian countries. Design elements are dawn from symbolic patterns and architectural elements	Using local raw materials and collaborating production sites.	The brand is owned and managed by “Artimize Worldwide”. This brand defines itself as a smart and modern player of transforming art to life.	The collection is distributed in over 30 countries with over 450 shops.
Case: Artimize Worldwide (Brand name: Tales by Pave).							
Model 2: Craftsman/ Designer brands		Products convey the Chinese way of thinking and living	Using Chinese philosophies to deepen the creations profundity.	In-house craftsman and designers. Integrating Chinese culture to perform unique lost-wax casting.	Mass-produced commodity made in China, and high-end pieces produced in Taiwan.	Founder, Wang, a well-known film director and is devoted to the development of Chinese crystal glass craftsmanship.	Items are sold in high-end department stores. Products distributed to more than 80 points of sales.
Case: Tittot							
Model 3: Vertically integrated company		Blending the essence of Oriental culture with the styling inspired by Western artistry.	Combining traditional Chinese character with classic Art Nouveau designs to create more various styles.	In-house craftsman and designers Design themes are inspired by nature, and through the designer's interpretation of the oriental philosophy.	Design and research center is based in Taipei, with production carefully managed and closely supervised in Mainland China.	Integrating Eastern aesthetics and Western Art Nouveau style has become a brand captured international fame for its intricate unique products	Items are sold worldwide to prestigious department stores. Over 6,000 points of sales worldwide.
Case: Franz Collection							

FIGURES

Figure 1: Generic Culture Creative-Based Value Chain



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Session 5.3. Selling and Consuming

Session Chair: Nina Stuebiger, Karl-Franzens-University Graz, Austria

Influence of Group Characteristics on Individual Consumption when Sharing

José-Domingo Mora, University of Massachusetts Dartmouth, USA

Modelling Ethicality in Consumption: Bridging the Literature on Ethics

Eleni Papaoikonomou, Universitat Rovira i Virgili, Spain

Nicholas G. Paparoidamis, Catholic University of Lille, France

Ruben Chumpitaz, Catholic University of Lille, France

Revisiting Salesperson Knowledge in a Knowledge Economy: The Role of Optimism

Vinita Sangtani, North Georgia College and State University, USA



INFLUENCE OF GROUP CHARACTERISTICS ON INDIVIDUAL CONSUMPTION WHEN SHARING: AN EXPLORATORY STUDY ON TELEVISION VIEWING

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INTRODUCTION

Experiential products in categories such as leisure and entertainment can be consumed by more than one individual at the same time as they are as well pure public or mixed private/public goods. That is, consumption of products like movies, restaurants and concerts can be shared (Belk, 2009). Everyday experience tends to support the conjecture that individual consumption of experiential products increases in group contexts, where affect and other group processes should positively influence individual willingness to extend or even participate in the experience. Thus, individual consumption should depend on observable group characteristics when individuals share but there are sparse antecedents in the literature on this subject. This is an exploratory study on the effect of two basic group characteristics on individual consumption when sharing: group size and group composition. The interaction of group size and level of choice is explored as well. The study presents distributions of estimates for a random parameters model estimated on panel data of television viewing from a novel geography: Mexico. Implications for marketers include the possibility of improving the design of products and promotions to optimize shared consumption, enhance customer satisfaction and increase sales. Theoretical implications point to the need of a better understanding of group consuming common choices.

BACKGROUND

Adamowicz et al. (2005) point that research on group decision making in real settings and on real groups of consumers offers plenty of opportunities to advance marketing scholarship. Consistent with such claim, the literature shows a clear focus on group processes (e.g. Corfman & Lehman, 1987; Chandrashekar et al., 1996; Arora & Allenby, 1999; Aribarg, Arora & Bodur, 2002; Su, Fern & Ye, 2003) while most empirical modeling research on people meter data has either not considered social phenomena (e.g. Rust & Alpert, 1984; Shachar & Emerson, 2000; Moshkin & Shachar, 2004) or else has constrained it to one-on-one behavioral interactions (e.g. Yang, Narayan & Assael, 2006; Yang, Zhao, Erdem & Zhao, 2010). Mora, Ho & Krider (2011) describe patterns of consumption and variety by group composition on people meter data, and Mora (2012) investigates group size as an antecedent of individual consumption on cross-sectional data, with a fixed parameters GLM.

The present research assesses the effects of group size on individual consumption accounting for group composition, using a panel model which controls for unobserved consumer heterogeneity. The interaction of choice levels and group size is explored as well. Television viewing is framed as sharing (Belk, 2009) based on communication research showing that TV watching provides a locus for displays of mutual affect (Lull, 1980a, 1980b, 1982). Television programs are public goods (Owen & Wildman, 1990) with monetary costs not depending on the number of consumers or the amount consumed. Although consumption is private, exclusively at home in our sample, that does not affect the public good character of programs. By the same token, national defense, the paradigmatic example of a public good, is enjoyed privately as individual and family safety. Examples of mixed public-private goods include restaurants, concerts, as well as music and movie CDs and DVDs. In such cases, the buyer needs to pay for the private good component (meals, seats at the venue, discs) to enjoy the public good component, which is the actual experience (ambiance, performances, music, movies).

SAMPLE AND RESEARCH METHODS

In the spirit of the Conference's central topic, Cultural Perspectives in Marketing, this research is conducted on data from Mexico. Some facts on consumption of television programs in Mexico follow. The average daily exposure to television in a Mexican household in 2009 was 8 hours and 47 minutes. UNESCO data for 1997 indicates the number of TV sets per thousand people in Mexico was 272, compared to 429 in the USA, 205 in all other Latin American countries, 60 in Africa and 446 in Europe. In Mexico City the estimate was 443. There were 3.6 people per TV set in Mexico in 2009; average TV penetration was 86%, but in large cities was over 90%. Pay TV penetration was 26% with contrasts across cities (all data from Jara & Garnica, 2009). The average non-pay TV home in this study sample has access to 9 channels; the average pay TV home has access to 55; and, 78% of families have children while 22% are childless couples.

Television viewing in Mexico is measured on a people meter panel operated by a joint-venture between the Mexican firm Grupo Delphi, AGB (Nielsen Media Research) and IBOPE Brazil. More than 2,500 homes in 27 cities are in this panel.

Researchers had access to a 2-week data base collected in April 2006, reporting individual consumption by 15-minute intervals and other variables listed below, between 18:30 and 23:00, Monday to Friday. The first week was used as an initialization sample to calculate state dependence covariates (see below). A computational code was developed to detect groups from patterns of pairs of viewers.

A random parameters panel model (Swami, 1985) with a Tobit specification for sparse data (Amemiya, 1984) was estimated using LIMDEP econometric software (Green, 2010). Random parameters models allow accounting for the distributions of the effects of the observed variables across individuals, as opposed to regular fixed parameters models which apply single estimates to all observations and thus yield less accurate predictions. It is assumed that parameters are normally distributed. The dependent variable was viewership as the proportion of each interval viewed by an individual.

Table 1 summarizes model specifications by sample. *High Choice* designates presence of pay TV. Tendency to co-view is included as a proxy for mutual influence; i.e. as TV programs are transmitted in specific, limited spots, mutual influence should result in increased co-viewing (Lull, 1980b; Yang et al., 2006, 2010). *Variety* of consumption is captured by the Shannon-Weaver diversity index. Demographics are *Socio-Economic Status*, *Geography*, *Number of TV Sets*, *Age*, *Gender* and *Family Role*. *Psychographics* are dissimilarity between wives and husbands over 44 attitudinal items on a classification of the Mexican consumer developed by a subsidiary of Grupo Delphi using Yankelovitch multivariate methods (*Marketing Trends*, 2006; available from the author). *Program Characteristics* are 20 genres of broadcast TV programs and pay TV channels; video-players/video games and local channels. State dependence includes past viewership and day-part (Shachar & Emerson, 2000; Moshkin & Shachar, 2004). All these covariates improved model fit.

RESULTS AND DISCUSSION

Table 1 shows that model 2 has smaller AIC and BIC and thus better fit than model 1. Estimates for the focal covariates are presented in **figures 1** through 4. Other estimates remain available upon request (jmora@umassd.edu). **Figure 1** shows that estimates for *Mutual Influence* tend to be slightly positive when groups are not considered, coinciding with studies disregarding group influence (e.g. Yang et al., 2006, 2010). When group characteristics are considered, 95% of the estimates for (the residual) *Mutual Influence* become negative (as in Mora, Ho & Krider, 2011). The larger variability of estimates in high choice, as compared to low choice, indicates that more choice leads to more opportunities to exert influence.

Figure 2 presents the estimates for *Variety*, i.e. number of channels viewed in a 15-min interval. The variability of these estimates decreases in Model 2 with regard to Model 1, both for the total sample. Estimates for low choice (9 channels) are negative while in high choice (55 channels) they are closer to zero and almost half the distribution is positive. Low choice might lead to lack of consensus on well-known options. Under high choice, consensus might be more likely as more diverse preferences can be met. This should be more common in households with better knowledge of product assortments, the heavier users of pay TV, which should fall on the positive side of the distribution for high choice in Model 2.

Figure 3 presents estimates for *Group Composition* in terms of family roles. This variable is operationalized as presence of roles other than the own individual's, i.e. all *Group Composition* dummies are set to zero if an individual is watching alone. The interaction with a second individual decreases consumption regardless of this individual's family role. These effects are less pronounced and dissimilar across roles in low choice households; and, more pronounced and dissimilar across roles in high choice households. In high choice homes, individual differences seem to exacerbate dissensus. Children significantly reduce viewership respect to husband and wife which might reflect the effects of, first, groups of children performing short searches in the relatively fewer children's channels and time slots as compared to the number of adult channels; and, second, limited co-viewing parent-child under "family viewing" (Morley, 1992; Yarto & Lozano, 2004) when parents supervise but won't stay for the whole program.

Figure 4 shows that *Group Size* negatively affects individual consumption after controlling for *Group Composition*. In other words, individual consumption under sharing decreases as a result of having more people in the group. The average estimates are proportional to choice level, i.e. higher in pay TV and lower in non-pay TV homes, but the slopes remain remarkably similar across these two sub-samples.

CONCLUSIONS AND IMPLICATIONS

Contrary to experience and anecdotal evidence in other public goods categories, shared consumption of television programs reduces individual consumption. Lower involvement with television programs respect to higher involvement with costlier

entertainment paid “by the piece”, like restaurants, movies or concerts, is a plausible explanation for these findings. Choices are made more carefully in outing occasions as compared to television viewing at home; while sharing with friends consumers confront higher social risks and better prospects of a unique experience, as compared to routine family viewing, further increasing involvement.

These findings should lead to further research considering more aspects of group composition in television audiences as well as group processes. Accounting for these covariates should attenuate the slopes of the curves in Figure 4, although not necessarily to the same degree. Furthermore, research on higher involvement entertainment and leisure product categories will shed light on the broader picture of shared consumption.

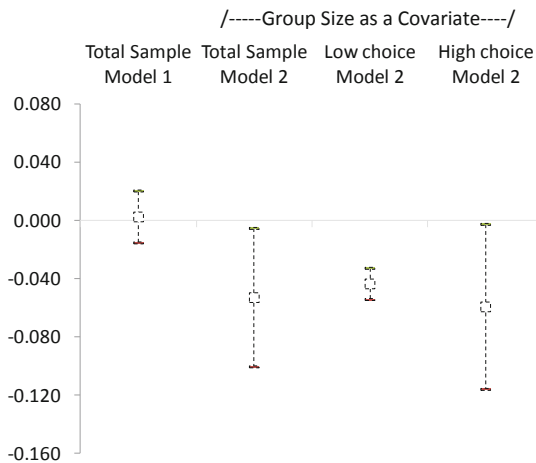
This exploratory study has implications for marketing strategy. If sharing leads to reduced individual consumption, as with television programs, a group size maximizing aggregate consumption should be determined as number of TV sets turned on may increase with decreasing group size. For instance, couples may become a more important target if two group size optimizing aggregate consumption, implying that programs and promotions should be created to foster couple viewing. If sharing leads to increased individual consumption, as expected with restaurants and concerts, then aggregate consumption should monotonically increase with group size, and marketing strategy should aim at maximizing group size.

TABLES & FIGURES

Table 1. Fit statistics, number of cases and covariates in models 1 and 2

	Total Sample		Subsamples	
	Model 1	Model 2	Low Choice	High Choice
			Model 2	
AIC	0.2833	0.2681	0.2777	0.2541
BIC	0.2878	0.2735	0.2838	0.2680
Number of cases	185,300	185,300	121,720	63,580
Group size		✓	✓	✓
Group composition		✓	✓	✓
High choice dummy	✓	✓		
Mutual influence	✓	✓	✓	✓
Variety of consumption	✓	✓	✓	✓

Figure 1. Distributions of *Mutual Influence* estimates, by sample and model



Note: Intervals contain 95% of estimates

Figure 2. Distributions of *Variety* estimates, by sample and model

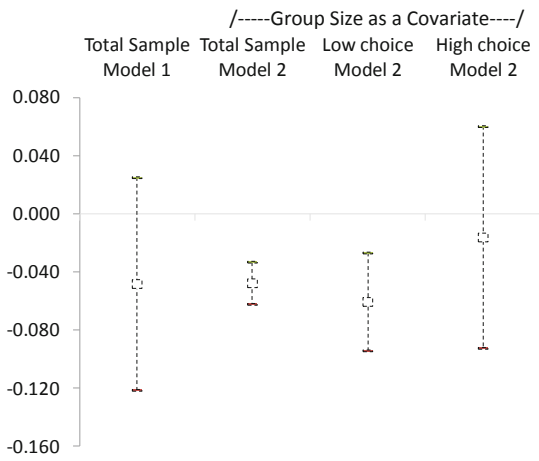


Figure 3. *Group Composition* estimates in model 2

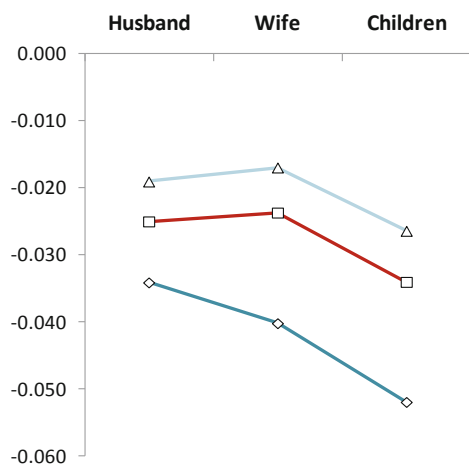
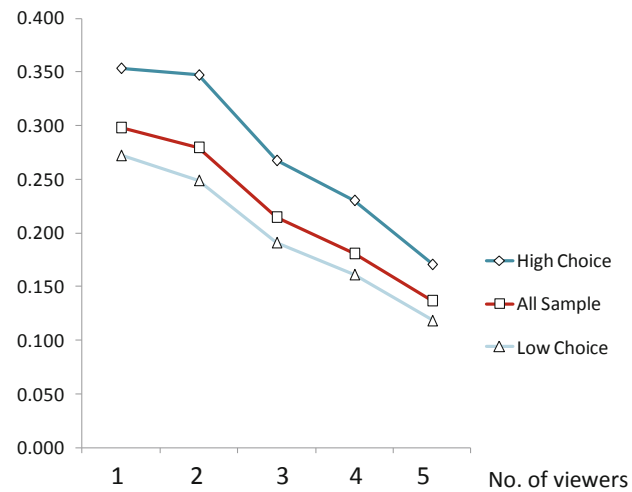


Figure 4. *Group Size* estimates in model 2



References Available Upon Request.

MODELLING ETHICALITY IN CONSUMPTION: BRIDGING THE LITERATURE ON ETHICS

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ABSTRACT

In recent years, the western world has observed the growing popularity and gradual consolidation of the ethical consumers who express ethical concerns through consumption. Research efforts to model the ethical consumer mostly draw on attitude-intention models and ignore existing ethical decision making models in the business and consumer context. Also, a major issue in this field is the attitude-behaviour gap, where consumers claim to be ethically concerned, but do not behave accordingly. To overcome these issues, we propose a new model drawing from a number of models in the general field of ethics and marketing.

The present paper broadens the domain of ethical consumer decision making by taking into account different models that have been studied in the broader field of ethics and marketing, that could allow us to further advance the explanatory ability of existing ethical consumer decision making models such as the widely used models of Ferrell & Gresham, (1985), Trevino (1986), Rest (1986), Hunt & Vitell (1986) among others.

One of the main contributions of this model is that decision making does not only refer to the evaluation of a specific ethical behaviour, but also to the recognition and evaluation of the ethical issue related to this behaviour. Thus, the enactment of the behaviour should be examined in relation to the recognition and evaluation of an ethical issue.

A review of the extant literature on ethical consumer behaviours allowed us to identify other variables that might influence the process of evaluation of a moral issue. For instance, previous studies acknowledged that ethical consumer behaviours might be a form of constructing a self-identity (Shaw & Shiu, 2002). Also, relying on empirical studies and previous models on ethical consumers, we have identified variables that can play their part on the evaluation of specific ethical behaviours:

- the expected effectiveness of the behaviour
- the ethical value of the behaviour and
- the fit between the behaviour and the ethical self of the individual

Finally, a number of empirical studies in the ethical consumer field discuss the issue of information and information search. However, it has not been included in any model as a construct of importance until the moment. For instance, a large number of studies suggest that the absence of relevant information reduces the likelihood of ethical consumer behaviour (Mohr et al., 2001; Uusitalo & Oksanen, 2004). Also, new technologies and the Internet facilitate the dissemination of information on corporate practices and ethical alternatives in the marketplace (Chatzidakis & Mitussis, 2007). This implies that the type of informational search (passive or active) and the information gathered can play an important role both in the recognition and evaluation of the ethical issue (e.g. animal cruelty) and the evaluation of the ethical action (e.g. boycotts). Media coverage draws attention on certain issues (Carrigan & Attalla, 2001), whereas repeated exposure to moral issues facilitates their recognition (Gautschi & Jones, 1998).

This research effort is currently at the data collection phase. The first empirical results will be available for presentation early in April and well before the annual AMS conference.

References available upon request

REVISITING SALESPERSON KNOWLEDGE: THE ROLE OF OPTIMISM

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INTRODUCTION

In a recent reaffirmation of past research, Ahearne et al. (2005) and DeCarlo et al. (2007) have shown the positive relationship between product knowledge and performance. The latter also indicate that level of product knowledge and selling skills mediate not just past performance but also future performance expectations. While salesperson knowledge has received considerable attention in marketing (see Sharma et al. 2007 for a recent review) there has been less focus on salespersons' product knowledge. Given the pace of technological advancement, product knowledge is a critical component of a salesperson's ability. Based on data collected from automobile salespeople, this research first hypothesizes and confirms that:

H₁: Salesperson knowledge is positively related to performance.

Some mechanisms by which product knowledge improves performance, according to past literature, include: 1) demonstration of product knowledge by the salesperson is likely to elicit an expertise based trust from the customer (Mallalieu 2006). 2) When perceived product risk is high or the consumer's product knowledge is low, or motivation and/ or ability to analyze information is low, consumers desire salesperson recommendation and knowledgeable sales people can increase consumer confidence in the purchase (Chang and Burke 2007). 3) Salesperson product knowledge facilitates adaptive and customer focused selling by enabling the salesperson to focus on benefits the product can offer the customer and thus improve sales performance (see for instance, Pettijohn et al. 2007; Weitz et al.1986).

The relationship between self-efficacy and performance has been well documented in the literature (Richardson et al. 2012). Based on meta-analysis of past research in education, Richardson and his colleagues report that self-efficacy is the strongest correlate of student performance. Furthermore, students with higher levels of skills and ability have higher expectancies of self-efficacy and self-efficacy increases positive outcome expectancies, i.e., increases optimism about performance.

Optimism is an important ingredient, particularly in sales jobs, which tend to have high stress levels (Schulman 1999), where, optimism has been defined as a tendency to expect positive outcomes regardless of circumstances (Schneider 2001; Strutton and Lumpkin 1993). It has been positively linked to performance because optimists seek success and achievement (Assad et al. 2007). Schulman (1999) suggests that optimists tend to perceive adverse situations as opportunities to be converted to success and meet the challenge by tenacity. The direct effects of optimism on performance have been demonstrated in the sales literature (Schulman 1999; Youssef and Luthans 2007) as well as in other areas, such as, academics. In a study of insurance sales people, Seligman (1991) found that optimists performed at much higher levels than others did, selling 35% more insurance. Hence, we hypothesized that:

H₂: Self-Efficacy and Optimism mediate the relationship between knowledge and performance, with self-efficacy antecedent to optimism.

Figure 1: Self-efficacy and optimism mediate the relationship between salesperson knowledge and salesperson performance.

Salesperson knowledge → Self-efficacy → Optimism → Salesperson Performance

METHODOLOGY

Existing measures of the constructs were used for Self-Efficacy (Krishnan et al. 2002) and Optimism (LOT scale by Scheier and Carver 1985). A scale for Salesperson Knowledge was developed for this study since a scale for product knowledge was not available. Sujan et al's (1994) scale for Salesperson performance was adapted for the context of this study.

The hypotheses were tested on data collected from 185 salespeople from 20 car dealerships in southeastern United States. The author first called the dealerships and requested participation from the general managers of the dealerships. Questionnaires were then handed to the salespeople in the dealerships by students and were collected back by students after 2-4 days. The author then performed a back check by randomly selecting 10% of the questionnaires and calling the respondents to ensure that students had followed procedures.

Simple regression was used to test H1 and following Baron and Kenny (1986), three step regressions were used to test the two mediations proposed by H2. As seen in table 1, results show H1, proposing a positive relationship between salesperson knowledge and performance, to be significant with an unstandardized coefficient of 0.49, a t-value of 8.88 and p-value of 0.000 and R² of 0.32.

Table 1 : Results of Hypothesis Tests

Relationship	Unstandard-ized Co-efficient (b)	t-value	p-value	R ²
H ₁ : Knowledge → Performance	0.49	8.88	0.000	0.32
H ₂ :				
a) Knowledge → Self-Efficacy	0.39	7.37	0.000	0.25
b) Knowledge → Optimism	0.21	3.25	0.001	0.06
c) Knowledge → Optimism	0.07	1.02	0.31	0.14
Self-Efficacy → Optimism	0.36	3.83	0.000	0.14
H ₂ :				
a) Self-Efficacy → Optimism	0.36	3.83	0.000	0.14
b) Self-Efficacy → Performance	0.79	12.93	0.000	0.50
c) Self-Efficacy → Performance	0.74	11.42	0.000	0.52
Optimism → Performance	0.12	2.05	0.42	0.52

Our analysis of data from automobile salespeople also supports the mediating roles of self-efficacy and optimism. The two mediators were tested separately. In the case of self-efficacy as mediator, the originally significant relationship between knowledge and optimism (b=0.21, t=3.25, p=0.001) becomes insignificant when self-efficacy is introduced into the model (b=0.075, t=1.02, p=0.31). With the second mediator, optimism, the relationship between self-efficacy and performance (b=0.79, t=12.93, p=0.000) becomes weaker when optimism is introduced into the equation (b=0.74, t=11.42, p=0.000).

The mediation was also tested using Sobel’s formula, as suggested by Baron and Kenny (1986). Using Sobel’s formula, the significance for the Knowledge --- Self-efficacy ---Performance relationship was 0.041 and that for the Self-efficacy --- Optimism --- Performance relationship was 0.024, confirming the two mediating relationships.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

Brick and mortar retail stores are increasingly losing relevance today because the consumer doesn’t see value to making the trip to the store when the same purchase can easily be made online. By showing the importance of salesperson product knowledge to performance, the study suggests that the store could become relevant again if the consumer had confidence in the salesperson’s product knowledge.

The contribution of this paper to literature is to show self-efficacy and optimism as the mechanisms through which product knowledge might improve performance. That is, our research shows that salesperson’s product knowledge leads to better performance because a salesperson with product knowledge perceives himself to be self-efficacious, which makes him optimistic resulting in improved performance. With the dynamism in technology, product knowledge has become more critical to sales jobs than ever before. While much earlier research has shown the importance of knowledge to performance, this is one of the few that shows the link between product knowledge and performance. This should be particularly of interest to sales managers in retail of highly technical/ technological products, where the consumer probably walks into the retail store to make a purchase, as opposed to making a purchase online, looking for product help/ information.

Furthermore, a variable that is importantly related to motivation is salesperson optimism, in absence of which ability and motivation may be inadequate (Schulman 1999), but has received relatively less attention since Seligman and Schulman’s research in the late nineties. In drawing the link between product knowledge, self-efficacy, optimism and performance, this

study highlights the importance of optimism in sales jobs, where rejection is a daily phenomenon. For sales managers, this assumes greater relevance when coupled with the idea that salespeople can be trained to be optimistic.

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Session 5.4. Understanding Tourism/Tourist Behavior

Session Chair: Hyungsuk Choo, Bowling Green State University, USA

Drivers and Outcomes of an Eco-Friendly Tourism Attitude and Behavior

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Tourist's Multichannel Use and its Antecedents

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DRIVERS AND OUTCOMES OF AN ECO-FRIENDLY TOURISM ATTITUDE AND BEHAVIOR

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ABSTRACT

This article reports the findings of a study, conducted among 234 tourists who visited Cyprus, aiming to identify the drivers and outcomes of an eco-friendly attitude. Using structural equation modelling, it was confirmed that deontology, law obedience, and political action of tourists positively influence the adoption of an environmentally-friendly attitude. In turn, this was found to be conducive to an eco-friendly behavior which ultimately enhances his/her satisfaction. The study findings have important implications for business managers and public policymakers, while directions for future research are provided.

INTRODUCTION

Attention to ecological issues has been gaining increasing momentum since the early 1970s, when the first worrying signs about the environment began to appear (Chan et al. 2008). With the intensification of ecological problems on the planet (e.g., water/air pollution, ozone depletion, global warming), increasing pressures have been put on firms by various stakeholder groups to take drastic measures toward protecting and sustaining the natural environment (Rueda-Manzanares et al. 2008). One such pressure comes from tourism, which has experienced a serious shift in the last decades from emphasizing more traditional concerns about natural resource management and recreational opportunities to introducing more unorthodox forms, such as ecotourism and sustainable tourism (Knowles et al. 1999). Despite its importance, there is a scarcity of research focusing on the drivers of tourism eco-friendly attitude, and how this in turn shapes their behavior and satisfaction. The aim of our study is to shed light on these important issues. In doing so, the remainder of the manuscript reviews the pertinent literature, presents a conceptual model and formulates a set of research hypotheses, explains the study methodology, analyzes the research findings, and ends with some conclusions and implications.

BACKGROUND RESEARCH

Research on environmentally-conscious consumers has grown exponentially over the last four decades, which can be categorized into three major streams. The first stream deals with macro-marketing issues relating to green consumer attitudes and behaviour. By particularly focusing on aspects such as the dominant social paradigm of Western industrial societies (Kilbourne et al. 2002), individuals' materialistic and ecological values (Kilbourne and Pickett 2008), and consumerism (Barksdale and Darden 1972), its emphasis was on the role of macro environment (e.g., technological, political, economical) in influencing society's values and beliefs (Stern et al. 1995). These in turn were considered important in shaping environmental attitudes, formulating behavioural intentions, and affecting consumer actions (Kilbourne and Beckmann 1998).

The second research stream focuses on micro-marketing issues relating to consumer interest, literacy, and awareness of ecological problems. Scholars in this area sought to define and describe the nature of green consumers, while at the same time investigating the nature of green consumers segments using a variety of variables and classifications (Kilbourne and Beckmann 1998). Specifically, the emphasis was on operationalising, conceptualising, and measuring consumers' environmental concern and attitudes (Bohlen et al. 1993; Roberts 1996). It also focused on assessing the role of geographic (Pickett et al. 1993), ethical (Chan et al. 2008), cultural (Anderson et al. 1974), and socio-demographic (Diamantopoulos et al. 2003) characteristics of consumers in an attempt to sketch the profile of green consumers. Psychographic measures and indicators, such as tolerance, alienation, and dogmatism, showed some promise as predictors of consumer ecological concern, yet varied in strength across studies (Kinnear et al. 1974; Antil 1984). However, other researchers indicate that psychographics (e.g., attitudes, values, personality, beliefs, and lifestyle) are more important in explaining ecologically friendly behaviour (Brooker 1976; Balderjahn 1988; Chan 2000; Kilbourne and Pickett 2008).

The final stream of studies specifically dealt with the relationship between environmentally-friendly consumer attitudes and environmentally-friendly behaviour. Researchers in the area particularly examined attitudes and behavioural intentions

towards energy conservation (Heslop et al. 1981), recycling (McCarty and Shrum 2001), environmental activism (Kilbourne and Pickett 2008), eco-conscious product purchasing (Schlegelmilch et al. 1996), and willingness to pay higher prices for environmentally friendly products (Laroche et al. 2001). Several studies also focused on consumer attitudes and responses towards environmental advertising (Schuhwerk and Lefkoff-Hagius 1995) and dealt with the implications of “greenwashing” on consumer perceptions and actions (Newell et al. 1998).

MODEL AND HYPOTHESES DEVELOPMENT

Our model consists of six constructs categorized into four groups (see Figure 1). Deontology, political action, and law obedience of the tourist are drivers of his/her eco-friendly attitude. The latter affects his/her eco-friendly behavior, which in turn influence his/her degree of satisfaction.

Deontology is an ethical approach that focuses on whether the intention and/or consequences of a certain act is right or wrong (Chan et al. 2008). A deontological individual abides by ethical values, adheres to specific principles, and protects his/her own rights and duties which others are required to respect. S/he is also more ready to learn the rules that govern the situations encountered, as well as become more sensitive to any violation of them (Sparks and Merenski 2000). This makes a person more mature and responsible toward the environment which s/he wants to preserve because it is the right thing to do, while at the same time condemning any harmful actions. A person adopting a deontological approach claims an absolute right to life for humans, animals, plants, or ecosystems (Spash 1997; O’Neil and Spash 2000). Such a deontological approach to the environment is based on the premise that there are distinct moral rules or duties, whose violation is intrinsically wrong and observance is intrinsically right (Brennan and Lo 2002). In this respect, the environment has a moral right to be properly treated, while, at the same time, people have a moral duty to protect it. Respecting rights and fulfilling duties pertaining to the environment forms an eco-friendly tourist attitude (García-Rosell and Moisaner 2008). Thus, on the basis of the above, we may posit that: H1: *The more deontological the tourist is, the more positive his/her eco-friendly tourism attitude.*

Law obedience is defined as the extent to which an individual respects the laws of his/her country (Gaski 1999). Human actions are expected to conform to national laws, otherwise punishments can be imposed by courts or other authorities. Environmentally-related legislation has grown enormously in recent decades, regulating the behavior and actions not only of organizations (e.g., laws controlling the amount of CO₂ emissions), but also those of consumers (e.g., laws prohibiting the littering of the environment). A law obedient person is expected to respect environmental laws, is willing to make personal sacrifices to preserve the environment, and positively influences his/her relatives and friends to become environmentally friendly (Gaski 1999). S/he is also likely to avoid mixing with other people who do not show respect to environmental laws, as well as condemn organizations that their production process, business policies, and end products do not conform to environmental standards set by legislation. Hence, the following hypothesis can be formulated: H2: *The more law obedient the tourist is, the more positive his/her eco-friendly tourism attitude.*

Political action denotes a desire to be involved in various socio-political issues, ranging from low- risk, passive, and institutionalized acts to high-risk, active, and unconventional behaviours (Corning and Myers 2002). Such political involvement may include, for example, lobbying political representatives, boycotting companies, and participating in pressure groups, political parties, or other organisations (Braithwaite 1997). According to Corning and Myers (2002), there are several factors that may influence political action, such as: (a) intergenerational effects, e.g., people with politically active parents are more likely to be active themselves; (b) new social environments, e.g., persons entering a university may encounter activists who may recruit them; (c) goal fulfilment, e.g., failure to achieve personal objectives can lead individuals to the reduction of political action in favour of other activities; and (d) changes in life circumstances, e.g., raising children may reduce the time available for engagement in political activities.

Given that the access to and use of environmental resources have to do with issues relating to values, power, and cooperation, environmental protection is inherently political (Hampel et al. 1996). Since the protection of the environment is an issue of major public concern in modern societies, politically active people are very likely to pay attention to and develop attitudes toward its preservation (Bohlen et al. 1993; Owen and Videras 2006). Thus, political action may affect the formation of environmental-friendly attitudes taking place at the individual level (e.g., recycling products at home), as well as the society in general (e.g., keeping the environment clean). We may, therefore, hypothesize that: H3: *The more politically active the tourist is, the more positive his/her eco-friendly tourism attitude.*

Tourists who adopt an eco-friendly attitude believe that the ecological situation on the planet is deteriorating and, therefore, it is necessary to take drastic measures toward protecting the environment (Banerjee and McKeage 1994; Schlegelmilch et al.

1996). Although such a pro-environmental attitude incurs inconveniences (e.g., extra effort to recycle goods), additional costs (e.g., more expensive green products), and lower levels of product performance (e.g., cars with lower break-horsepower), consumers having this attitude are more likely to engage in an ecologically friendly behavior, such as avoiding disposable products, looking for recyclable products, and buying biodegradable goods (Shabecoff 1993; Kalafatis et al. 1999; Laroche et al. 2001). This is in harmony with the cognitive consistency theory (Festinger 1957), which argues that an individual who is concerned about ecological problems is very likely to be motivated to take actions that will minimize them. In fact, many studies (e.g., Schlegelmilch et al. 1996; Roberts and Bacon 1997; Mostafa 2007; Kilbourne and Pickett 2008) have empirically shown that consumers who are environmentally sensitive are very likely to change their behaviour and purchase products that are friendly to the environment, as well as influence other people toward adopting an ecological approach to their consumption. Based on the above, we may posit that: H4: The more positive the eco-friendly attitude of the tourist, the more intense his/her eco-friendly tourism behavior.

Eco-friendly behavior refers to the preference and use of products that are friendly to the environment and/or that have been produced using ecological processes and materials (Kilbourne and Pickett 2008). There is a number of benefits derived from the adoption of eco-friendly behavior, such as health, safety, symbolism, and status (Ottman et al. 2006). Consumers performing environmentally-friendly actions tend to think highly of themselves as the kind of persons who care for the environment (Thøgersen and Compton 2009). In fact, a recent study has shown that many consumers increasingly opt for a less wasteful life (e.g., switching off lights, recycling more, buying less) and show a strong interest in green consumption because they derive personal satisfaction from it (Flatters and Willmott 2009). This satisfaction is not attributed only to the good performance of green products, but also to a feeling that the individual does not harm the environment (Bodet 2008; Chen 2010). Based on the above, we may posit that: H5: *The more ecological the behavior of the tourist is, the greater the satisfaction received.*

STUDY METHODOLOGY

The study took place in Cyprus, which provides a fertile ground for this type of research because: (a) it is an attractive tourist resort, attracting more than two million tourists in 2010; (b) it has recently joined the European Union, which requires the application of strict rules and regulations to protect the environment; and (c) it is relatively small in size, both in geographic and demographic terms, thus allowing for more conveniently conducting research among consumers. A total of 550 tourists aged 18 and above that visited the island in the summer of 2010 were contacted to participate in the study. Of those, only 234 were willing to take part (i.e., 42.5% response rate). Data were gathered through personal interviews conducted at central locations (e.g., airports, ports, hotels) over a six-week period. Interviews were based on a structured questionnaire which consisted of four major parts, namely drivers of eco-friendliness, eco-friendly attitude, eco-friendly behavior, and demographic characteristics. The questions in the questionnaire contained lists of pre-coded items relating to scales derived from the pertinent literature, which were measured on a 7-point Likert type scale (see Appendix 1). The questionnaire was written in English and this was pilot-tested with eight individuals to check for its workability. Each questionnaire was carefully edited before its data were entered for computer analysis. Respondents originated from 32 countries, with the following demographic characteristics: males (44%) and females (56%), up to 35 years old (48%) and more than 35 (52%), non- university education (40%) and university education (60%), and annual income up to Euro 30,000 (46%) and above Euro 30,000 (54%). The correlation matrix among the constructs of the model is shown in Appendix 2.

RESEARCH FINDINGS

To assess the validity and reliability of the constructs and scales used in the conceptual model, a measurement model was estimated (see Appendix 3). The results of the model provided a very good fit to the data, and the factors loaded highly on the designated constructs. Convergent validity was satisfactory, since the t-value for each item was significant and greater than 8.0, all standard errors of the estimated coefficients were low, and the average variance extracted for each construct was equal or above the threshold of .5 (Hair et al. 2006). Discriminant validity was also evident, due to the fact that the confidence interval (plus/minus two standard errors) around the correlation estimate for each pair of constructs examined never included 1.0 (Anderson and Gerbing 1988). All factors had composite reliability and Cronbach's alpha values equal or greater than .70, implying a reliable measurement of the theoretical construct as an element of the structural model (Bagozzi and Yi 1988). To address common method bias, a confirmatory factor analysis was estimated in which all indicators included in the structural model were restricted to load on a single factor (Podsakoff and Organ 1986). The fit indices obtained indicated a poor model fit (i.e., $\chi^2(945)=8683.85$, $p=.000$; $\chi^2/df=9.19$; $NFI=.51$; $NNFI=.51$; $CFI=.53$; $RMSEA=.15$), thus indicating that common method bias does not appear to be a problem in this study.

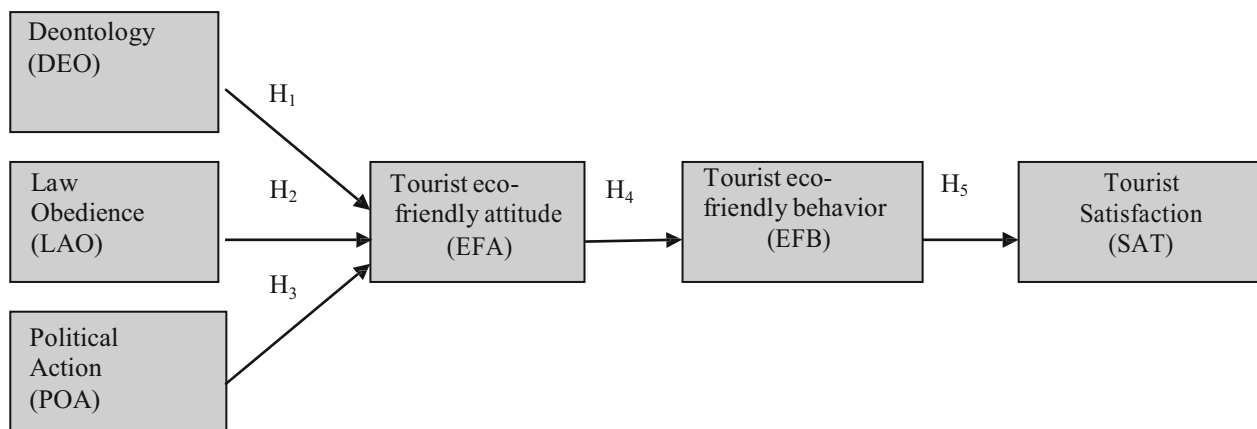
The hypothesized links between the constructs were tested by estimating the structural model using the elliptical re-weighted least squares (ERLS) technique, which was proven to provide unbiased parameter estimates for both multivariate normal and non-normal data (Sharma et al. 1989). The analysis revealed an excellent model fit, as demonstrated by the ratio of Chi-square by the degrees of freedom (χ^2/df)= 1.93 and the results of the alternative fit indices (NFI=.92, NNFI=.94, CFI=.95, RMSEA=.090). The standardized path coefficients, together with the corresponding t-values of the structural model are presented in Appendix 4. Notably, all hypotheses were accepted, with all links found significant and in the right direction. With regard to deontology, this was found to be conducive to the formation of eco-friendly attitudes by tourists (H1: β =.30, t =3.35, p =.00), and the same was also true with regard to the other two drivers, namely law obedience (H2: β =.14, t =1.89, p =.00) and political action (H3: β =.40, t =4.85, p =.00). In accord with our hypotheses, a tourist eco-friendly attitude was found to be a significant predictor of eco-friendly behavior (H4: β =.43, t =5.19, p =.00). Finally, the study confirmed that an eco-friendly behavior is conducive to high satisfaction levels (H5: β =.56, t =6.26, p =.00).

CONCLUSIONS, IMPLICATIONS, AND DIRECTIONS

Our study has shown that deontology, law obedience, and political action are responsible for the adoption of an environmental attitude by tourists. The direction of this attitude will subsequently have its effect on tourist eco-friendly behaviour, which in turn will enhance his/her level of satisfaction. These findings have various implications for both corporate and public policymakers. Managers should investigate more the psychographic characteristics of their target tourism markets and try to adjust their company offerings according to whether or not their consumers are characterized by an environmentally-friendly attitude. On the other hand, government officials should try, through proper educational, regulatory, communication, and other policies, to communicate their eco-friendly approach to the tourism product offered. The importance of our findings at both micro-business and macro levels necessitates the replication of the study in other countries, with different economic, socio-cultural, and political-legal settings. It would also be interesting to examine the moderating role of tourist demographics (e.g., age, gender, and income group) on the link between antecedent factors and by environmental attitudes. Finally, it is crucial to monitor consumer environmental attitude and behavior over time, as a result of variations in antecedent factors caused by changes in the environment.

FIGURES

Figure 1: The Conceptual Model



APPENDICES

Appendix 1: Descriptive Statistics and Reliabilities

Scale items	Item mean* (s.d.)	Construct mean* (s.d.)
Deontology (DEO) ($\alpha = .79$)		
DEO1-I am interested in conserving the natural resources	6.03 (1.20)	5.75 (1.32)
DEO2-I reduce unnecessary waste	5.49 (1.64)	
DEO3-I try to create and provide a better living environment for future generations	5.56 (1.41)	
DEO4-I am concerned about the environment for my future personal convenience	5.90 (1.06)	
Law obedience (LOB) ($\alpha = .83$)		
LOB1-I try to avoid committing bribes in my transactions	5.82 (1.61)	5.78 (1.38)
LOB2-I show respect to the laws and especially those for the environment	6.27 (1.05)	
LOB3-I abide the safety law for the protection of the environment	6.13 (1.03)	
LOB4-I try to avoid companies that use misleading environmental practices	4.91 (1.85)	
Political action (POA) ($\alpha = .76$)		
POA1-I often intervene with the media in order to combat environmental degradation	2.79 (1.81)	3.67 (1.87)
POA2-I support environmental pressure groups in order to combat environmental degradation	4.28 (1.83)	
POA3-I lobby political representatives to support green issues	3.80 (1.93)	
POA4-I boycott companies that are not environmentally responsible	3.82 (1.91)	
Tourist eco-friendly attitude (EFA) ($\alpha = .74$)		
EFA1-Tourism must protect the environment now and for the future	6.48 (.78)	6.08 (1.02)
EFA2-The diversity of nature must be valued and protected by tourism	6.51 (.88)	
EFA3-I think that tourism should strengthen efforts for environmental conservation	6.38 (.74)	
EFA4-Tourism needs to be developed in harmony with natural the environment	6.47 (.80)	
EFA5-Proper tourism development requires that wildlife and natural habitats be protected at all times	6.44 (.89)	
EFA6-Tourism development must promote positive environmental ethics among all parties that have a stake in tourism	6.23 (.90)	
EFA7-Regulatory environmental standards are needed to reduce the negative impacts of tourism development	6.12 (.92)	
EFA8-I believe that tourism must improve the environment for future generations	6.12 (1.11)	
EFA9-I believe that the quality of the environment is deteriorating because of tourism	4.85 (1.46)	
EFA10-As a tourist, I would be willing to reduce my consumption to help/protect the environment	5.22 (1.69)	
Tourist eco-friendly behavior (EFB) ($\alpha = .86$)		
EFB1-During my visit to foreign countries as a tourist, I often talk with friends about problems related to the environment	3.90 (1.75)	4.04 (1.71)
EFB2-In the past, I have pointed out to someone his or her non-ecological behavior in visiting foreign countries as a tourist	3.98 (1.84)	
EFB3-When I visit foreign countries as a tourist, I avoid buying goods with unnecessary packaging material	4.14 (1.67)	
EFB4-I sometimes contribute financially to environmental organizations, when I visit foreign countries as a tourist	3.03 (1.73)	
EFB5-When I visit foreign countries, I buy/read magazines and listen/watch news which focus on environmental issues in foreign countries	3.20 (1.66)	
EFB6-During my visit to foreign countries as a tourist, I buy environmentally friendly products, whenever possible	4.32 (1.68)	
EFB7-When I visit foreign countries as a tourist, I buy organic food, whenever possible	3.78 (1.60)	
EFB8-When I visit foreign countries as a tourist, I use products made from recycled	4.70 (1.87)	
EFB9-I reduce and recycle waste, whenever possible, during my visits to foreign countries as a tourist	4.25 (1.79)	
EFB10-As a tourist, I always like to visit environmentally friendly countries	5.07 (1.51)	
Tourist satisfaction (TSA) ($\alpha = .82$)		
TSA1-I am satisfied with my decision to choose environmentally friendly destinations for my tourist vacations	4.94 (1.37)	5.15 (1.39)
TSA2-I think I do the right thing by deciding to give priority to ecologically friendly countries as my tourist destinations	4.97 (1.49)	
TSA3-There is a big probability to carry on visiting countries as a tourist who cares about the protection of the environment	5.09 (1.44)	
TSA4-My general experience as a tourist in countries that have environmental friendly policies is positive	5.54 (1.23)	
TSA5-I feel very happy because of taking actions that preserve the environment of the countries that I visited as a tourist	5.19 (1.40)	
TSA6-Overall, I am satisfied with my environmental behavior in foreign countries, which I visited as a tourist	5.19 (1.40)	

*Based on a seven-point Likert scale, where 1= strongly disagree to 7 = strongly agree. Note: The sign (R) denotes a reverse scale

Appendix 2: Correlation Matrix

Variable	1.	2.	3.	4.	5.	6.
1. Deontology	1					
2. Law obedience	.59	1				
3. Political Action	.47	.26	1			
4. Tourist eco-friendly attitude	.46	.44	.34	1		
5. Tourist eco-friendly behavior	.54	.55	.34	.36	1	
6. Tourist satisfaction	.45	.33	.44	.42	.46	1

Note: Correlations greater than $|\pm 0.11|$ are significant at the .01 level. Correlations greater than $|\pm 0.09|$ are significant at the .05 level.

Appendix 3: Results of the Measurement Model

Factor	Standardized Loadings ^a	Factor	Standardized Loadings ^a
<i>Deontology (DEO)</i>		EFA5	.60 (8.537)
DEO1	.67 ^b	EFA6	.55 (7.59)
DEO2	.79 (9.13)	EFA7	.55 (7.66)
DEO3	.85 (9.65)	EFA8	.55 (7.67)
DEO4	.72 (8.52)	<i>Tourist eco-friendly behavior (EFB)</i>	
<i>Law Obedience (LOB)</i>		EFB1	.76 ^b
LOB1	.69 ^b	EFB2	.62 (8.20)
LOB2	.87 (10.05)	EFB3	.78 (10.47)
LOB3	.79 (9.42)	EFB4	.63 (8.31)
LOB4	.60 (7.35)	EFB5	.64 (8.55)
<i>Political action (POA)</i>		EFB6	.76 (10.17)
POA1	.57 ^b	EFB8	.65 (8.59)
POA2	.71 (6.43)	EFB9	.64 (8.47)
POA3	.70 (6.37)	Tourist satisfaction (TSA)	
POA4	.60 (5.81)	TSA1	.71 ^b
<i>Tourist eco-friendly attitude (EFA)</i>		TSA2	.86 (10.94)
EFA1	.83 ^b	TSA3	.85 (10.82)
EFA2	.87 (13.76)	TSA4	.75 (9.66)
EFA3	.78 (11.84)	TSA5	.50 (6.42)
EFA4	.71 (10.46)	TSA6	.52 (6.65)

Fit statistics:

Chi-square (χ^2) = 252.91; $p = .000$; $df = 89$; Ratio Chi-square to d.f. (χ^2/df) = 2.84; Normed Fit Index (NFI) = .92; Non-Normed Fit Index (NNFI) = .94; Comparative Fit Index (CFI) = .95; Root Mean Squared Error of Approximation (RMSEA) = .090

^a t-values from the unstandardised solution are in parentheses; ^b Item fixed to set the scale

Appendix 4: Results of the Structural Model

H	Hypothesized association	Standard Estimate	t-value	p-value	Status
H ₁	Deontology → Eco-friendly tourist attitude	.30	3.35	.00	Accepted
H ₂	Law obedience → Eco-friendly tourist attitude	.14	1.89	.00	Accepted
H ₃	Political action → Eco-friendly tourist attitude	.40	4.85	.00	Accepted
H ₄	Eco-friendly tourist attitude → Eco-friendly tourist behavior	.43	5.19	.00	Accepted
H ₅	Eco-friendly tourist behavior → Tourist satisfaction	.56	6.26	.00	Accepted

Goodness-of-Fit Statistics: Chi-square (χ^2) = 1525.99; $df = 435$; Normed Fit Index (NFI)=0.92; Non-Normed Fit Index (NNFI)=0.92; Comparative Fit Index (CFI)=0.94; Root Mean Squared Error of Approximation (RMSEA)=0.090

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TOURIST'S MULTICHANNEL USE AND ITS ANTECEDENTS

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INTRODUCTION

The primary distribution functions for tourism are information services and facilitating booking and payment of tourism products (Buhalis, 2001). Previous research has predominantly focused on particular aspects of the distributions process. The largest body of literature relates to information search processes (see Gursoy and McCleary (2003) and Cai, Feng, and Breiter (2004) for recent reviews). The purchasing function has drawn less research interests (see Woodside and King (2001) for an overview) and the booking function is almost ignored in the literature (see Wolfe, Hsu, and Kang (2004) as an exception). However, tourists are using different channels for each function and therefore display complex shopping behaviours in an ever increasing multichannel environment. Pearce and Schott (2005) showed how tourists navigate a mix of channels during various stages of the purchase process. One of the core challenges in this field is understanding consumer behaviour in a multichannel context (Neslin et al., 2006). It is therefore a need to extend work on tourists' behaviour beyond information search process to include more detailed analysis of booking and purchase behaviour in order to develop a more complete understanding of the distribution process from the visitors' perspective.

The present study therefore investigates the relationship between multichannel usage and tourist psychographic characteristics that drives multichannel use. By identifying the tourist psychographic characteristics that drives multichannel use, we will provide a stepping stone for understanding the nature of multichannel use in a tourism context. This research will provide tourism firms that operate various types of distribution channels with specific knowledge of the rationales their customers judge to be important when making channel choices. As competition in the tourism industry continues to develop, a better understanding of the linkage between tourists and channel choice is crucial to the tourism firm's performance.

BACKGROUND

Consumer's choice of retail channels for search and to complete purchase transactions is found to be affected by the perceived cost and benefits incurred to satisfy shopping goal (Ailawadi, et al. ,2001; Kim et al., 2002). This paper is following a similar procedure, consistent with marketing efforts to relate psychographic to behaviour, i.e. multichannel search and purchase strategies.

The literature on tourist's multichannel choice and use is almost non-existing. We turned to the more general multichannel use literature in search of a comprehensive theoretical foundation for our study. Our study is therefore not guided by an overarching theory from where all the hypotheses are derived. As with the majority of the tourism research, our study is problem-based (Brown and Dant, 2006). The hypotheses are supported from more than one theory and also previous empirical findings. Based on Konus et al. (2008) and Balasubramanian et al. (2005) analyses of multichannel use antecedents, we develop a framework capturing psychographic antecedents of tourist's multichannel use behaviour. Price consciousness, shopping enjoyment, innovativeness, perceived risk, and consumer expertise are included in our study. Those factors have not been linked to tourist's multichannel use in previous literature. In general, we theorise that the discussed psychographic characteristics significantly affect the frequency of use of different tourism distribution channels. The following hypotheses are proposed:

- H1: The tourist's price consciousness is positively related to multichannel use frequency.
- H2: The tourist's shopping enjoyment is positively related to multichannel use frequency.
- H3a: Hedonist innovativeness is positively related to multichannel use frequency.
- H3b: Social innovativeness is positively related to multichannel use frequency.
- H4a: Financial risk is positively related to the multichannel use frequency.
- H4b: Psychological risk is positively related to the multichannel use frequency.
- H5: Consumer expertise is negatively related to multichannel use frequency.

It has been shown that demographic characteristics of consumers affect their information search behaviour and online and offline purchasing behaviour (Konus! et al., 2008). Controlling for the moderating role of consumer characteristics on multichannel use frequency, age education, gender, and domestic versus vacation abroad are included in our study.

RESEARCH METHODS

An online survey was sent to a nationwide stratified sample of 2,956 respondents in Norway. These respondents were pre-recruited from an access panel by a professional market research company (TNS Gallup Norway) as nationwide representative consumers. The survey was carried out in the first week of December 2011 and 1,296 responses were obtained (response rate = 44 per cent). The sample was recruited to match the Norwegian population concerning age (above 18), gender, occupation, and location. Age covers the whole range from 18 to 80. About 24 per cent of the sample is below 30 years of age; 28 per cent between 30 and 50; 20 per cent between 50 and 60; and the rest (28 per cent) between 60 and 80 years of age. The average age of the respondents is 47. 51 per cent of the sample is women and 49 per cent men. 30 per cent of the sample has primary school as highest education. 42 per cent has high school as highest education, 19 per cent has 4 years university education, and 8 per cent has 5 or more year's university education. All demographic variables represent the average Norwegian consumer.

In developing measures to represent multichannel use and psychographics, we synthesised scales from the literature with those obtained in our fieldwork. The initial measures were refined and pre-tested to enhance face validity. The total questionnaire was dedicated to questions related to the respondent's longest vacation – normally the summer vacation.

Multi-channel use frequency is operationalized as use (= 1) or non-use (= 0) of nine different information sources, seven modes of conveyance, five overnight accommodations, four ways of booking and three ways of payment for transportation, accommodations, and holiday activities. Each respondent's multichannel use is the sum of these 42 channels (min./max. = 9/26). Average number of channel use is 14 (SD = 3.3).

Scale items for tourist's psychographic characteristics are adapted from previous research. Exploratory factor analysis provided initial insight into the scale's validity. Table 1 shows the number of items and internal consistency (i.e., Cronbach's Alpha) of each construct.

Table 1. Psychometric properties of the constructs

Psychographics:	No. items:	Cronbach's Alpha:
Price consciousness	3	.71
Shopping enjoyment	3	.71
Hedonic innovativeness	3	.87
Social innovativeness	2	.84
Financial risk	3	.81
Psychological risk	3	.82
Consumer expertise	1	n.a.

Four different control variables are included in the analyses. Income is measured as the household's total income and is coded in 10 intervals ranging from 1 = less than 100 thousand, NOK to 10 = more than 900 thousand NOK. Gender is a dummy variable (i.e., 0 = male, 1 = female), age is measured as the respondent's age, and domestic vacation versus vacation abroad is a dummy variable (i.e., 0 = domestic, 1 = abroad).

RESULTS AND DISCUSSION

Multiple regression modeling is used to test the hypotheses related to multichannel use. Prior to testing the direct effects of the psychographic characteristics, only the control variables are included in the regression model with multichannel use frequency as dependent variable. The results of the test are shown in models 1 of Table 2. The control variables explain 6.7 percent of the variance in multichannel use. These are used as the baseline model to allow for interpretation of the multichannel use effects of the five psychographic characteristics, in addition to examining their influence individually. Hypotheses 1 to 5 are then tested to examine the extent to which psychographic characteristics influence multichannel use.

The results of these tests are shown in model 2 of Table 2. A linear combination of the psychographic characteristics and the control variables, explained 13.4% of the variance in multichannel use.

The result of the regression analyses in Table 1 reveals that shopping enjoyment ($P > .01$), hedonic innovativeness ($P > .05$), social innovativeness ($P > .001$), and psychological risk ($P > .01$) are significant predictors of multichannel use. Price consciousness, financial risk, and consumer expertise are insignificant predictors. In addition, the change in R^2 beyond the baseline/controls models is significant; indicating that the psychographic characteristics themselves explained all variance beyond the baseline model.

Table 2. Results of regression analyses

Predictors and control	Multi-channel use	
	Model 1	Model 2
<i>Control variables:</i>		
Education	-.00	-.01
Gender	-.03	.03
Age	-.10**	-.098**
Vacation domestic vs. abroad	.24***	.177***
<i>Independent variables:</i>		
H1: Price consciousness		-.017
H2: Shopping enjoyment		.110**
H3a: Hedonic innovativeness		.078*
H3b: Social innovativeness		.165***
H4a: Financial risk		.003
H4b: Psychological risk		.107**
H5: Consumer expertise		-.009
F (full model)	17.03***	12.51***
R^2	.067	.134

In the background section of the paper, five psychographic dimensions (i.e. price consciousness, shopping enjoyment, innovativeness, risk, and expertise) are identified and related to tourist's multichannel use. As hypothesized, the effect of shopping enjoyment (H2), hedonic innovativeness (H3a), social innovativeness (H3b, and psychological risk (H4b) are positive. Our findings provide no support for the hypothesized effect of price consciousness (H1) and consumer expertise (H5).

This research gives insight into the complex interrelationships between tourist's psychographic characteristics and their multichannel use. The effect that psychographic characteristics can exert on tourist's multichannel use is new to the tourism marketing literature and extends previous research on the relationship between psychographics and channel use, which has focused largely on information search processes (Cai et al., 2004). The booking and purchase behaviour of the distribution process has not been included in previous research.

A broad view of these results suggests an important interrelationship between psychographic characteristics and tourist's multichannel use. The findings suggest that the tourist's psychographics influences the use of multiple distribution channels. Thus, it is important that tourism firms (i.e., transport, accommodation, and attraction providers) endeavor to offer channels that satisfy their target customers, so that channel use will be perceived as sharing their set of preferences for their products and services. Research suggests additional channels enhance satisfaction and ultimately customer loyalty (e.g., Wallace, Giese, and Johnson, 2004). The tourism firms should create distribution channels that provide their customers with an enjoyable shopping experience (H2) in which they can be innovative (H3). Tourists with a feeling of lack of control of what they get when purchasing a vacation use multiple channels in order to lower their perceived risk (H4b). Multiple channels may therefore deepen the relationship with the firm.

Do not construe the results from this research relative to certain limitations. The research controlled for various demographic factors but these do remain as important determinants of choice and usage. Further consideration of this area within these contexts would be interesting to consider in future research. Cross-validation in future research is necessary to confirm the relevance of the framework. Examining and comparing different segments based on multichannel behavior and their psychographic characteristics would be interesting. Multi-channel tourist segmentation may provide a managerial relevant way to segment the market and guide firm's multichannel management strategies.

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Session 5.5. Product, Pricing, and Channel Strategies

Session Chair: Ryan White, University of Wisconsin – La Crosse, USA

The Effective Price in State-Sponsored Lottery Games: Opportunities for Marketing Actions that Support Revenue Generation for Public Policy Making

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THE EFFECTIVE PRICE IN STATE-SPONSORED LOTTERY GAMES: OPPORTUNITIES FOR MARKETING ACTIONS THAT SUPPORT REVENUE GENERATION FOR PUBLIC POLICY MAKING

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ABSTRACT

Lotteries are used in many countries to raise money for public policy making. Pricing strategies in this product category are unique, because although the game's nominal price is relevant for revenue earning, its effective price – which includes the expected value of a lottery ticket - determines purchasing decisions.

This research explores how to affect the effective price of lottery tickets and thus increase their demand. Specifically, the authors propose a model to estimate the probability of a jackpot rollover in lottery games under both random and conscious number selection. In addition, the authors present a demand model for lottery games, where the effective price is the main predictor. Finally, they discuss how marketing actions can affect the effective price and, consequently, the demand for lottery tickets. The data is provided by Polla Chilena de Beneficencia, a mayor player in the lottery games industry in Chile.

References available upon request

Session 7.1. Electronic and Interactive Marketing

Session Chair: Gérard Cliquet, University of Rennes 1, France

Acceptance and Adoption of Online-Received Recommendations on Social Media Platforms: An Empirical Investigation

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Sonia Ducu, Frankfurt School of Finance & Management, Germany

Sven Tuzovic, Pacific Lutheran University, USA

Utilitarian or Hedonic? A Cross Cultural Study in Online Shopping

Hilal Özen, Istanbul University, Turkey

Nil Kodaz, Istanbul University, Turkey

An Integrated Multichannel Luxury Retail Experience: Building Mobile Trust through Technology Acceptance and Quick Response Codes

Charles Lawry, University of Arizona, USA

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ACCEPTANCE AND ADOPTION OF ONLINE-RECEIVED RECOMMENDATIONS ON SOCIAL MEDIA PLATFORMS: AN EMPIRICAL INVESTIGATION

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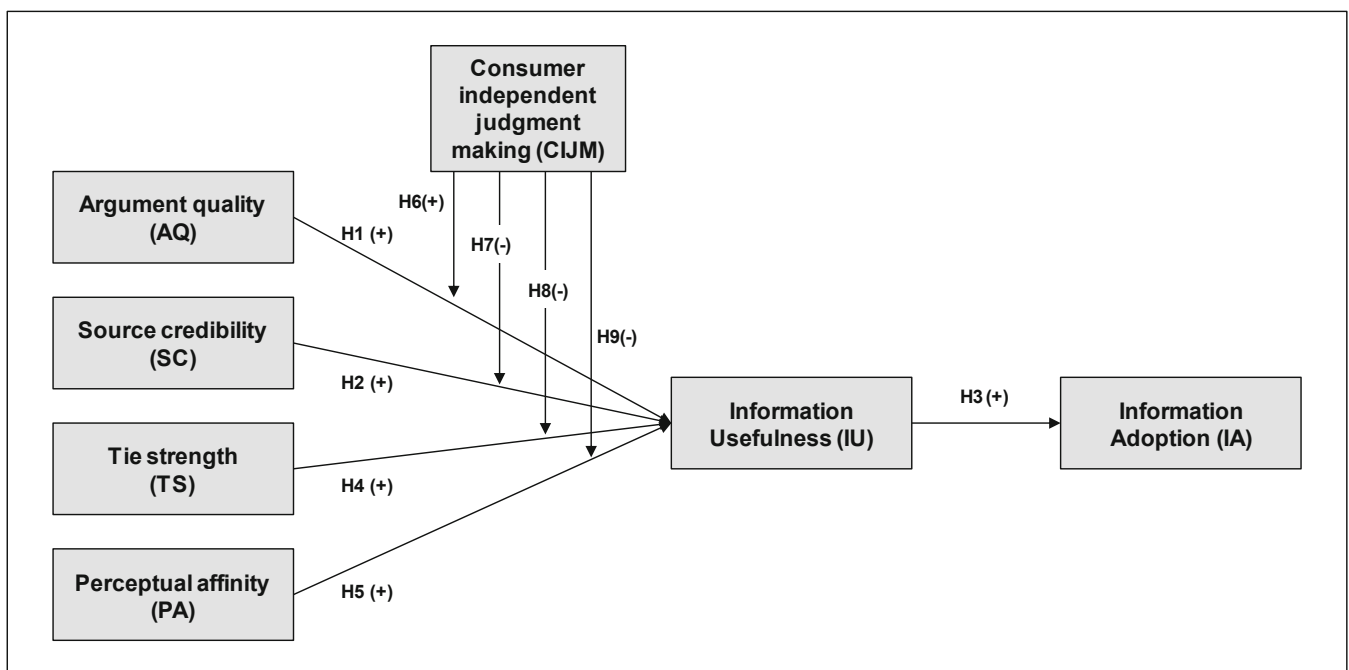
INTRODUCTION

Over the last several years social media platforms have gained much attention among marketing practitioners. It is widely acknowledged that consumers use social media platforms as pre-purchase information sources in order to make more profound buying decisions and in order to minimize their perceived risk (von Wangenheim and Bayón, 2004). In this context, consumers rely rather on online word of mouth (eWOM) than on conventional marketing messages. For example, the marketing research agency Nielsen revealed that 78 percent of consumers trust statements made by their personal network compared to 14 percent who trust statements made in advertising (Holzapfel and Holzapfel, 2010). Therefore, eWOM on these emerging platforms is of concern not only for customers but also for marketers (Mangold and Faulds, 2009; Subramani and Rajagopalan, 2003). While textbooks mainly focuses on the application of social media strategies (Holzapfel and Holzapfel, 2010; Safko and Brake, 2009; Weinberg, 2009), the academic research has investigated the characteristics of contributing customers and their motives of seeking information proactively. However, less attention has been paid to the processes and influences involved on the receiver's side (Cheung et al., 2009). This paper investigates the determinants on online WOM recommendations on social media platforms.

METHODOLOGY

WOM, its antecedents, influences and impacts have been subject of numerous studies within marketing literature since the 1940s (Buttle, 1998). Many companies have recognized the importance of WOM as well and are trying to incorporate it as an additional tool within the marketing mix (Mangold and Faulds, 2009). However, WOM tends to be less manageable than other marketing activities that aim to positively influence a purchase decision. Consequently, it is crucial to explore the factors that lead to positive WOM as well as the circumstances under which WOM tends to be rather accepted and adopted in order to apply it in a beneficial way for companies (Bruce and Edgington, 2008; Wirtz and Chew, 2002).

Figure 1: Conceptual framework



Based on several theoretical frameworks such as the organic inter-consumer influence model and network co-production model (Konzinets et al., 2010), the ELM model (Petty and Cacioppo, 1986; Sussmann and Siegel, 2003), and the concept of consumer innovativeness (Manning, Bearden and Madden, 1995; Midgley and Dowling, 1978), the paper suggests that in the context of social media information adoption is related positively to perceived information usefulness, which in turn is influenced by four determinants: argument quality, source credibility, tie strength, and perceptual affinity. In addition, consumer independent judgment making (CIJM) is considered a moderating variable. Individuals with a high CIJM characteristic tend to be less receptive and motivated by referrals of others compared to individuals with a low CIJM characteristic (Wang et al., 2008). [Figure 1](#) illustrates the conceptual model.

METHODOLOGY

Scale items were derived from literature. In order to adapt the items to the online context, some of the questions from previous research were adjusted and rephrased. Data was collected by distributing a link to an online questionnaire via social networks like Facebook and Xing. The link was publicized per private message and posted in student and social media groups. We received 343 responses within the time period of eleven days. After performing missing value analysis, 33 cases were deleted, resulting in 310 responses. Moreover, the data set also needed to be narrowed down further to those respondents who indicated to have ever received a recommendation, leading to a final sample of 147 usable replies. Of the sample, 87 percent were German. The second most represented nationality was Chinese with five participants. The majority of respondents was between 25 and 34 years (60 percent) and 37 percent were between 15 and 24 years. Thus, the sample is not representative with regard to the population of Internet users, since nearly 97 percent of the participants were below 35 years and none above 55. The large majority indicated to have received the recommendation on a social network such as Facebook and LinkedIn (86 percent). Seven percent referred to a forum and four percent to a video community as the respective social media platform. Blogs as well as micro-blogging sites were only indicated by less than two percent.

All factor loadings for the model are significant ($p \leq .01$). Only the scales CIJM and AQ do not show a significant correlation. The lack of significance between the constructs CIJM and IA can be neglected since no causal relationship between these items was assumed. Further, the construct of CIJM also shows a negative correlation with the items SC, TS and PA like expected. Construct reliability exceeds .80 for each construct and AVE exceeds the value of .5 (Henseler, Ringle and Sinkovics, 2009). [Table 1](#) presents univariate statistics, correlation coefficients, Cronbach's alphas, AVE and construct reliabilities for each scale.

Table 1: Univariate statistics, correlation coefficients, Cronbach's alphas, AVE and construct reliabilities

Scale	M	SD	AQ	SC	TS	PA	IU	CIJM	IA	CR	AVE
AQ	5.60	1.08	(.78)							.871	.692
SC	5.18	1.24	.41**	(.80)						.871	.632
TS	4.84	1.72	.30**	.33**	(.94)					.956	.815
PA	4.81	1.20	.31**	.39**	.63**	(.90)				.933	.776
IU	5.26	1.29	.45**	.43**	.33**	.48**	(.89)			.933	.822
CIJM	3.06	1.18	.00	-.20**	-.19*	-.26**	-.26**	(.78)		.936	.512
IA	4.56	1.70	.42**	.35**	.34**	.44**	.60**	-.14	(.81)	1.00	1.00

Values shown in parentheses are Cronbach's alpha coefficients, SD = standard deviation, CR = construct reliability, AVE = average variance extracted, *** $p \leq .001$, ** $p \leq .01$, * $p \leq .05$

RESULTS AND DISCUSSION

With respect to the hypotheses referring to the basic ELM model, two of the three derived hypotheses (H1 and H3) were accepted at the significance level of $p < .01$. H3 in particular showed the strongest significance in the entire examination. This means that the influence of the perceived usefulness has a highly significant impact on the adoption of information. This finding is in line with earlier research conducted by Sussmann and Siegal (2003) as well as with the work of Cheung, Lee and Rabjohn (2008). Therefore, the usefulness of information can be considered as essential when it comes to the adoption of information. H2 concerning the significance of the peripheral cue source credibility just failed the significance level ($p = .052$). Hence, a significant influence of the perceived credibility of a source on the assessed information usefulness was not confirmed, which means that the credibility of a source does not play a vital role on the perceived usefulness of information.

Hypotheses H4, H8 and H9 had to be rejected due to too high p-values. While hypothesis H5 can also be accepted at $p < .05$, hypotheses H2 and H6 were slightly non-significant with p values of .052 and .058. In conclusion, the findings indicate that argument quality, perceptual affinity and information usefulness are determinants that influence the process of acceptance and adoption of online WOM on social media platforms.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

The study entails several findings that might be of interest for marketers, which are willing to actively apply, implement and trigger beneficial eWOM on social media within their marketing strategies. e-marketers also have to be thoughtful about the choice of the social media platform. The results clearly display that most recommendations were received on social networks. Earlier research has often put forward the importance of targeting the right people (Phelps et al., 2004). This study on hand further suggests that these 'right' people may be equitable with testimonials or opinion leaders that resemble the target customers most.

This study has several limitations. First, the sample size is rather small which limits the generalizability of our results. A larger sample size would enable a better assessment of the applied research model. Second, the sample composition cannot be regarded as being representative for the population of Internet users since the absolute majority was younger than 35 years. A more diverse sample would be beneficial in order to allow generally valid statements. Additional limitations may include the research approach of collecting data through social media sites. Future research is encouraged to try to overcome these deficiencies in order to test the reliability of the results and to further examine the validity of the research model. For example, an experimental design could examine the internal validity of the findings (Bhattacharjee and Sanford 2006). The role of source credibility also requires further examination since empirical findings suggest that this construct might constitute a more complex factor than solely being a peripheral cue (Sussmann and Siegal 2003).

References available upon request.

UTILITARIAN OR HEDONIC? A CROSS CULTURAL STUDY IN ONLINE SHOPPING

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ABSTRACT

With the inconvertible effect of globalization, a growing number of websites today sell their products to more than one country. The effects of cross cultural differences on buying behaviors are widely acknowledged. Therefore, a consideration about attracting and retaining online consumers from different countries and cultures is gaining importance. What are the basic motives that make consumers buy from online retailers? Does being hedonic or utilitarian matter? This paper examines the roles of hedonic and utilitarian values on online shopping by comparing cross culturally the Turkish and US consumers. A total of 264 students participated to the survey from Turkey and USA. Findings showed that Turkish and US consumers differ according to their hedonic and utilitarian values in online shopping. While Turkish consumers use online retailers to socialize with others, the US people use it to relax.

INTRODUCTION

Online sales enable the Internet as a global marketing tool. By using credit cards, it is possible to buy products around the globe (Lightner et al. 2002). These advantageous properties of Internet motivate e-commerce marketers to seek and attract customers to their websites and sell a wide variety of goods and services worldwide (Kuhlmeier and Knight 2005). For this reason, Internet has become an important tool for the internationalization of the firms, and the antecedents of online purchasing like hedonism and utilitarianism hold implications for the success of internet-based international marketing.

An online shopper could be motivated simply to find the products s/he needs. But this motive does not make sense to everybody with the development of online marketing. Some people use this way of shopping in order to attract other people's attention, to find time to be with peers, or just simply to kill time. Generally speaking, people shop not only for the utilitarian value of the products, but also for pleasure, feeling, aesthetics, emotion, and enjoyment (To et al. 2007). So, some people use the Internet for shopping only for its functionality, but others to have fun.

Online sales in 2010 generate \$200 billion annual sales volume in the US, but this number is only 22.9 billion TL (\$13 billion) in Turkey (Bloomberg HT News Site 2011). This indicates that, while USA is a mature country in terms of e-commerce, Turkey is still at introduction stage of e-commerce. In this study, the effects of hedonic and utilitarian values in online shopping are expected to differentiate between Turkish and US consumers.

CONCEPTUAL BACKGROUND

Utilitarian and Hedonic Shopping Values

Utilitarian motivation is described as critical, rational, decision effective, and goal oriented (Hirschman and Holbrook 1982; Batra and Ahtola 1991). It consists of convenience-seeking, variety seeking, searching for quality of merchandise, and reasonable price rate, etc. The concept of hedonic motivation is defined from a different perspective by Hirschman and Holbrook (1982). It includes happiness, fantasy, awakening, sensuality, and enjoyment. If a consumer has a hedonic motivation, s/he gets benefit from experiential and emotional aspects of shopping. The underlying reason for why hedonic consumers love to shop is not about gaining the physical object or completing the mission, it is the enjoyment that they get from the shopping process.

Hirschman and Holbrook (1982) states that the utilitarian and hedonic buying models differ in four main areas: "mental constructs, product classes, product usage and individual differences".

Utilitarian and Hedonic Values for Online Shopping Behavior

Online shopping represents a new way of shopping in comparison to brick and mortar stores. The main motivations for consumers to shop online are diversified selection, convenience, information, customization, interaction and time efficiency (Alba et al. 1997, Ghosh 1998, Morganosky and Cude 2000). According to Blake, Neuendorf and Valdiserri (2005) numerous aspects of websites are also important to internet shoppers. Almost all of the characteristics mentioned in the Blake's study

are utilitarian based. On the other hand, in terms of hedonic motivation, researches showed that sensual stimulation and the freedom to search are the main shopping motivations for consumers whether for traditional shopping or online shopping (To et al. 2007).

Culture

Culture generally is seen by marketing theorists (Blackwell, et al. 2005) as one of the main determinants of consumer behavior. According to McConatha (1993 in Kacen and Lee 2002) culture is expected to affect an individual's emotional experiences. Culture influences both "feeling rules," how an individual understands the world, and "display rules," which emotions are expressed and how they are expressed (Ekman 1972 in Kacen and Lee 2002). For instance, people from Asian (collectivist) cultures have been found to control negative emotions and only display positive emotions to acquaintances (Gudykunst 1993). Given that Turkey is high on collectivism (scored 34/110) compared to the U.S. which is high on individualism (scored 92/110) according to Hofstede, it is expected that consumers from these countries will have different hedonic and utilitarian motivations for online shopping (Geert Hofstede web site 2012).

Research model in [Figure 1](#) shows that culture is a factor that discriminates utilitarian and hedonic value perceptions of Turkish and American online consumers. For this reason, in this study the following research hypothesis is proposed:

H₁: Turkish consumers and American consumers will differ based on their online shopping motivations.

DATA AND ANALYSIS

Students from well known Turkish and US universities were asked to participate in a paper-based questionnaire. All of the 264 respondents were undergraduate students from the business administration departments. 121 of those students were from U.S.A. (Chicago), a country embracing individualism and 143 were from Turkey (Istanbul), a country Hofstede deems as collectivistic. Given the nature of the study topic, only those who indicated they had used the web for shopping were allowed to participate to the survey. University students from each country were chosen since their relative homogeneous characteristics and also, people from this group are more likely to shop from the Internet (Browne et al. 2004). The participants were young college students with similar fields of study. Thus, we expect less variation in their age and education relative to the general public. This ensures the added benefit of reducing alternate sources of variance, thus minimizing noise.

Multiple items were used to measure hedonic and utilitarian values. The items of utilitarian and hedonic values are from the scale developed by To, Liao and Lin (2007). Hedonic value scale has 18 items and utilitarian value scale has 19 items. Hedonic value is used in this study with its five dimensions and utilitarian value with its six dimensions. Those 37 items were questioned with answer options on a five point Likert scale (1: strongly agree, 2: agree, 3: neither agree nor disagree, 4: disagree and 5: strongly disagree). The questionnaire also includes topics related to the individual profiles of the participants (Gender, Age), Internet usage patterns (Duration of Internet usage, how frequently the consumer obtains information on products he/she plans to buy, how much the consumer spent for e-shopping in the last six months).

To ensure that the questionnaire is well understood, it was tested on a small scale of respondents to detect the existence of misinterpretation as well as any spelling and grammatical errors. The suggestions made were subsequently incorporated into the final questionnaire.

Demographics of the respondents resulted that the gender mode is male with 87 of 143 in Turks, 66 of 121 in American. Almost all of the respondents' age range between 18 and 25. In order to test if there is a significant difference in demographic profiles of the two sample group, Mann-Whitney U test is used. The genders were equally distributed and were similar across contexts (sig.: 0.303). Also, the average age of the respondents appeared similar across contexts (sig.: 0.545).

First of all, the validities and reliabilities of the scales were tested for both data. In order to validate the measurement properties of the hedonic and utilitarian shopping value scale, an iteration of confirmatory factor analyses was conducted. The model was consequently refined by eliminating items contributing most to lack of fit and has the largest error variances (Broekhuizen 2006). As a result, three items from hedonic motives were removed from the scale. The fit of the confirmatory factor analysis models are assessed on a number of fit indices, including chi-square, relative chi square, goodness of fit (GFI), comparative fit index (CFI), normed fit index (NFI), Root Mean Square of Approximation (RMSEA) (Hair et al. 1998; Kline 2005; Raykov and Marcoulides 2006). The results of confirmatory factor analyses for both dataset are given in [Table 1](#).

The reliability of each construct scale was assessed by computing Cronbach's alpha coefficient. The Cronbach's alphas for hedonic values were found to be 0.873 for Turkey and 0.913 for the US sample. Cronbach's alphas for utilitarian values were found 0.811 for Turkey and 0.922 for the US. All of them were over 0.70, the general accepted Cronbach's alpha coefficient (Hair et al. 1998).

Discriminant Analysis of Hedonic and Utilitarian Values According to Nationality

The main objective in data analysis was an examination of the responses to discern patterns in them. In an effort to explain the difference between those that made online purchase in Turkey and those in US a discriminant analysis of hedonic and utilitarian values according to nationality was attempted using the five hedonic value dimension (Adventure, Value, Idea, Social, Gratification) and six utilitarian value dimensions (Cost Saving, Convenience, Selection, Information Availability, Lack of Sociality, Customized Products/Service).

Canonical discriminant function was found significant. The significance of the discriminant function was tested by using Wilks' lambda. As seen in [Table 2](#), Wilks' lambda for function 1 is significant with value of $\lambda = 0.717$; $p < 0.00$ and displays a canonical correlation of 0.532. Therefore, H_1 is accepted.

[Table 3](#) contains mean values of Turkish and American students, the classification function coefficients of the hedonic and utilitarian value dimensions. Five of the eleven dimensions were found insignificant: "Adventure" and "Idea" from hedonic value, "Convenience", "Information Availability" and "Customized Products/Services" from utilitarian value.

According to the group means Turkish students have higher mean values for value, social, cost saving, and selection dimensions. The US students have greater mean values for gratification and lack of sociality dimensions. Those results mean that Turkish students use the Internet for shopping when there are sales and they enjoy hunting for bargains most of the time. They also see Internet shopping as a kind of socialization, since they exchange information and share experiences with their friends while shopping. Turkish students think that they save money when they use the Internet for shopping and also they think that they can access to many merchandisers and brands by using the Internet for shopping. On the other hand, US students think that Internet shopping is a way to relieve stress and it makes them feel good when they are in a down mood. Contrary to Turkish students who see Internet shopping a tool for socializing, US students see this kind of shopping as a way to avoid social interaction with others.

In order to determine the differences between the Turkish and the US students on the function, group centroids of the discriminant function were noted ([Table 4](#)). Centroids are defined as discriminant scores for each group (Turkish and the US) on a function and indicate the distance of the group in standard deviation units from the zero mean of the discriminant function (Ahmed 1991). If there is a great difference between the centroid of one group and the centroid of another along a discriminant function axis, then the discriminant function separates the two groups. In [Table 4](#), American students' centroid (0.680) is the strongest on discriminant function 1, followed by Turkish students (-0.575).

The discriminant function, also known as a classification criterion, was estimated by measuring generalized squared distance. In [table 5](#), it is shown that 76.5 percent of subjects were classified correctly by the discriminant function. When comparing the correct classification assignments of 76.5 percent with the expected classification correctness of 50 percent, an improvement in classification was observed. This means that the hedonic and utilitarian value dimensions used in the study successfully discriminated Turkish and American students.

CONCLUSION AND RECOMMENDATION

This study was conducted in order to explore the differences between Turkish and US internet shoppers' hedonic and utilitarian values. The results of the study confirmed differences between the two groups. Turkish participants had higher hedonic value perceptions in general. The utilitarian value dimensions were also higher for Turkish participants when compared to the US participants.

The Turkish online shoppers who participated in this research shop from the Internet when there are sales; they enjoy looking for discounts while shopping online and enjoy hunting for bargains when shopping online. They think that this way of shopping is valuable for them. So, online websites allowing for price negotiations may provide a more satisfying shopping environment for them (Lightner et al. 2002). They also think that they could develop friendships and extend personal

relationships by this way. So, they see this channel as a way to socialize more than the US online shoppers. This way of shopping is also more cost saving and provides more selection for Turkish participants. But, the US online shoppers' use this channel because it makes them to feel better and to relieve their stress. They also use online shopping to avoid social interaction with others.

The findings of this paper show that different cultures have different motives for shopping online. As known, Turkish culture is a collectivist culture, whereas the US culture is an individualistic culture (Geert Hofstede web site 2012). This distinction could be seen in this study. While Turkish participants see online shopping as a way to socialize, US participants use it to avoid social interaction. So, the findings indicate that the online retailers selling products/services to Turkish consumers should take actions to increase social interaction between people. They may provide their consumers the opportunity of speaking and discussing with other consumers who are shopping at the same time with them. So, those people who are planning to buy products could share their experiences with each other by this way. This could be made by using social media channels. As the US online shoppers see this kind of shopping as a way to relax and to avoid interaction with others, online retailers selling products/services to them should make online shopping more entertaining. They could add new features to their websites, so that their customers have a good time during their shopping trip.

TABLES

Table 1: Test of Discriminant Validity Using CFA for Hedonic and Utilitarian Motives on Both Dataset

		X2/d.o.f.	GFI	NFI	CFI	RMSEA
HEDONIC	Turkey Dataset	1.868	0.881	0.865	0.931	0.078
	USA Dataset	1.870	0.867	0.899	0.950	0.085
UTILITARIAN	Turkey Dataset	1.686	0.868	0.808	0.909	0.070
	USA Dataset	1.613	0.848	0.879	0.949	0.071
	Recommended Level	< 3.00	> 0.90	> 0.90	> 0.90	< 0.05 (0.08)

Table 2: Summary of Discriminant Analysis Results

Function	Wilks' Lambda	Eigenvalue	% of Variance	Canonical Correlation	Chi-square	df	Sig.
1	0.717	.394	100	0.532	85.199	11	0.000

a. First 1 canonical discriminant functions were used in the analysis.

Table 3: Mean Comparison of Variables

Hedonic and Utilitarian Items	Turkey Mean	USA Mean	p
Adventure (H.V.)	3.08	3.08	0.993
Value (H.V.)	1.96	2.37	0.000
Idea (H.V.)	3.22	3.08	0.243
Social (H.V.)	3.30	3.66	0.000
Gratification (H.V.)	3.87	3.38	0.000
Cost Saving (U.V.)	2.22	2.49	0.004
Convenience (U.V.)	1.93	1.94	0.954
Selection (U.V.)	1.70	1.95	0.007
Information Availability (U.V.)	1.92	1.95	0.743
Lack of Sociality (U.V.)	2.80	2.43	0.001
Customized Products/Services (U.V.)	2.53	2.55	0.743

* Respondents evaluated the hedonic and utilitarian values on a five-point likert scale (1: strongly agree; 5: strongly disagree), H.V.: Hedonic Value U.V.: Utilitarian Value

Table 4: Functions at Group Centroids

Functions at Group Centroids	
Nationality	Function
Turkey	-.575
USA	.680

Unstandardized canonical discriminant functions evaluated at group means

Table 5: Classification Results

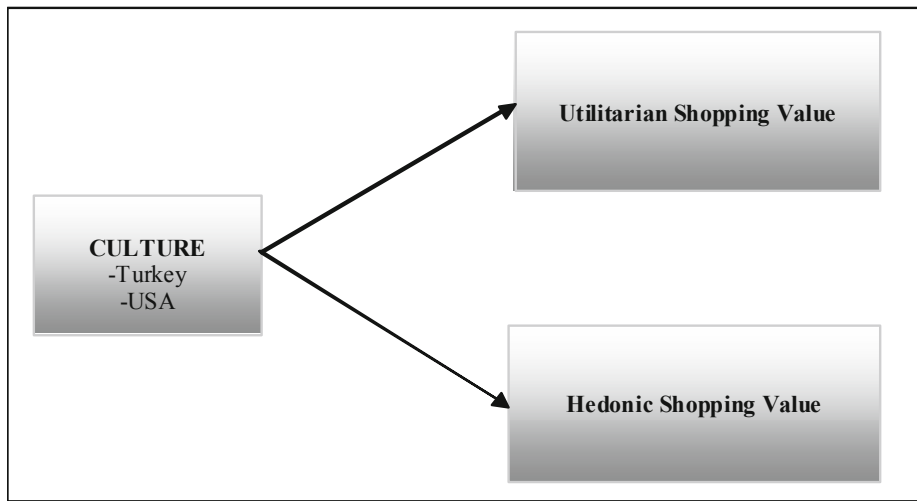
		Predicted Group Membership			
		Gender	Turkey	USA	Total
Original	Count	Turkey	113	30	143
		USA	32	89	121
%		Turkey	79.0	21.0	100.0
		USA	26.4	73.6	100.0

a. 76.5% of original grouped cases correctly classified.*

* “The classification accuracy should be at least one-fourth greater than that achieved by chance. For example, if chance accuracy is 50 percent, the classification accuracy should be 62.5 percent (62.5%=1.25x50%)” (Hair et al.,1998 p.269).

FIGURES

Figure 1: Research Model



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AN INTEGRATED LUXURY RETAIL EXPERIENCE: MOBILE CONFIDENCE, MOBILE TRUST AND TECHNOLOGY ACCEPTANCE OF QUICK RESPONSE CODES

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INTRODUCTION

Because luxury consumers tend to be trendier, more affluent and educated than mainstream consumers, they often are described as potential early adopters of technology (Okonkwo 2010). Luxury firms are heavily promoting branded mobile apps, iPad catalogs, and mobile web sites in order to maintain customer relationships and keep luxury devotees connected to their brands 24/7. In order to test these claims, the current study examines the ways that luxury values relate to consumer behavior in an integrated multichannel retail setting. Thus, we conduct an empirical study of luxury consumers and their acceptance of quick response (QR) code technology.

Using the theory of Symbolic Self-Completion (Wicklund and Gollwitzer 1982), we hypothesize that hedonic luxury self-perceptions (Wiedmann et al. 2009) are positively related to the Technology Acceptance Model variables (Davis 1989) and mobile confidence (Hahn and Kim 2009). Furthermore, we assess whether a designer QR code that mimics the look and feel of a luxury retailer's window display can enhance the perceived ease of use and usefulness of a QR code, leading to increased mobile trust (Lin et al. 2011) and behavioral intentions towards QR code scanning.

METHODOLOGY

A national sample of affluent working class and retired professionals was recruited from an online panel (n=100). 94% of the respondents earned \$100,000 to \$200,000 per year. 83% were between 25 and 54 years old. There were 51 women and 49 men. 33% of the respondents owned iPhones, 35% had Android smartphones and the remaining had other types of cell phones.

An online survey instrument, with intervally-scaled measurement items drawn from the research literature, was used to address the research aims and concerns. Subscales (self-identity, self gift-giving and self-directed pleasure) from Wiedmann et al.'s (2009) luxury value perceptions measurement were used to form a unidimensional hedonic luxury self-perceptions construct.

An Exploratory Factor Analysis showed that most factor loadings were properly aligned and greater than .30, except for 3 total items. As a result, those items were dropped prior to conducting the regression analysis. The Cronbach's Alpha coefficients were thereby greater than .75 for each scale.

First, respondents were shown an image of a luxury storefront window with a matching, branded designer QR code. They were directed to indicate their intentions to scan the QR code for conducting product searches, shopping on the m-commerce site and browsing the designer's entire collection. Then, they used the same image to answer questions related to PEOU, PU and congruity. Afterwards, respondents were shown an image of the branded luxury m-commerce site and their levels of mobile confidence and mobile trust were evaluated. Lastly, hedonic luxury self-perceptions were measured.

Steps were taken to minimize common method variance, such as evaluating the DV's prior to the IV's and randomizing the item order (Podsakoff et al., 2003). Given that negative or positive impressions of the luxury brand could bias the results, a control variable was entered for brand loyalty towards the luxury retailer.

Hierarchical regression (SPSS 18.0) was used to test the hypothesized relationships. The means of the scalar items were used to form the constructs. The control variable (brand loyalty) was entered during the first step, prior to testing each of the hypothesized relationships.

RESULTS AND DISCUSSION

Hedonic luxury self-perceptions are positively related to perceived ease of use ($B = .36, p < .01$), perceived usefulness ($B = .52, p < .01$) and mobile confidence ($B = .47, p < .001$). This finding supports that luxury shoppers may be avid consumers of technology and use technologies such as designer QR codes as building blocks for their self-definitions and pleasure-seeking.

Yet, it does not appear that these self-perceptions increase the perceived congruity of the QR code with the retail window display ($p = .22$).

Perceived congruity is marginally related to perceived usefulness ($B = .18$, $p = .06$). A QR code that mimics the look and feel of a luxury designer's window display may partially spark technology acceptance for luxury consumers. So, the recognition of a designer QR code may not depend upon someone self-identifying as a luxury consumer. The perceived congruity, however, can help increase the usefulness of the QR code.

Additionally, mobile confidence ($B = .63$, $p < .001$), perceived congruity ($B = .20$, $p < .05$) and technology acceptance are shown to enhance mobile trust ($B = .34$ for PEOU, $B = .43$ for PU, $p < .001$). In turn, mobile trust is significantly related to behavioral intentions towards scanning the QR code to search for products ($B = .24$, $p < .05$), shop ($B = .25$, $p < .05$) and browse the designer's collection ($B = .32$, $p < .01$). Mobile confidence and mobile trust seem to be the key variables that foster QR code scanning. At the same time, the relative strength of the browsing variable conveys that QR codes can successfully integrate physical and digital channels for luxury consumers.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

Hedonic luxury self-perceptions do not determine how consumer perceive designer QR codes, but can be related to mobile confidence and technology acceptance. The data suggest that luxury consumers with heightened self-perceptions and hedonic desires may depend upon technology as building blocks for their self-definitions. Notably, they may see the congruity of the QR code design within the window display as a symbol of mobile trust, leading to their intentions to scan.

For academicians, this study contributes to the theory of Symbolic Self-Completion within a technocratic setting and adds to TAM the possible inclusion of affective, as well, as self-impressional antecedents. For practitioners, these findings demonstrate that branding efforts should extend not only to the digital realm, but the more ephemeral, omnichannel setting.

Even though luxury consumers are adept and confident m-commerce users, retailers should ensure that the creativity and exclusivity of designer QR codes do not distract from their usability. The limitations include the sample size and type. In the future, researchers should also test moderators such as experiential value (including status value) and seek experimental designs, or natural research settings that manipulate the presence of QR codes.

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Session 7.2. Engaging Students – The Importance of Subject Matter

Session Chair: Anita Whiting, Clayton State University, USA

An Exploratory Study of Ethics, CSR, and Sustainability Education in Graduate/Undergraduate Business Schools: Specifically in the Marketing Curriculum

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Evaluating the Readability of Marketing Research Textbooks: An International Comparison

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Jane Wayland, University of Arkansas at Little Rock, USA

The Marketing Ethics Course: Current State and Future Directions

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AN EXPLORATORY STUDY OF ETHICS, CSR AND SUSTAINABILITY EDUCATION IN GRADUATE/UNDERGRADUATE BUSINESS SCHOOLS: SPECIFICALLY IN THE MARKETING CURRICULUM

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INTRODUCTION

In this preliminary report, ethics, CSR, and sustainability teaching and learning appear to be taking place in the AACSB accredited business schools and marketing classrooms. Business schools and marketing departments within graduate/undergraduate business programs in the United States are both incorporating and assessing learning objectives in ethics, CSR, and sustainability. However, CSR and sustainability lag behind ethics. This is not surprising since ethics has been a focus of business schools and AACSB for quite some time. It is likely that the focus by AACSB on these areas will continue to drive changes in business schools.

These preliminary results point to several considerations for the implementation of ethics, CSR, and sustainability teaching and learning initiatives. The full results are expected to provide provocative material for stimulating undergraduate and graduate business school and marketing faculty discussions on the three topic areas at schools having (or desiring) AACSB accreditation.

Focus on Ethics, CSR, and Sustainability

This study explores the extent to which ethics, CSR, and sustainability is being delivered in AACSB accredited graduate business schools and undergraduate marketing education. As a result of recent financial meltdowns, corporate scandals, pollution, global warming, etc. there is growing public interest and scrutiny in the areas of corporate ethics, CSR, and sustainability. We are hearing from recruiters and business school advisory boards that there is a growing corporate demand for employees and new college hires to have understanding, reasoning and problem solving skills in these areas—especially with regard to how they contribute to the triple bottom line (people, planet, profits).

While business schools are changing to meet corporate and public demand and are including learning objectives in these areas, it is just as likely that something like the Association to Advance Collegiate Schools of Business (AACSB) accreditation is as much a driver. In fact, respondents to a recent survey cited accreditation (and school ranking criteria) as current and future drivers to assure these areas are adequately addressed and assessed in their curricula (Gardiner and Lacy 2005). So the emphasis on these areas by premier business school accrediting bodies like AACSB is driving changes in business schools.

Recent Research on Ethics, CSR, and Sustainability in Business Education

There is an extensive body of literature on ethics in business education. Ethics in the business curriculum has been included in designated courses as well as integrated into each class throughout the whole business curriculum. This focus would seem to create a comprehensive and thorough incorporation of business ethics. However, one recent study conducted by Nicholson and DeMoss (2009) assessed curriculum coordinators' (e.g., department chairs', program administrators') perceptions of the level of inclusion of ethics (and social responsibility) at the level of specific programs and majors and found some surprising results. These researchers found a perceived deficiency in the degree of integration of ethics and social responsibility in specific disciplines. To what degree is this consistent among AACSB deans and marketing department chairs? Are the changes due to broadening definitions or the addition of CSR and sustainability into the curriculum and to the previous ethics-only learning objectives?

Recently, regarding CSR, there appears to be a shift away from the realm of ethics per se with more emphasis being placed on assessing firm performance in this area (Carroll and Shabana 2010). Researchers have broadly studied CSR in the curriculum (Wright and Bennett 2011) while others have focused solely on top ranked MBA programs and examined the degree of penetration of the topic within the curriculum (Christensen, Peirce, Hartman, Hoffman and Carrier 2007). Stubbs and Schapper (2011) focused on one example of the integration of a CSR course into the curriculum and the development of the course. Rundle-Thiel and Wymer (2010) focused on standalone courses in New Zealand and Australia teaching CSR. Mattern and Moon (2005) looked at CSR in European schools and the general methods used to cover the topic. Moon and

Orlitzky (2011) looked at CSR in both Europe and us schools and examined the degree to which compulsory stand alone courses or modules are utilized. While CSR is a focus of researchers, according to Sherman and Hansen (2010), it has not become widely pervasive in business curriculum. This may be due in part to the nature of CSR being not one, but many collective distinct activities (Godfrey and Hatch 2007). These studies have had interesting findings and vary widely, but do not really provide a comprehensive picture of the state of CSR in the business and marketing curricula at both the graduate and undergraduate levels.

A web-based content analysis of sustainability-related curricula of business schools from EQUIS and AACSB were examined by Wu, Huang, Kuo and Wu (2010). These researchers found that European schools favored an elective-oriented approach and placed more emphasis on sustainability-related courses at the graduate level. American business schools placed more sustainability-related courses at the undergraduate level, even requiring them to graduate. Rusinko's (2010) research resulted in the development of a matrix of options that could be used by administrators and educators to integrate sustainability in higher education (SHE) providing more appropriate and strategic choices with respect to SHE. While these studies look at graduate and undergraduate education and offer options for administrators and educators interested in incorporating sustainability into their business curricula, the focus is only on sustainability. All in all, none of the studies aforementioned include a comprehensive assessment at the graduate and undergraduate levels of all three areas (ethics, CSR, and sustainability) of interest by the public, corporations, and accrediting bodies.

As described above, educational scholarship on ethics, CSR, and sustainability teaching and learning activities focuses largely on only one or two of the three areas of socially responsible business practice (ethics, CSR, or sustainability). Since most business schools are struggling to integrate and assess all three areas, we believe looking at AACSB accredited business schools' and marketing programs' efforts to incorporate ethics, CSR, and sustainability teaching and learning activities was worthy of exploratory investigation.

METHODOLOGY

Business school deans and marketing department chairs were asked to report on ethics, CSR, and sustainability teaching and learning activities within their schools and departments.

Using findings from our ethics, CSR, and sustainability survey, the current research addresses four major questions with respect to ethics, CSR, and sustainability teaching and learning at the graduate and undergraduate levels within the business school and, more specifically, department of marketing:

1. Do formal ethics, CSR, and sustainability teaching efforts take place within business schools particularly within the marketing department?
2. How are ethics, CSR, and sustainability teaching being implemented/accomplished?
3. How are ethics, CSR, and sustainability learning being assessed (measured)?
4. What are the impediments to implementation?

In the spring of 2012, a "Status of Ethics, CSR, and Sustainability teaching and learning activities in Graduate and Undergraduate Business and Marketing Education in the United States" survey was sent to the business school deans and marketing department chairs at approximately 480 AACSB colleges and universities across the United States to gather information relevant to the four research questions related to ethics, CSR, and sustainability.

Questionnaire

The questionnaire adapted an existing questionnaire developed to assess cross-functional education in the marketing curriculum in undergraduate programs (Crittenden and Wilson 2006) to evaluate the four major research questions listed above. For both the undergraduate and graduate programs, sets of questions asked deans and (marketing) department chairs questions related to the effectiveness of ethics, CSR and sustainability being incorporated into the business and marketing curricula, how much time is spent teaching these areas, as well as the competitive advantage of students taking courses in these areas. Other questions asked what emphasis is placed on these areas for funding, research, and performance evaluations, and how these courses were being implemented/taught (and by whom) and how are objectives/outcomes being assessed (measured).

Sample

The survey was targeted to the deans and chairs of the marketing department at AACSB accredited schools to provide an assessment of ethics, CSR, and sustainability efforts in the business schools and within departments of marketing at both the graduate and undergraduate levels. Communications with deans and marketing and/or management faculty at three different universities suggested that it would be better to get a comprehensive assessment via both deans and department chairs. While deans recommend curricula, department heads recommend and play a role in implementation so both perspectives were thought to be relevant. Furthermore, deans and department heads are equally interested in curricula objectives and assessments for AACSB accreditation. While in-class activities might not be shared with the department chair, the focus AACSB accreditation places on assessment should facilitate departmental and school dialogue among colleagues regarding outcomes using innovative efforts. In addition, targeting deans and department chairs provides both an organizational and departmental measure and is able to be parsed out accordingly.

RESULTS AND DISCUSSION

To date, 111 responses have been received, with 37% of the respondents being deans and 63% marketing department heads. Of the respondents, 88% indicate having a graduate business school and 12% only had undergraduate business programs. Deans and marketing heads had higher levels of agreement with the ethics-related questions at both the graduate and undergraduate levels while sustainability consistently has the lowest levels of agreement. Deans seem to be recommending all three areas be integrated into the curriculum while marketing department heads report lower levels of agreement that these areas are in fact integrated. When asked "About what **percentage** of undergraduate courses have incorporated the following curricula into the learning objectives," the results were ethics, 55.55%, CSR 41.7% and sustainability 32.45% curricula have been incorporated into the learning objectives of undergraduate courses. Similarly, when ask the same question regarding graduate courses, the results were ethics, 58.82%, CSR 41.12% and sustainability 40.77% curricula have been incorporated into the learning objectives of graduate courses. With all the attention on these areas by the public, corporations, and academic institutions like AACSB, surprisingly, all three areas are thought to only somewhat provide students with a competitive advantage with the mean for the level of agreement being ethics 60.21, CSR 53.31, and sustainability 52.32 on a scale ranging from 0 (disagree) to 100 (agree).

Another part of the survey assessed the necessity and importance of ethics, CSR and sustainability in the business school. The survey also assessed whether these areas enhance a student's education. Ethics education is thought to be a necessity and to enhance a student's decision-making ability and with levels of agreement being 82.15, 62.85, and 62.97 respectively on a scale of 0 (disagree) to 100 (agree) skills as Knowledge of ethics, CSR, and sustainability is thought to help students gain an understanding of marketing with the level of agreement being 7.29, 6.22, and 6.5 respectively on a scale of 0 (disagree) to 10 (agree) (this question was reverse coded). Other questions related to the use of cases to teach courses in these areas. Of interest is that faculty, specifically marketing faculty, do not seem to collaborate or share cases with the results of the question being 2.49, 2.78, and 2.90 respectively where 0 is disagree and 10 is agree.

PRELIMINARY CONCLUSIONS

While these are very early preliminary results, the survey appears to provide very comprehensive insight into the integration of all three areas of interest (ethics, CSR, and sustainability). Additionally, assessment of the integration is also evaluated. Both deans and marketing department chairs were surveyed and includes both AACSB accredited business schools and marketing programs as well as evaluation of both graduate and undergraduate programs.

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EVALUATING THE READABILITY OF MARKETING RESEARCH TEXTBOOKS: AN INTERNATIONAL COMPARISON

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ABSTRACT

The readability of textbooks affects student performance and textbooks that are less readable result in lower average marks (grades) in the specific course. The readability of textbooks is one of the aspects in communication that requires attention in the South African context. South Africa is a country with 11 official languages, with many students reading textbooks that are not written in their first language, but rather in their second (or even their third or fourth) language. It has been estimated that approximately 80% of all secondary scholars in South Africa study in a second language. There has been an increase in the number of textbooks published in different parts of the world (as has taken place in South Africa) and there has also been an increase in the number of publications in different languages. In some instances, international editions are adapted for a local market (specifically a country) while in other situations, a textbook is written by local authors for use in their own environment. Various reasons can be identified why textbooks would be adapted from their original US edition or written by local authors, including the provision of local examples and the cost issues associated with the importing of textbooks.

The purpose of this paper is to evaluate and compare marketing research textbooks that have been written for a South African context to determine the readability of these textbooks and compare with those written in the US context.

There are numerous methods for determining readability including the Flesch Reading Ease, the Flesch-Kincaid Grade Level Index, Gunning's Fog Index and the SMOG procedure. Research conducted by Chiang, Englebrecht, Phillips and Wang (2008) examined scores based on these methods determined that the readability scores using several methods were highly correlated ($p < .0001$), therefore making it necessary to only use one measure.

Marketing research textbooks that had been written specifically for the South African market were identified. Electronic copies of each chapter of the South Africa adaptations were obtained from the publishers. From each chapter, all tables and figures as well as assessment questions and references were removed. Four marketing research textbooks marketed in the United States were chosen for the study. Because three of the texts have multiple authors, samples were extracted from each of the chapters of the textbook.

The texts adapted from the South African market are written at the same readability level as all US texts except for the Hair, Bush, and Ortineau text. This suggests that students are required to read at the level of their US contemporaries. The importance of adapting texts to the South African market may be more about applying concepts using cultural examples and less about English as a first language. Limitations associated with this research include the limited number of SA marketing research textbooks that can be analyzed in this study as well as the development of readability formulae being dated. Future research can be conducted on locally-authored marketing textbooks as well as examining the comprehension of students of the specific textbooks.

References available upon request

THE MARKETING ETHICS COURSE: CURRENT STATE AND FUTURE DIRECTIONS

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INTRODUCTION

As the field of business ethics has evolved, the marketing domain has been a natural context for and recipient of much ethical consideration. One reason for this might be that many of the critical issues facing modern businesses, such as sustainability and social responsibility, can be considered marketing ethics issues (Murphy, 2010). Marketing has been a significant contributor to applied ethics from the early days of business ethics research. Several of the original ethical decision making models emerged from marketing scholarship, such as the Ferrell-Gresham (1985) and the Hunt-Vitell (1986) frameworks, and they remain among the most highly-cited studies in the marketing ethics literature. Recent literature reviews confirm that issues of marketing ethics continue to grow in importance to the marketing profession (Schlegelmilch & Öberseder, 2010).

In response to increased media exposure from high-profile corporate ethical scandals and with the encouragement of accrediting bodies, many business schools have increased their coverage of the ethical components in their curricula (Sims & Felton, 2006). Business schools recognize that they are at least partially responsible for influencing their graduates' capacity for ethical decision making (McAlister, 2004). Despite this trend toward more attention to ethics in general business education, there have been conflicting recent findings related to the marketing profession's level of interest in the infusion of ethics into marketing education. An analysis of the marketing literature revealed that education was the second most-researched sub-discipline within marketing ethics (Nill & Schibrowsky, 2007). However, Schlegelmilch and Öberseder (2010) point out that while the educational aspects of marketing ethics may have a high number of total publications, the topic's relatively lower number of citations indicates marketing ethics education may be a *less* important topic overall for the marketing profession.

Prior studies have also shown there are not a significant number of courses specifically designed with a focus on marketing ethics in university business programs. In a survey of marketing ethics researchers, Loe and Ferrell (2001) found only three business schools that were delivering a standalone marketing ethics course at that time, noting that prior research in the 1980's and 1990's revealed equally small numbers. This leads to the research question: What is the current state of the marketing ethics course?

This exploratory study takes an updated look at the current implementation of the marketing ethics course. Our goal is to inform and inspire further development and refinement of marketing curricula that incorporate marketing ethics content. Using a case study method we describe a variety of different approaches currently being used in the definition and delivery of marketing ethics courses. We conclude by offering recommendations for the future of the marketing ethics course and discussing related research opportunities.

BACKGROUND

As a subset of business ethics (Murphy, 2002), *marketing ethics* focuses on ethical situations of relevance to the domain of marketing (Schlegelmilch, 1998). Because of marketing's position as a key boundary spanning function (Hult, 2011), what constitutes acceptable standards of behavior for marketing activities will be strongly influenced by the organization's constituents and stakeholders (Ferrell, 2007). Marketing ethics, therefore, is concerned with "how moral standards are applied to marketing decisions, behaviors and institutions" (Murphy, Lacznia, Bowie, & Klein, 2005, p. xvii).

The scope of marketing ethics is admittedly broad. In the most comprehensive marketing ethics literature review to date, Schlegelmilch and Öberseder (2010) identified a wide range of topics encompassed by marketing ethics. Most of the identified topical areas have potential relevance to marketing ethics education. This includes ethical issues related to: the functional areas of marketing (product, price, place, and promotion); the sales function; corporate decision making; consumers (including vulnerable consumer groups); international marketing; marketing research; as well as law, religion, and ethical codes. Their findings also highlight the influence of more recent, emerging aspects of marketing ethics, including green marketing, social marketing, and other ethical marketing practice implications related to the internet. Their resulting categorization scheme aligns closely with the prior marketing ethics scholarship review undertaken by Nill and Schibrowsky (2007).

Different universities have chosen different approaches to implementing marketing ethics coursework within their business programs. There is not clear agreement within the business ethics education community regarding which method of infusing marketing ethics into business school curricula is preferable (Sims & Felton, 2006). Some scholars call for embedding and integrating ethical content into multiple courses (Abela & Murphy, 2008; Beggs, 2011; Beggs & Dean, 2007), though this may potentially result in a superficial treatment of the topic (Brennan, Eagle, Ellis, & Higgins, 2010). Some business schools have chosen a standalone approach, with dedicated courses focused specifically on ethics (Petrick, Cragg, & Sanudo, 2011). Others conclude that a modular or hybrid mix of both standalone and embedded program components may be the optimal approach (Hartman & Werhane, 2009; Ritter, 2006). Because the standalone course continues to be espoused to satisfy some or all of the ethical content delivery, this article focuses on the current state of the standalone marketing ethics course.

METHODOLOGY

The objective of this exploratory study is to identify and describe a variety of marketing ethics courses currently in use as a means of inspiring and informing future curriculum development. To accomplish this goal, a case study method is selected. Case studies are an appropriate choice for “providing answers to ‘How?’ and ‘Why?’ questions, and in this role can be used for exploratory, descriptive or explanatory research” (Rowley, 2002, p. 16). Yin (2009) points out that the choice of single vs. multiple case studies should be made with regard to the specific research purpose. For this study, multiple case studies are used because they enable a broader and more varied exploration of the phenomenon of interest (Eisenhardt & Graebner, 2007).

To obtain our cases, we reviewed a representative sample of AACSB-accredited business school programs which have recently offered or whose catalog specifies a marketing ethics course. We also queried academic message board members who teach and/or research in business ethics for additional input. While we did not necessarily attempt to be exhaustive in our search, we did aim to provide breadth of exposure to current practices. Consistent with prior marketing course examinations (Crittenden & Wilson, 2006), selected marketing ethics course syllabi were then inspected, and course objectives, content, and pedagogical methods were reviewed. From a content analysis of the selected syllabi, a set of discrete *categories* of marketing ethics courses emerged. These categories represent a varied set of practices and approaches to the marketing ethics course. Case descriptions highlighting each of the marketing course types are subsequently presented, compared, and discussed.

EXPECTED CONTRIBUTION

Based on the descriptive examination of a variety of different types of marketing ethics courses currently in use and their respective objectives, content, and approaches, this paper is intended to help inform and inspire further marketing curriculum development in the area of marketing ethics. The results of this study highlight a number of creative and interesting approaches to the marketing ethics course. Business school graduates’ capacity for ethical decision making can be influenced by the capacity of business programs to infuse an ethical perspective into the curriculum (McAlister, 2004). For some universities, this may be accomplished by delivering a targeted marketing-specific ethics course within their business programs.

The results of this preliminary exploration may also lead to more structured follow-up research including a wide-scale survey of a broader set of marketing department practices related to the marketing ethics course.

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Session 7.3. Promotional Strategies

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Attention to Print Advertising: An Eye Tracking Study in the Context of Airline Advertisements

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Exchange Offer as a Sales Promotion Tool for Consumer Durables: A Content Analysis of Indian Print Advertisement

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Should Destination Marketers Avoid Dark Movies in the Marketing Plans?

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ATTENTION TO PRINT ADVERTISING: AN EYE TRACKING STUDY IN THE CONTEXT OF AIRLINE ADVERTISEMENTS

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INTRODUCTION

Due to the large number of commercial messages that consumers are exposed to on a near-constant basis, many print advertisements remain unnoticed by the intended target audience, leading to substantial reductions in advertising effectiveness (Ha 1996). Consequently, the development of approaches to improve consumer attention and to successfully cut through the clutter of competing advertising messages remains a constant challenge for marketing practitioners (Rumbo 2002). The importance of attention as the initial step to a positive consumer response is recognized by various models such as AIDA (attention-interest-desire-action); these models are built on the premise that only those elements of a message that receive sufficient attention from the audience will receive cognitive processing capacity, and that attention is a necessary (but not sufficient) condition for subsequent stages in information processing and decision making. In the case of print advertisements, the allocation of cognitive processing capacity by the consumer requires a minimum amount of visual exposure time. As such, precise knowledge of that exposure time and of the exact elements that consumers may actually pay attention to is of significant importance for marketers if they wish to improve advertising effectiveness. In order to gain additional insights into how consumers process information from print advertisement, this study measures visual attention using eye tracking technology. The current paper presents selected findings from a larger eye tracking study conducted in the context of the airline industry, a sector subjected to constant and comprehensive cost-cutting demands that also – and especially – necessitate an improvement in their advertising efficiency and effectiveness.

VISUAL ATTENTION: CONCEPTUALIZATION AND MEASUREMENT

Attention has been defined as the “focused mental engagement on a particular item of information” (Davenport and Beck 2001, p. 20). It is processed via one or more of the five traditional senses: sight, hearing, touch, smell, and taste. Previous consumer research demonstrated that eye movements provide reliable information about consumers’ visual attention to advertisements (Rosbergen, Pieters, and Wedel 1997; Treisman and Gregg 1979). Particularly for more complex activities such as reading, scene perception, and visual search, eye position and attention appear to be highly correlated (Rayner 2009).

When measuring visual attention it is important to note that individuals do not perceive visual information on a smooth and steady path. Rather, visual perception is characterized by rapid eye movements called saccades, followed by fixations where the eyes stand relatively still. Sensitivity to visual input is significantly reduced during saccades, impeding new information to be processed. Information processing thus only occurs for fixations, which typically have a duration of about 200 to 500 milliseconds, whereas saccades may last between 20 and 50 milliseconds, depending on the distance covered (Chandon et al. 2009; Rayner 1998). The sum of the fixations related to a specific element of an ad or to the overall ad is then referred to as dwell time. The following link (<http://bit.ly/xGhOiH>) shows a consumer scanpath, where circles represent fixations and the size of the circles is proportional to the time consumers remain on a specific element of an advertisement. Straight lines between circles represent saccades, and information that lies on a straight line is not processed by the individual.

Previous research on print advertisements using eye tracking technology found that pictures are superior in capturing attention, independent of their size, whereas text elements capture attention in direct proportion to their surface size (Pieters and Wedel 2004). Further, it has been suggested that marketers should put more emphasis on brand, price, and promotion elements in an ad and less emphasis on pictorials and text (Pieters, Wedel, and Zhang 2007). However, when it comes to the relationship between pictorials and text, consumers seem to prefer pictorial elements over text elements because they usually avoid the cognitive effort of reading the text elements when skimming an advertisement (Kroeber-Riehl 1984). In the context of cigarette advertisements, Krugman et al. (1994) found that individuals were able to more accurately recall information from warning labels if they had exhibited more fixations and a longer total dwelling time. However, Fox et al. (1998) question the effectiveness of warning labels for beer and cigarettes and find in their eye tracking study that only between 64 and 86 percent of viewers actually see the warning labels, and Fischer et al. (1989) present even more discouraging results in a similar study, stating that in 43.6% of all cases, the warning label was not viewed at all.

METHODOLOGY

Forty-four male and 52 female undergraduate students from a private university in Northern Mexico viewed a lifestyle-oriented online magazine in Spanish language that had been generated for the purpose of the study. Participants' age ranged from 17 to 26 years. They were recruited on the university campus and did not receive remuneration for their participation in the study. Because airline travel was used as a filter question at the beginning of the study, all participants had travelled at least once by airplane in the 12 months preceding the study.

The online magazine included a cover page, 18 pages of editorial content with large pictorials and some text on topics such as fashion, lifestyle, leisure, innovative products, and health care, seven ads of airline companies, and six filler ads related to other services such as banks and consulting services. The seven airline ads were electronically scanned from Mexican magazines and included three U.S. airlines (American, Continental, and Delta), three Mexican airlines (Aeromexico, Mexicana, and Interjet), and one airline from Germany (Lufthansa). In order to control for fatigue, they were placed randomly at seven predetermined spots in the magazine. Participants were asked to imagine a situation where they would view an online magazine at home on their computer screen. After calibration, participants viewed the online magazine at their own pace. Eye movements while viewing the magazine were recorded with a last-generation Tobii T60 eye tracker (Tobii 2011).

Participants were then asked general questions such as usage frequencies of airlines and reasons for travel, followed by questions related to spontaneous and prompted ad awareness (recall and recognition). Finally, participants were shown a color print from each of the seven airline advertisements and asked on a six-point Likert-type scale how they evaluated the message of the ad (1=very bad to 6= very good) and how they evaluated the appearance of the ad (1= very bad to 6=very good). A total of 13 participants were removed from the sample due to either missing data in the questionnaire or contact lost from the eye tracker at different times in the recording, resulting in a usable sample of 83 respondents.

RESULTS

Viewing Time, Ad Recall, and Attitudes Toward the Ad

Because attention is a necessary condition for the subsequent processing of an advertisement, it may be hypothesized that ads that receive higher recall and more positive attitudes may be those that attain longer viewing times. [Table 1](#) shows the relationship between average viewing time and ad recall. At first sight, the results do not suggest a clear pattern. For example, Continental had the highest average viewing time of the seven airline ads (8.70 seconds), but obtained only 19.0 percent unaided recall, whereas Interjet, which received the highest recall (48.8%), had a relatively low viewing time of 7.12 seconds. However, an aggregated analysis of variance (ANOVA) over all advertisements reveals a statistically significant relationship between the categorical variable recall and the numerical variable viewing time. Specifically, consumers who recalled an ad had moderately higher viewing times ($m=8.59$ seconds) than consumers who did not recall the ad ($m=7.50$ seconds, $F=4.63$, $p<.05$).

We were further interested in the relationship between average viewing time and attitudes toward the ad. First, we tested if respondents perceived the two measures of attitude toward the message of the ad and attitude toward the appearance of the ad as distinct aspects of ad perception or rather as two indicators of a common underlying construct. An exploratory factor analysis suggests a common factor for the two measures of ad perception. The bivariate correlation between the two measures is .48 and statistically significant ($p<.001$). As can be seen from [Table 1](#), no clear pattern for viewing time and the two measures of ad perception emerged. For example, Lufthansa, which received a relatively high average viewing time (8.54 seconds), had relatively low scores on the attitude toward the message and attitude toward ad appearance, whereas Delta, which had a slightly lower viewing time, received the highest scores for the two attitude measures. However, an analysis of the bivariate correlation between ad recall and attitude of the ad appearance (Aaa) reveals that advertisements with higher viewing times had higher scores on the ad appearance measure ($r=.10$, $p<.05$). On the other hand, the relationship between viewing time and the attitude towards the ad's message (Aam) was weaker and statistically not significant ($r=.07$, ns). The results thus suggest that viewing time may be an adequate indicator for liking of the appearance, but not necessarily for liking of the message of the ad.

Unnoticed Ad Elements

One of the strengths of eye tracking in marketing applications is the possibility of identifying elements in print advertising or webpages that receive little attention. An effective print ad should contain image and text elements that are arranged strategically and purposefully. Any element that remains unnoticed is excluded from the consumer's information processing. Elements that receive little attention from viewers thus may indicate significant problems in the layout of the ad.

Size is indeed an important aspect of the elements in an advertisement. Our results show that the ten elements in the seven airline ads that received most attention (as counted by the number percentage of views) are all relatively large in size. For example, both the image element showing a concert and the text element saying "You can't just download this" in the American Airlines ad are relatively large elements, covering 52.84 and 11.14 percent of the total ad space. On the other hand, elements that received the least views are all elements that cover less than two percent of the total ad space, such as the mention of the webpage in the American Airline ad or the logo of the Delta ad. A very high number of participants, ranging from 71% for the phone number in the Interjet ad to over 97% for the webpage in the American Airlines ad, do not see important information shown in the ads. This information is not processed by individuals and thus represents an important loss in the communication efforts of the company.

The Magic First Second

In order to verify visual patterns for the aggregated scanpaths for all users, we used the bee swarm analysis tool of the eye tracking software. This tool shows the gaze points over time for all participants as little dots. By moving along the timeline, these dots resemble a bee swarm where, despite of apparently chaotic movements of the individual members of the swarm, the overall behavior seems to follow some higher-level patterns. An analysis of the seven airline ads suggests a concentration of most gaze points at a specific element of the ad around the first second of the viewing time. More precisely, the dispersed gaze points during the first half second of viewing concentrate on a common element around the first second, and then disperse again for the rest of the viewing time. The first second of viewing thus represents a "magic second" when attention of most viewers is drawn the most prominent element in the ad. We show the bee swarm for the Aeromexico ad at three points in time (0.2 seconds, 1 second, and 5 seconds) as a sequence in [Figure 1](#).

As can be seen, whereas at 0.2 in time, the viewers' gaze points are dispersed, at second 1, these points concentrate on the slogan "La mayor cobertura nacional con más y mejores horarios" [The best national coverage with more and better schedules]. After this magic second, gaze points start to disperse, as exemplarily shown by the time point 5. However, contrary to our expectations, elements that received the highest attention at the magic-second point were not those that attained the highest recall scores. This finding indicates that high levels of immediate attention do not necessarily translate into high cognitive memory processing. An explanation for this finding may be found in the observation by Henderson and Hollingworth (1999) that the placement of the first few fixations may be determined by the visual features and the global semantic characteristics rather than by the specific semantic characteristics of local scene regions. Future research thus may strive to investigate the boundary conditions under which the magic first second makes a difference in advertising effectiveness.

DISCUSSION AND LIMITATIONS

As suggested by the AIDA model, attention is a necessary condition for subsequent information-processing steps, such as advertising recall. Providing support for this model, our findings suggest that advertisements with higher ad recall also had higher viewing times. Further, viewing time seems to be indicative of how much consumers like the appearance of an ad. On the other hand, the relationship between viewing time and liking of the ad's message was not significant. Because appearance relates more to the aesthetic and emotional part of an advertisement, whereas the message represents more the ad's rational or cognitive side, it could be argued that viewing time is an attitudinal indicator of emotional rather than rational aspects of an ad. Size seems to be relevant for attention – in this study, the ad elements with the highest recall rates all had substantial ad surfaces in comparison to the total ad space (between 10 and 50 percent), whereas elements that had low recall numbers also had reduced relative ad surfaces (ranging from .1 to 1.5 percent of total ad space). However, it may be argued that the amount of attention an ad element receives also depends on the specific composition of the ad, such as the layout, colors, contrast, and the familiarity of consumers with ad elements. For example, Olney, Holbrook, and Batra (1991) find that advertisements with emotional appeals exert a positive direct influence on viewing time. Eye tracking can help marketers to test the attention that different ad elements receive from their viewers, and is specifically powerful in identifying ad elements that perform poorly and are overlooked by a majority of viewers. In combination with traditional paper and pencil questionnaires, eye

tracking produces valuable additional information that fills important gaps when trying to understand consumers' information processing.

The use of innovative and complex methods in research typically also entails an increased potential for limitations that will affect the scope or depth of the results, and this article is no exception. A limitation of technical nature was that the eye tracker lost contact with the participants on some occasions, resulting in incomplete recordings. This happened when participants moved their head outside the virtual recording box of 44x22x30cm. Further, an important limitation of eye tracking is its application on a one-on-one basis, resulting in a time-consuming and cost-intensive research procedure that in return reduces sample sizes. Although eye tracking studies frequently employ very small sample sizes and our usable sample size of 83 participants complies with the requirements of basic statistical tests, a slightly larger sample size might have produced results in those measurements of this study where differences in mean viewing times did occur, but without being statistically significant.

References available upon request.

Table 1. Average Viewing Time, Ad Recall, and Attitude toward the Ad

	Aeromexico	Mexicana	Interjet	AA	Delta	Continental	Lufthansa
Viewing Time	7.42	6.19	7.12	8.24	8.34	8.70	8.54
Recall (Percent)	35.7	29.8	48.8	32.1	32.1	19.0	17.9
Aam	4.37	4.58	4.00	3.96	4.64	4.14	3.96
Aaa	4.65	4.11	4.12	4.04	4.68	3.31	4.38

Note. Average viewing time in seconds. Aam=Attitude toward the ad message, Aaa=Attitude toward the ad appearance. Both Aam and Aaa were measured on a six-point Likert scale ranging from 1 (very bad) to 6 (very good).

Figure 1. Example for the Magic First Second



Second 0.2

Second 1.0

Second 5.0

EXCHANGE OFFER AS A SALES PROMOTION TOOL FOR CONSUMER DURABLES: A CONTENT ANALYSIS OF INDIAN PRINT ADVERTISEMENT

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INTRODUCTION

'Exchange offer' is an important sales promotion tool for consumer durables in India. The Indian consumer's reluctance to retire a product that is still functional, space constraints to store it while purchasing an upgraded product and an inherent need to gain maximum value out of a product, make exchange offers, a popular sales promotion tool amongst consumers. Exchange offers, communicated through advertisements, persuade consumers into action. The deep rooted cultural nuances in the society are reflected in these advertisements directed to the Indian consumer. This study uses content analysis as a research approach to evaluate the nature of exchange offer advertisements in Indian dailies. Findings from this study would be useful to both managers and researchers.

BACKGROUND

Sales Promotion is important to marketing managers in times of boom; where choices are plenty and competition is intense (Srinivasan and Anderson, 1998) and also in times of recession when customers are lethargic and passive. For many companies, promotion costs are their biggest single area of expenditure, and understanding the impact and worth of that spend is of critical importance (Hanssens, 2009). 'Exchange offer' is a type of sales promotion, common in durables. It is a method of buying something new by giving an item you own as part payment for it. Prevalent in the Indian markets for decades now, it has been observed in varied categories from bed linen to watches and from kitchenware to furniture. Exchange offers are popular in other markets too, considering that about 40% of new consumer automobile purchases in the United States involve an exchange (Morton *et al.*, 2003).

Exchange offers are not new to the Indian consumers. However, as a sales promotion tool it amounted for very less a decade ago - 4% of all consumer promotions (Jha-Dang & Koshy, 2004).

Has the culture changed in the next 10 years? Do exchange offers feature more prominently in the sales promotion space? Are exchange offers clubbed with other offers or is the exchange offer the only offer in a communication? Does the communication message focus on the price discount or on the non-price benefits of an exchange offer? Who resorts more to exchange offers – retailer or manufacturers? We believe that the answers to these questions are important to 2 broad sets of stakeholders- the managers and the researchers. Managers will benefit from the detailed description of the trend in exchange offers in an emerging market like India. According to a recent study by Associated Chambers of Commerce and Industry of India (ASSOCHAM), the Rs. 300 billion market for consumer durables in India represents a consequential and complex market in need of better understanding of its buyers' behavior. The urban durables market growing at 12% p.a. and the rural market growing at 30% p.a. denote a vibrant market changing rapidly. Presences of multinational company (MNC) brands and competing offers have changed the way consumers decide on purchasing a durable. It may be fatal to enter the market with the learning from a developed nation and apply directly to an emerging market like India, without understanding its cultural differences. Managers of international brands entering India and Indian managers considering a sales promotion will benefit significantly from the finding of our study. The researcher, on the other hand, benefits from the scope this study will provide for future research in this area. The interplay of various message cues and the use of persuasive communication in exchange offers will inform the researcher in an area that currently has very scanty research. Thus our research will benefit both the marketing manager and the researcher in several ways.

METHODOLOGY

Content analysis is a standard methodology used to examine culture and spot the trends in marketing communication. We analyzed 206 sales promotional print advertisements for durable and durable like products from 2 leading dailies - The Times of India and The Hindu from the year 2010. The 206 advertisements were obtained after eliminating all non durables advertisement, duplicate advertisements and regional advertisements. The coding was done on these advertisements based on the type of promotion, whether they were stand alone offers/joint offers, anchoring of the message was on the price benefit/non price benefit and whether it was retailer advertisement/manufacturer advertisement. The inter-judge reliability on all counts was over 95%.

FINDINGS AND DISCUSSION

Of the 206 advertisements analyzed, nearly 15% (14.56%) were exchange offer advertisements. This is a clear increase from a previous study indicating a 4% (Jha-Dang & Koshy, 2004). The result of study also indicates the rising use of exchange offer as a sales promotion tool by marketers. This is in congruence with the evidence of rise in the percentage of repurchase customers. Naturally, as the number of repurchase customers' increase, the marketer has to consider their unique need to dispose the used product while they buy a new one. The other major sales promotion tool was a direct price discount, accounting for nearly 60% (59.70%) of all the 206 advertisements. Premiums/gifts accounted for about 10% (10.19%). Another trend was a category coded as multiple offers which was a combination of several sales promotion offers. For example - A single advertisement would offer a price discount or a free gift or both at some additional price. Instead of choosing to eliminate these advertisements from our list, we chose to keep them as they indicate towards a trend of allowing customers the autonomy to tailor the sales promotion to their needs. Such multiple offers accounted for another 9% (8.73%). 5% (4.85%) accounted for extra product offer while the remaining 2% (1.94%) came from financing schemes.

Of the 42 advertisements that mentioned an exchange offer, 71.43% were stand alone offers with exchange offer as the only offer, while 28.57% advertisements had other offers in combination with the exchange offer.

We analyzed the 30 advertisements that had exchange offer as a single prominent offer and found that 53.33% of these advertisements anchored on the price benefit, while 46.67% anchored on non price benefits. The non price benefits included a) giving away the used product as charity (cause related promotion); b) persuading to use more environment friendly products; c) focusing on new product benefits; d) focusing on the pain associated with continued use of the old product.

The manufacturer or the dealer representing the manufacturer, clearly, uses exchange offers as a sales promotion tool, more frequently than the retailer. According to our data, 73.33% of exchange offer advertisements were initiated by the manufacturer while only 26.67% of the exchange offer advertisements were initiated by the retailer. While there is a clear trend as to who initiates the exchange offer more often, the reason behind this is not intuitive. The retailer having the advantage of multiple brands can easily offer a better exchange offer than a manufacturer.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

Content analysis of the chosen sales promotion advertisements is a revelation to the current trends in the Indian markets. This is peculiar to emerging markets like India, hinting at a cultural setting that is quite unique. In conclusion of our study, we wish to summarize by saying that although there is a clear trend of using more exchange offers as a sales promotion tool for durables, there needs to be further analysis to unearth the reason behind the use of multiple offers and also for the reason behind more manufacturers using exchange offers over retailers. While practitioners can now resort to a more systematic and planned outlay of budgets for exchange offer advertisements, academicians gain from this study in terms of a better understanding of the cultural underpinnings of the Indian consumer.

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SHOULD DESTINATION MARKETERS AVOID DARK MOVIES IN THE MARKETING PLANS?

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INTRODUCTION

In the destination marketing literature, the exploration of movie-induced tourism has generated great interest in recent years. The basic purpose for movie-induced tourism studies is to explore the image enhancement opportunities that exist through the medium of movies and television programs. While many destination marketers take a positive view on movies' potential impact on place images, some professionals have asked the question as to whether dark movies will have any adverse influence on destination images. For example, according to *The Detroit News* (2010), when the crime drama *Detroit 187* was shot in Detroit, the city expressed its concern of the show's potential damage to its reputation. Some of the City Council members believed that the show portrayed Detroit as the crime capitol and proposed to oppose the show's production on the site. The major questions now for destination marketers are: Will the viewers of dark movies tend to generate more favorable destination images or more unfavorable destination images? Will the viewers of dark movies tend to be more interested or less interested in visiting the embedded tourism site? The objective of this study is to explore these interesting questions which have not been addressed in the literature.

LITERATURE REVIEW

Movie-induced tourism has been defined by Hudson and Ritchie (2006) as "tourist visits to a destination or attraction as a result of the destination being featured on television, video, or the cinema screen" (p.317). In the literature of movie-induced tourism, a growing body of knowledge shows that movies and television programs can induce a meaningful increase in the number of visitors to areas which were at the center of movies or television programs (Riley & Van Doren, 1992; Riley, Baker, & Van Doren, 1998; Tooke & Baker, 1996). However, it is still unclear how movies influence viewers' perceptions of places and visitation interest and why the positive impact happens. As Beeton (2005) stated, the promotional capability of movies is not equal; for example, some movies may have little impact, while others may be both influential and memorable. Shani et al. (2009) suggested that research should be focus more on the effects of controversial movies, such as horrors and crime dramas, which might deter people from visiting the featured destinations.

To better understand the relationship between movies and tourism, the current study explores movie genre and movie transportation's (i.e. movie immersion) influence on viewers' perceptions of destination images and visitation interest. In the literature of product placement, Russel (1998) proposed the Adapted Meaning Transfer Model to understand how product placement works in the context of movies or television shows. The major idea of this model is to assess the effectiveness of product placement in terms of transformation. According to Russel, the overall process of product placement can be identified as a form of transformation and affective conditioning will drive most of the product placement process. Moreover, Green and Brock (2000) proposed the Transportation Theory and defined transportation into a narrative world as a state of immersion into a story. Green and Brock (2004) suggested that the experience of being immersed in a narrative world can create an increase in enjoyment. Based on the Adapted Meaning Transfer Model and the Transportation Theory, the following hypotheses and research questions were put forth:

H1: The movie viewers who are exposed to feel-good movies will generate more favorable images of the embedded place than those who are in the control group, which will be followed by the viewers who are exposed to dark movies.

H2: The movie viewers who are exposed to feel-good movies will generate more visitation interest to the embedded place than those who are in the control group, which will be followed by the viewers who are exposed to dark movies.

H3: For both feel-good movies and dark movies, the more the movie viewers are transported to the movie, the more favorable place image they will have.

H4: For both feel-good movies and dark movies, the more the movie viewers are transported to the movie, the more visitation interest they will have.

Research Question: Does the transportation effect weaken the influence brought about by movie genre?

The findings from this study will offer theoretical insight to understand how and why movies could influence the perception of destination images and visitation interest. The results will also help to answer the question as to whether dark movies will attract or scare away potential visitors.

RESEARCH METHODS

The study was conducted using a posttest only control group experimental design. The advantage of this design is that it eliminates pretesting effects, including effects of prior observation on later observation and of potential sensitization of subjects to experimental manipulation (Campbell & Stanley, 1963). The sample for this study was a convenience sample comprised of college students enrolled in a major public university in the United States. The reason for choosing college students as the subjects is because college students fall into the key demographic segment for both the entertainment movie industry and the tourism industry.

The experimental treatments were two entertainment movies about the city Tokyo, including one feel-good movie (romantic drama) and one dark movie (crime thriller). The romantic drama is *Lost in Translation*, while the crime thriller is *Kill Bill: Vol. 1*. To select the movie stimuli, a survey was conducted among the college students during the early stages of the research project and course extra credit was offered as incentive to the participants. The students were asked to identify at least one movie that had generated their travel interests. For this study, infrequently mentioned movies that featured moderate popular locations among the college students were chosen as potential stimuli. In this way, existing positive bias in terms of movie immersion and place image perception among the audience could be avoided.

In the first step of the experiment, the subjects were told that the purpose of the project was to find out how movies could influence people's perceptions in general. In return for their time and effort, each participant who completed all steps of the study received extra course credits from their instructors and a chance to win one of 17 gift cards. In the second step, the subjects were randomly assigned to the two movie groups and the control group by using randomly generated numbers. The subjects assigned to the movie groups were shown the movie stimuli respectively in a classroom theater setting. Right after the movie exposure, the subjects were handed the posttest questionnaire. The questionnaire recorded their affective place image, cognitive place image, visitation interest, movie transportation, a movie fact recall test, and some filter questions. Meanwhile, the subjects assigned to the control group were informed that they only needed to complete two surveys to receive the extra credit and the chance to win a gift card. After the posttest was completed, the subjects were debriefed and thanked for their participation in this project.

RESULTS AND DISCUSSION

To test hypothesis 1 and hypothesis 2, ANCOVA tests were conducted. The data in [Table 1](#) shows that movie genre had significant impact on affective place image (pleasant-unpleasant), cognitive place image (tourism attraction and community quality), and visitation interest. The data in [Table 2](#) demonstrates that hypothesis 1 is partially supported and hypothesis 2 is not supported. In particular, the movie viewers who were exposed to the violent crime thriller generated more unfavorable place images than the viewers who were in the control group. However, viewers exposed to the romantic drama did not have more favorable place images than those from the control group.

Table 1. ANCOVA Results: Movie Genre's Main Effect on Place Images and Visitation Interest

DV	Factor	SS	df	F	Sig
Affective Image (Pleasant/Unpleasant)	Movie Genre	49.81	2	16.448	.000*
Affective Image (Sleepy/Arousing)	Movie Genre	.473	2	.222	.801
Cognitive Image (Tourism Attraction)	Movie Genre	40.944	2	17.841	.000*
Cognitive Image (Community Quality)	Movie Genre	13.637	2	7.660	.001*
Visitation Interest	Movie Genre	62.232	2	12.519	.000*

*Indicates significance at $p < .05$.

Table 2. Summary of Group Means

DV	Crime Thriller	Romantic Drama	Control
Affective Image (Pleasant/Unpleasant)	.19	1.00	1.20
Affective Image (Sleepy/Arousing)	1.67	1.57	1.60
Cognitive Image (Tourism Attraction)	4.41	5.07	5.34
Cognitive Image (Community Quality)	3.87	4.42	4.21
Visitation Interest	3.21	3.48	4.31

To test hypothesis 3 and hypothesis 4, multiple regression tests were conducted. The data in Table 3 shows that hypothesis 3 is partially supported and hypothesis 4 is supported. In particular, for the violent crime movie, the more the viewers were transported by the movie, the more favorable place images (pleasantness and tourism attraction) and visitation interest the viewers had. As for the romantic drama, the more the viewers were transported by the movie, the more favorable place images (tourism attraction) and visitation interest the viewers had.

Table 3. Summary of Multiple Regression Analysis

DV	IV	B	SE (B)	β	t	Sig. (p)	R ²	F	Sig. (p)	n	Movie Group
Affective Image (Pleasant/Unpleasant)	Movie Transportation	.575	.166	.344	3.465	.001*	.190	9.624	.000*	85	Crime
		.082	.148	.057	.553	.582	.019	.882	.418	95	Romance
Affective Image (Sleepy/Arousing)	Movie Transportation	.268	.119	.241	2.254	.027*	.065	2.873	.062	85	Crime
		.080	.144	.057	.555	.580	.036	1.717	.185	95	Romance
Cognitive Image (Tourism Attraction)	Movie Transportation	.453	.138	.341	3.280	.002*	.118	5.488	.006*	85	Crime
		.306	.124	.251	2.457	.016*	.062	3.030	.053*	95	Romance
Cognitive Image (Community Quality)	Movie Transportation	.125	.113	.120	1.099	.275	.023	.956	.389	85	Crime
		.108	.110	.101	.980	.330	.039	1.870	.160	95	Romance
Visitation Interest	Movie Transportation	.613	.178	.356	3.452	.001*	.127	5.971	.004*	85	Crime
		.623	.162	.374	3.852	.000*	.158	8.606	.000*	95	Romance

Note. *Indicates significance at p<.05.

To answer the research question, a median split was performed for the variable movie transportation. The movie viewers were categorized into two groups: highly transported audience and weakly transported audience. Then a number of analysis of covariance (ANCOVA) tests were performed. The data in Table 4 shows that movie transportation did weaken movie genre's influence. In particular, for the highly transported audience, there were no significant differences between the movie

groups in terms of their perceptions of place pleasantness, tourism attraction, and community quality. However, significant differences were found among the audience that was not well transported.

Based on the results of H1 and H2, it is apparent that meaning transfer is an essential psychological mechanism by which movies can influence people's place perceptions and visitation interest. Particularly, it finds that the influence from the violent crime movie is instant, but it has a negative impact. In other words, movies can not only improve embedded place images, but can also hurt them unintentionally. From the perspective of place marketers, this is an important piece of information to keep in mind when their marketing programs will involve dark movies. Moreover, feel-good movies may not necessarily be able to improve the embedded place image with a single exposure. It may take additional messages from other media channels to realize the wanted positive impact.

Table 4. ANCOVA Results: Interaction Effect of Movie Transportation and Movie Genre on Place Images and Visitation Interest

DV	Factor	SS	df	F	Sig
Affective Image (Pleasant/Unpleasant)	Highly Transported	2.661	1	1.594	.210
	Weakly Transported	32.795	1	17.776	.000*
Affective Image (Sleepy/Arousing)	Highly Transported	2.474	1	1.716	.194
	Weakly Transported	.104	1	.089	.766
Cognitive Image (Tourism Attraction)	Highly Transported	1.975	1	1.662	.201
	Weakly Transported	15.783	1	13.299	.000*
Cognitive Image (Community Quality)	Highly Transported	3.474	1	3.556	.063
	Weakly Transported	10.237	1	13.149	.000*
Visitation Interest	Highly Transported	.252	1	.125	.724
	Weakly Transported	1.182	1	.567	.454

Note. *Indicates significance at $p < .05$.

The results of H3 and H4 demonstrate that dark movies may not necessarily scare away all potential visitors as many destination marketers have concerned. The data shows that, for the violent crime drama, the more the viewers were transported, the more favorable place images they had and the more interested they were in traveling to the featured sites. In addition, the research question result shows that when the violent crime drama can successfully transport the audience, the negative effect from movie genre will be negligible. It seems that dark movies may still have the potential to have a positive impact on the place images if they are extremely successful in storytelling. In other words, if the target audience of a certain destination can be well transported, dark movies can still enhance the images of the embedded places just like feel-good movies do. From the perspective of destination marketers, this suggests that dark movies still can be considered to be part of a marketing plan if the movie can successfully transport the target audience.

References available upon request.

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Session 7.4. Socially Responsible Marketing

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Choosing the Right Cause: The Moderating Role of Meta-Cognitions in Cause-Related Marketing Effectiveness

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The Social Influence of the Manager on Customer Contact Employee Behavior

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Green & Sustainable Luxury: A Strategic Evidence

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CHOOSING THE RIGHT CAUSE: THE MODERATING ROLE OF META-COGNITIONS IN CAUSE-RELATED MARKETING EFFECTIVENESS

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INTRODUCTION

In recent years, consumers' expectations in terms of corporate obligations have changed, such that the ethical and philanthropic dimensions of Carroll's (1979) corporate social responsibility (CSR) pyramid have evolved from desired to presupposed responsibilities. Beyond the consequentially increasing prevalence of CSR activities, considerable attention has been given to cause-related marketing (CRM) in marketing research and practice (Bigné Alcañiz, Chumpitaz Cáceres, and Currás Pérez, 2010). CRM is defined as a "process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives" (Varadarajan and Menon, 1988). Existing research supports the notion that CRM exerts an important impact on consumers' buying behavior and enhances the image of the sponsoring company or brand (Barone et al., 2000; Bigné Alcañiz et al., 2010; Gupta and Pirsch, 2006; Lafferty, Goldsmith, and Hult, 2004; Nan and Heo, 2007). Furthermore, literature indicates that a systematic choice of the cause affects the effectiveness of CRM activities (Varadarajan and Menon, 1988). More specifically, the majority of studies highlight the importance of fit between the cause and the sponsoring company or brand (Becker-Olsen, Cudmore, and Hill, 2006; Ellen, Mohr, and Webb, 2000; Lafferty et al., 2004). There is, however, some evidence that fit might be necessary but not sufficient for CRM success (Pracejus and Olsen, 2004). As such, additional research on relevant cause characteristics is needed in order to guide managerial decisions (Nan and Heo, 2007). With this in mind, this study empirically examines the impact of meta-cognitions in terms of the validity of consumer attitudes toward the cause in a high-fit condition.

CONCEPTUAL DEVELOPMENT

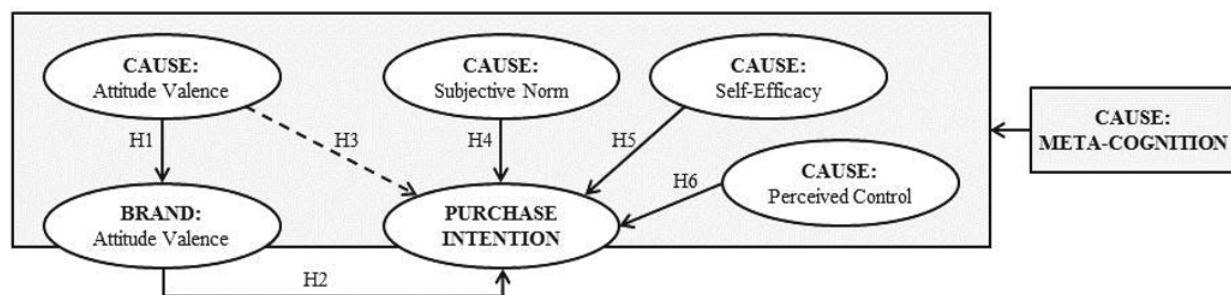
Recent CRM research implies that pre-existing mental structures about the brand affect the evaluation of CRM campaigns (Torelli, Monga, and Kaikati, 2012). The present study elaborates this thought by arguing that pre-existing cognitive structures representing the cause should similarly impact the perception of CRM activities. The meta-cognitive model of attitudes by Petty and colleagues (2006) serves as the conceptual foundation of consumers' mental structures. The authors maintain that, in human memory, attitudes are represented by positive as well as negative evaluations that are linked to an attitude object. Moreover, a validation tag connects to each evaluative association certifying whether the individual considers the evaluation to be true and has confidence in the personal object assessment. As such, the validity tag represents a meta-cognition referring to secondary thoughts about other prevalent primary thoughts (Briñol, Petty, and Tormala, 2004; Petty, Briñol, and DeMarree, 2007). In addition, the meta-cognitive validation tags show conceptual overlap with the concept of attitude confidence or certainty, which is one dimension of attitude strength (Gross, Holtz, and Miller, 1995; Krosnick and Petty, 1995; Petty, Briñol, and Tormala, 2002). The concepts of attitude confidence and strength are distinct from attitude valence, which corresponds to the degree of positivity or negativity of the attitude (Park et al., 2010). Consequently, meta-cognitive thoughts implying confidence in one's object evaluation strengthen attitudes, such that the valence of confidently-held attitudes exerts stronger influences on thought and behavior. Furthermore, certain attitudes tend to persist over time and are resistant to change (Gross et al., 1995; Krosnick and Petty, 1995; Petty et al., 2002; Priester et al., 2004; Tormala and Rucker, 2007). This research therefore treats attitude valence and attitude certainty as two dimensions of attitudes and examines their specific outcomes (Park et al., 2010).

Figure 1 depicts the hypothetical model proposed and tested by this study. The relevant constructs and their direct interrelationships were derived from literature. The model expands existing knowledge by incorporating the moderating role of meta-cognitions. When a brand is associated with a social cause, positive evaluations of the cause can transfer to the brand. Based on this affect transfer, the valence of the attitude toward the cause should enhance the valence of the attitude toward the brand [H1] (Barone et al., 2000; Gupta and Pirsch, 2006; Nan and Heo, 2007). Moreover, information integration theory suggests that consumers' attitudes toward the cause and the brand are integrated to form an evaluation of the CRM product (Anderson, 1981; Barone et al., 2000; Gupta and Pirsch, 2006). As a result, both brand and cause attitude should affect buying intention in relation to the CRM product [H2, H3]. Behavior is, however, best predicted by comprehensive attitudes, which is why the model proposes that the effect of attitude toward the cause is (partially) mediated by brand attitude (Fazio

and Zanna, 1978). Based on the meta-cognitive model of attitudes, the impact of cause attitude valence should be moderated by cause-related meta-cognitions, such that high validity will enhance the effect of cause attitude valence on brand attitude valence and purchase intention [H1_{mod}, H3_{mod}].

The remaining antecedents of purchase intention were derived from the theory of planned behavior. Due to its focus on cognitive self-regulation, the theory identifies several primary cognitions that might interact with secondary meta-cognitions [H4-H6] (Ajzen and Madden, 1986). Although the behavior of interest is purchase of the CRM product, it can be assumed that normative and control beliefs about the cause guide behavior toward the CRM product, in addition to similar beliefs regarding the act of purchasing the CRM product. As a result of the emphasis on cause-related meta-cognitions, the model limits itself to the normative and control aspects surrounding the cause. As such, subjective norm implies the perceived social pressure to purchase the CRM product in order to support the cause (Armitage and Conner, 2001). Literature on attitude certainty suggests that uncertainty creates a predisposition to social influence (Gross et al., 1995). Individuals therefore tend to rely more on normative pressures when their own attitudes toward the cause are perceived as less valid. Accordingly, meta-cognitions concerning the attitude toward the cause should reduce the effect of the subjective norm on purchase intention [H4_{mod}]. Within this framework, perceived behavioral control refers to the perceived control over the achievement of improvements with regard to the cause. Literature indicates a two-dimensional structure of perceived behavioral control, which is worthwhile considering (Ajzen, 2002). On the one hand, self-efficacy describes the confidence in one's ability to improve cause-related issues by purchasing the CRM product. The higher the confidence that one's own purchase makes a difference, the higher the purchase intention. On the other hand, perceived control represents beliefs that positive outcomes relating to the cause can be influenced by one's own efforts. As a result, when the issue is severe and a solution to the problem is beyond the consumer's own abilities, the willingness to buy the CRM product will decrease (Manstead and Eekelen, 1998). Both effects should be more pronounced when the attitude toward the cause is perceived as valid as opposed to invalid, since firmly-held attitudes enhance the individual's faith in related personal judgments, including control beliefs [H5_{mod}, H6_{mod}] (Krosnick and Petty, 1995).

Figure 1. Structural Model



METHODOLOGY

An empirical study among 311 German participants, the majority of whom were MBA students, serves as a basis for testing the hypothetical model. The unit of analysis is a CRM campaign implemented by the German milk brand “Bärenmarke”. During the promotional period “Bärenmarke” donated one cent per milk product sold to a project devised by the conservation organization WWF, which aims to prevent the extinction of brown bears in the German Alps. The campaign implies a high cause-brand fit, since the word bear is part of the brand name and “Bärenmarke” uses bears as advertising characters as well as in its brand logo. Furthermore, the Alps represent the typical imagery of the brand. The sample was generated by means of an online questionnaire. All constructs were measured by reflective multi-item scales that were chosen from existing literature. This investigation applies Partial Least Squares (PLS), implemented by the software package SmartPLS 2.0, as the estimation procedure for the structural equation model (Hair, Ringle and Sarstedt, 2011; Ringle, Wende, and Will 2005). In order to test the proposed interactive effects, the product indicator approach by Chin and colleagues (2003) was applied.

RESULTS

The quality of the measurement model was examined according to the suggestions by Hair, Ringle and Sarstedt (2011). The measurement model utilized shows satisfactory internal consistency and indicator reliability, as well as convergent and discriminant validity. Few items were eliminated due to a lack of indicator reliability. Table 1 summarizes the results of the

final structural model. All direct effects were supported [H1, H2, H4-H6], except for the direct impact of cause attitude valence on purchase intention [H3]. Similarly, there is no significant interactive effect of cause attitude valence and validity on purchase intention ($p > 0.1$) [H3_{mod}]. The results do, however, support the prediction that the effect of cause attitude valence on brand attitude valence is moderated by cause-related meta-cognitions [H1_{mod}]. As such, the direct and the interaction effect of cause attitude valence on purchase intention are perfectly mediated by brand attitude valence (Barone and Kenny, 1986). Moreover, there is evidence for the moderating impact on the effect of self-efficacy [H5_{mod}]. Contrary to the predictions, the moderation is not supported for subjective norm and perceived control [H4_{mod}, H6_{mod}]. While the former fails to reach significance, the latter interaction effect is significant. An increase in cause attitude validity does, however, cause the impact of perceived control on purchase intention to decline, which contradicts the predicted positive effect. The model shows satisfactory explained variance and predictive relevance for purchase intention ($R^2 = 0.330$, $Q^2 = 0.276$).

Table 1. Structural Model Results

Independent Variable	Dependent Variable	Path Coefficient	t-Value
Valence Cause	→ Valence Brand	0,311	5,7373**
Valence Cause x Meta-Cognition	→ Valence Brand	0,085	1,6681*
Meta-Cognition	→ Valence Brand	0,209	3,7026**
Valence Brand	→ Purchase Intention	0,256	4,3717**
Subjective Norm	→ Purchase Intention	0,147	2,3715**
Subjective Norm x Meta-Cognition	→ Purchase Intention	-0,005	0,0921
Self-Efficacy	→ Purchase Intention	0,213	3,1031**
Self-Efficacy x Meta-Cognition	→ Purchase Intention	0,098	1,8097*
Perceived Control	→ Purchase Intention	0,095	1,9051*
Perceived Control x Meta-Cognition	→ Purchase Intention	-0,093	1,7970*
Meta-Cognition	→ Purchase Intention	0,070	1,4931

* p-value < 0.1, ** p-value < 0.05

DISCUSSION AND IMPLICATIONS

First, the results support the notion that brands engaging in CRM can profit from choosing a cause that elicits favorable attitudes and self-efficacy. A favorable attitude toward the cause translates into a more favorable attitude toward the brand which in turn enhances purchase intention. Similarly, the greater the self-efficacy, representing the consumer's faith in the contribution to resolve the cause by buying the CRM product, the higher the purchase intention towards the CRM product. Beyond favorable cause attitudes and high self-efficacy, companies can take advantage of partnering with social causes of whom the target audience holds meta-cognitions indicating high validity of their cause related evaluations. Cause attitude validity enhances the positive impact of cause attitude valence and self-efficacy on brand attitude valence and purchase intention, respectively. Although not hypothesized, cause attitude validity also improves brand attitude valence directly. Existing literature provides several implications on potential characteristics identifying social causes which elicit valid attitudes. Antecedents of attitude validity include, for example, extensive elaboration and knowledge structures, direct experience, argument quality, source credibility, social consensus or self-relevance (Fazio and Zanna, 1978; Gross et al., 1995; Petty et al., 2007; Tormala and Rucker, 2007). Companies should therefore choose causes or partnering organizations that are well known, have a strong public presence, or have existed for a long time. Moreover, there should be a strong social consensus about the relevance of the cause. Besides, the partnering cause or charitable organization should allow for consumer identification by demonstrating shared values, objectives and personality traits with the target audience (Currás Pérez, Bigné Alcañiz, and Alvarado Herrera, 2009). Furthermore, it is worthwhile communicating the underlying issue thoroughly and via established sources.

Second, the study implies that normative beliefs, as represented by subjective norm, increase purchase intention toward the CRM product. Contrary to the predictions, the positive effect of normative beliefs does not diminish when valid cause attitudes are present. This might be due to the very nature of the investigated behavior. It is likely that CRM inherently evokes social associations, enhancing purchase intention, irrespective of the personal attitude structure. Thus, in choosing a partnering cause, marketing managers should consider the strength of normative beliefs irrespective of the cause related meta-cognitions. Beyond the individual's cause related meta-cognitions, future research could investigate how the social interaction partners' perceived cause related meta-cognitions affect the individual's normative beliefs and in turn behavioral

intentions. Possibly, consumers do not only consider their social interaction partners' primary but also their perceived secondary cognitions in forming their normative beliefs.

Third, the results suggest a rather weak direct impact of perceived control on purchase intention. This finding mirrors previous research suggesting that perceived control is a better predictor of actual behavior, whereas self-efficacy is an important antecedent of behavioral intentions (Manstead and Eekelen, 1998). The effect of perceived control further diminishes in the presence of valid cause-related attitudes. It may be assumed that consumers tend to rely more on internal control aspects, as represented by self-efficacy, as opposed to external control facets, implied by perceived control, when valid cognitive structures are present (Armitage and Conner, 2001). In developing CRM activities, managers should therefore emphasize aspects of the target audience's perceived internal control over considerations of external control.

In conclusion, this study implies that meta-cognitions enhance the effect of internally-grounded evaluations, including cause attitude valence and self-efficacy, while not affecting or reducing the impact of externally-grounded evaluations such as subjective norm and perceived control. Future research should investigate this result further. Moreover, since the findings presented here are drawn from the context of a high brand-cause fit, this study adds to the literature showing that a high brand-cause fit is not sufficient to maximize CRM outcomes. Future research should therefore compare the effect of meta-cognitions relating to the cause in high- and low-fit conditions. Lastly, this paper focuses on a functional product, which suggests that different findings could emerge for hedonic products (Strahilevitz and Myers, 1998).

References available upon request.

THE SOCIAL INFLUENCE OF THE MANAGER ON CUSTOMER CONTACT EMPLOYEE BEHAVIOR: A STRUCTURED ABSTRACT

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INTRODUCTION

The controls of customer contact employee behavior can be thought of as falling into one of two broad groups, formal and informal controls (Jaworski 1988). Under Jaworski (1988), formal controls are the written, management-initiated mechanisms that influence the probability that employees will behave in the manner desired by the firm and informal controls are the unwritten, usually worker-based mechanisms that influence the individual employee's behavior. While informal controls, such as self controls, have been shown to positively strongly and positively influence customer contact employee outcomes (e.g. Brown, Mowen, Donovan, and Licata 2002; Pappas and Flaherty 2005; Dean 2007; Babakus, Yavas, and Ashill 2009), they also present greater challenges to managers as they are undocumented and controlled by employees. As a result, it is important to understand which methods are available to managers to influence the "unwritten rules" that guide employee behavior. To that end, this paper examines the social influence of the manager on two informal controls, the customer contact employee's customer orientation and intrapreneurial orientation.

RESEARCH HYPOTHESES

To influence the development and use of the informal self controls in employees, the manager cannot use formal controls because self controls, as informal controls, are created through interpersonal interactions between the individual and others (Jaworski 1988). Therefore, the manager must seek to use his/her social influence to affect the determinants of employee behavior which can be changed, such as compound, situational, and surface traits (Mowen 2000). Fortunately, managers play a significant role in molding, sculpting, and shaping the behavior and attitudes of their employees (Rich 1997).

Following Rich (1997), a manager who acts as a role model is a manager that an employee perceives to be a suitable example to follow. If the employee determines that the manager is an appropriate example to follow, the employee then will monitor and emulate the behavior of the manager. Due to role modeling by employees, it is hypothesized that:

- H1: The manager's customer orientation will have a positive effect on the customer contact employee's customer orientation.
- H2: The manager's intrapreneurial orientation will have a positive effect on the customer contact employee's intrapreneurial orientation.

One way in which managers can achieve better interpersonal relationships with customer contact employees is through the effective use of social power (Busch 1980). A manager is defined as having power over an employee to the extent that the manager can get the employee to do something that one would not otherwise do (Dahl 1957). To have social power over an employee, the manager must be able to use the power bases embedded with his/her relationship with the employee to get the employee to alter his/her behavior (French and Raven 1959). Thus, social power can influence the informal control systems of employees as it is exercised through the relationship with the employee.

French and Raven (1959) identify five power bases which are found within the relationship between the manager and the employee. First, reward power is the employee's perception that the manager has the ability to provide rewards. Second, coercive power is the employee's perception that the manager has the ability to provide punishments, either through the reduction of positive valences or through the increase of negative valences. Third, legitimate power is the employee's perception that the manager has the right to influence the employee's behavior and the employee has the duty to obey this influence. Fourth, referent power is the perception by the employee that the manager is a person with whom the employee would like to identify with or continue to identify with. Finally, expert power is the perception by the employee that the manager has knowledge or skills in a certain subject area relevant to the employee. In this instance, the employee behavior would change if the employee perceived that one should listen to that the manager because the manager was competent to speak about that area.

Given that that the successful exercise of referent power by the manager results in the emulation of the manager's behavior by the employee and has been called the "power of a positive role model" (Wilkes and Raven 2002), it is hypothesized that:

- H3: The manager's referent power positively moderates the effect of the manager's customer orientation on the customer contact employee's customer orientation, such that when referent power is high the effect of the manager's customer orientation on the customer contact employee's customer orientation will be stronger.
- H4: The manager's referent power positively moderates the effect of the manager's intrapreneurial orientation on the customer contact employee's intrapreneurial orientation, such that when referent power is high the effect of the manager's intrapreneurial orientation on the customer contact employee's intrapreneurial orientation will be stronger.

RESEARCH METHODS

Survey responses were gathered from 157 convenience store employees of a Midwestern United States convenience store. All constructs were measured using a five-point Likert type scale and a combination of extant and new scales. New scales were developed consistent with Churchill (1979). Each employee provided ratings of their own customer orientation (ECO) and intrapreneurial orientation (EIO). Employees were then asked to identify the manager which they worked with the most often and provided their perceptions of the identified manager's customer orientation (MCO), intrapreneurial orientation (MIO), and referent power (MRP). Briefly, customer orientation refers to the employee's/manager's enduring disposition to meet customer needs while intrapreneurial orientation refers to the employee's/manager's enduring disposition to behave in an entrepreneurial manner while in a customer contact setting. The manager's referent power is the manager's ability to influence the employee's behavior because of the employee's identification with the manager.

For the analysis, employees were nested in the manager that they identified they worked with the most and all relationships were analyzed using hierarchical linear modeling (HLM) via HLM 6.08 (Raudenbush and Bryk 2002). The ratings of the managers by the employees were not averaged to the manager level to recognize that employees may shape their own surface level traits based on their own perceptions of their manager and these individual perceptions may differ across employees. Empirical support for this assertion was found as the calculation of ICC(1) and ICC(2), indices of interrater agreement, resulted in values that were well below accepted cutoff points (Glick 1985, Bliese 2000). All interaction terms were created by multiplying the mean centered variables of interest (Aiken and West 1991).

RESULTS

Partial least squares (PLS) was used to assess the adequacy of the measurement model via SmartPLS (Ringle, Wende, and Will 2005). All individual item loadings were larger than necessary to conclude sufficient individual item reliability (Hulland 1999), Cronbach's α values ranged from 0.78 to 0.95, and composite reliability values ranged from 0.88 to 0.97. Convergent and discriminant validity was also established as all average variance extracted values were greater than 0.50 and the square root of all average variance extracted values was greater than the construct correlations (Fornell and Larcker 1981).

Table 1 shows the results for the explanation of employee customer orientation and employee intrapreneurial orientation. The models explain 10.50 percent of the variation in employee customer orientation and 10.22 percent of the variation in employee intrapreneurial orientation. As expected, Hypothesis 1 and 3 were supported as manager customer orientation was significantly and positively related to employee customer orientation and manager referent power positively moderated the effect of manager customer orientation on employee customer orientation. Similarly, Hypotheses 2 and 4 were supported as manager intrapreneurial orientation was significantly and positively related to employee intrapreneurial orientation and manager referent power positively moderated the effect of manager intrapreneurial orientation on employee intrapreneurial orientation.

DISCUSSION

In examining the ways to increase the employee's customer orientation and intrapreneurial orientation, the manager's customer orientation and intrapreneurial orientation were found to transfer to the employee and this transfer was enhanced through the manager's referent power. As a result, this study shows that one key antecedent to informal controls and important "lever" under managerial control is the manager him/herself. For academics this finding is important as it not only

confirms that managers are role models to employees (Rich 1997), but, demonstrates that constructs at the manager level are a good source for potential antecedents to analogous constructs at the employee level. For managers, this study demonstrates that referent power, the ability of the manager to influence the employee's behavior because the employee would like to identify with or continue to identify with the manager (French and Raven 1959), positively enhances the transfer of informal controls from the manager to the employee. Accordingly, referent power can be an effective tool for increasing the transfer of the manager's informal controls to the employee once acquired and thus positively influence the employee's behavior.

Table 1: HLM Results Predicting Employee Self Controls

	$\hat{\beta}_u$	SE	t	$\hat{\beta}_s$
<i>Employee Customer Orientation</i>				
Intercept ($\hat{\beta}_0$)	3.07	0.32	9.58**	
Predictor Variables				
H1: MCO ($\hat{\beta}_1$)	0.36	0.09	3.93**	0.55
MRP ($\hat{\beta}_2$)	- 0.07	0.07	- 1.03	- 0.11
H3: MCO*MRP ($\hat{\beta}_3$)	0.17	0.05	3.32**	
R^2	10.50%			
<i>Employee Intrapreneurial Orientation</i>				
Intercept ($\hat{\beta}_0$)	2.54	0.33	7.78**	
Predictor Variables				
H2: MIO ($\hat{\beta}_1$)	0.32	0.63	4.96**	0.35
MRP ($\hat{\beta}_2$)	- 0.04	0.08	- 0.55	- 0.05
H4: MIO*MRP ($\hat{\beta}_3$)	0.18	0.05	3.27**	
R^2	10.22%			

Note: $\hat{\beta}_u$ is the unstandardized coefficient and $\hat{\beta}_s$ is the standardized coefficient. *Significant at $p < 0.05$, **significant at $p < 0.01$.

References available upon request.

GREEN & SUSTAINABLE LUXURY: A STRATEGIC EVIDENCE

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ABSTRACT

The purpose of this paper is to demonstrate the evident link between sustainability and luxury while explaining and illustrating the green and sustainable strategy of luxury companies. First, the luxury industry, its key figures and players will be presented. Many luxury groups & firms are investing in exploring greener and more sustainable options, especially to answer their customers' expectations. An overview of what is happening across a number of different luxury product categories will allow understanding this eco-wave. Examples will be given in several luxury sectors: home design, automotive, haute-couture & fashion, hospitality, yachting, jewelry.

The global luxury market represents 200 billion Euros (Bain & Company, 2012). Despite the international economic crisis, it is a booming industry with an impressive growth, driven by the new rich of developing nations such as China and India. Moët Hennessy . Louis Vuitton, created in 1987 only, is the indisputable world leader with a revenue of 23.659 million Euros, an exclusive portfolio of 60 esteemed brands, a retail network of 3000 stores and almost 100000 employees, in 2011. Far behind, there are the Richemont Group, with its emblematic Cartier brand, and the luxury pole of PPR Group, so well represented by the Gucci Group. Beside these big players, many luxury houses have key roles in this highly competitive industry.

The heavy green and sustainable global trend, which is not so new (Henion & Kinnear, 1976), is also present in the luxury industry. Durability, timeliness, craftsmanship, quality, authenticity, know how, are key words for defining luxury. The link with sustainability is thus obvious. Nevertheless, luxury companies have relatively recently accelerated the implementation of their sustainable strategy. The 2007 WWF report, which mentioned the poor grades of luxury firms in sustainability and social responsibility, has maybe accelerated the movement (Bendell & Kleanthous, 2007).

But why is going green such an evidence for luxury companies? First, it is an absolute necessity: companies have limited natural resources to satisfy unlimited wants (Polonsky, 1994). They have to be effective in terms of resource management, which is source of cost saving and profitability. Second, the green luxury consumer is very aware of environmental issues. He is also very demanding and sensitive to the social condition of the extraction and exploitation of resources, meaning to corporate social responsibility. He has the "money power" and is ready to pay premium prices for a more sustainable product. In Asia, in particular, where Taoism and Buddhism represent a long tradition, green consumerism is a powerful movement (Sempels, 2012). It is a global phenomenon. Third, both the governments' and competition's pressures are becoming stronger. At last, with new tools of communication, a green and sustainable strategy has a clear impact on brand reputation.

Choosing a green and sustainable strategy is then a major decision. The management has to evaluate the importance of the green market in one hand, and its ability to differentiate its green offering on the other hand (Ginsberg, 2004). And the possibilities go from a "quiet" green strategy" to an extreme green strategy.

Green and sustainable luxury products or actions are launched every day. Let's just evoke some examples. In home design, the "Green Luxury Home" costs over 100 million dollars, is equipped with sustainable strategy and technology, is part of an eco-friendly rehabilitation project, uses geothermal heating and other renewable power production strategies, and produce more energy than it consumes. The "Kokopo House" uses rain water filtration for kitchen and bathroom, natural ventilation, solar power generation for low-power on-site LEDs, has a green design, and a luxury living. "Acqua Liana", uses the latest technologies in sustainability and costs \$29,000,000. In the eco-friendly luxury yachting sector, "Soliloquy" is the "super-green super yacht". There are also many examples of green luxury hotels & resorts. Environmentally Friendly Luxury Cars includes famous products and brands like "Lexus RX 400", "BMW plug-in hybrid car", and the "Ferrari Hy-Kers" model. Jaguar Land Rover has also a visible sustainable development policy. In luxury green fashion and accessories, the "Hermès-Petit H collection" is an interesting example. It is a collection of "unidentified poetic objects" made from factory scraps and defective materials. The green & sustainable jewelry sector is very active with key actions and players like the Kimberley Process, Corporacion Oro Verde, the Alliance for Responsible Mining, The Responsible Jewelry Council.

In conclusion, luxury & sustainable development is evidence. The power of the luxury consumers is determinant. The eco and social role of luxury companies is huge, and will have an impact on all industries.

References available upon request

Session 7.5. Buying Behavior

Session Chair: José-Domingo Mora, University of Massachusetts Dartmouth, USA

Same Country, Different Ethnicity: The Role of Ethnicity on Impulse Buying

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Huseyin Hakan Yildirim, London Career Academy, UK

Bahar Yasin, Istanbul University, Turkey

Towards an Understanding of Motivations Underlying the Resistance of French Consumers

Annie Banikema, Groupe Sup de Co Amiens IRG, France

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Perceived Seller Loyalty for Customer Loyalty, Is it also “Tat for Tat” in B2C?

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SAME COUNTRY, DIFFERENT ETHNICITY: THE ROLE OF ETHNICITY ON IMPULSE BUYING

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ABSTRACT

Impulse buying refers to buying as a result of a sudden, intense urge to buy without planning the buying situation. Previous research has shown that numerous factors influence impulsive buying decisions of consumers. This study treats ethnicity as a factor that influence consumers' impulse buying decisions. Data was collected from three ethnic minorities living in the UK: Turkish, Chinese and Indian. These particular consumers are compared in terms of impulsive buying and the results indicate that, consumers' ethnicity differentially has influence on their impulsiveness. Indian consumers are found to be the least impulsive buyers and significantly different from Turkish and Chinese consumers whereas no impulsive buying difference is found between Turkish and Chinese consumers.

INTRODUCTION

Schiffman and Kanuk (2007) identifies four views of consumer decision making so called economic view, rational view, cognitive view and emotional view. Unlike the others, emotional view recognizes a consumer as a human being with feelings and emotions, cultural and social background. In this view, consumers make a purchase of certain products, rationally and/or on impulse. This view also correlates consumer buying behavior to the basic human wants. Consumers buy different products in order to meet their diverse needs such as emotional, social and other needs as they occur. Some needs like those of emotional and social needs are triggered by different stimuli in the market environments and thereby triggering the impulse buying behavior. Mburu (2010) reports that impulse buying can occur when a potential consumer spots a product that stirs a particular passion, or memory, such as products branded similarly to a familiar home-brand.

Previous studies have shown that many factors could influence impulse buying behavior, which includes the presence of others (Luo 2005), the consumer's mood (Beatty and Ferrell 1998; Gardner and Rook 1993), trait impulsiveness (Jones et al. 2003; Rook and Fisher 1995; Weun et al. 1998), product category impulsiveness (Jones et al. 2003), self-identity (Dittmar et al. 1995; Lee and Kacen 1999), cultural orientation (Kacen and Lee 2002; Lee and Kacen 1999), as well as demographic characteristics such as gender (Dittmar et al. 1995; Gardner and Rook 1993) and age (Helmets et al. 1995; Wood 1998).

In this study, the role of ethnicity on consumers' impulsive buying is examined. Ethnicity refers to "people who perceive themselves as constituting a community because of common culture, ancestry, language, history, religion, or customs" (Riggins 1992). Studies on this subject suggest that consumers' ethnicity can be such a characteristic, since it affects lifestyles and other behavior and, through them, consumption patterns (Laroche et al. 2003). Researchers also refer that examining the effect of different cultures and ethnic groups on impulse buying would help extend the theory of impulse buying behavior (Liang 2011).

CONCEPTUAL BACKGROUND

Impulse Buying

In the literature, impulse buying is suggested as a form of unregulated consumer behavior (Larose and Eastin 2002). The most commonly accepted description of impulse buying is provided by Rook (1987: 191): "Impulse buying occurs when a consumer experiences a sudden, often powerful and persistent urge to buy something immediately. The impulse to buy is hedonically complex and may stimulate emotional conflict. Also, impulse buying is prone to occur with diminished regard for its consequences." Impulse buying relates to high emotional activation, low cognitive control and spontaneous behavior in the proximity of an appealing object of attraction (Sharma et al. 2009). Rook and Hoch imply that (1985) impulse buying includes those five elements: A sudden and spontaneous urge to act, psychological disequilibrium, psychological conflict, a reduction in cognitive evaluation and lack of regard for the consequences of impulse buying. Highly impulsive buyers are portrayed as unreflective in their thinking, emotionally attracted to the object with a desire of immediate gratification (Hoch and Loewenstein 1991; Thompson et al. 1990).

Impulse buying has many controversial aspects. For instance, it is not just doing “unplanned shopping” (Stern 1962). As Verplanken and Sato (2011) suggests, purchases may be unplanned but not impulsive, such as habitual purchases, purchases that unexpectedly solve an existing problem, or purchases that are simply too unimportant to plan or think about. Purchases may also be impulsive, but planned, such as shopping to find someone a present. Taking the time or the location of the purchase as a criterion for impulse buying does not provide a satisfactory definition. Besides these issues, another concern for impulse buying is related to the type of product bought. Some researchers refer that impulse buying occurs only in low-value low-involvement product categories such as candies and magazines (Kollat and Willett 1969), whereas recent studies demonstrate that it may indeed be associated with high involvement purchase situations as well (Jones et al. 2003). Applebaum (1951) and Sharma et al. (2009) also suggest that all products may be purchased impulsively and all consumers engage in impulse buying on occasion (Punj, 2011).

Ethnicity

Culture is defined as “the norms, beliefs and customs that are learned from society and lead to common patterns of behavior” (Assael 1992: 319). As Mokhlis (2009) propose, an important element of a cultural phenomenon that has considerable influence on people’s values, habits and attitudes is ethnicity. The term “ethnicity” is generally agreed to refer to “people who perceive themselves as constituting a community because of common culture, ancestry, language, history, religion, or customs” (Riggins 1992: 1). Weber (1978: 389) describes ethnic group as “human groups that entertain a subjective belief in their common descent because of similarities of physical type or of customs or both, or because of memories of colonization and migration”. The conceptualization of ethnicity differs from one author to another: Some researchers take it as an objective variable connected to a socio-demographic variable (country of birth, country of origin of parents, race, religion, language, cultural tradition etc.), whereas others think that ethnicity is a subjective or emotional variable. Subjective measures conceptualize ethnicity as a matter of personal belief and reflect an individual’s psychological identity about their cultural attributes (Sekhon and Szmigin 2005).

As Hamlett et al. (2008) reported some social scientists and marketing researchers have come to view ethnicity as a powerful force that has a strong influence on consumption patterns (Costa and Bamossy 1995; Cui 1997; Green 1999). One of the study conducted in the USA, has demonstrated that ethnicity is a significant predictor of various aspects of consumer behavior, including how advertising is perceived; brand loyalty; consumer values; consumption patterns; family decision-making; word-of-mouth behavior and perceived risk (Shaffer and O’Hara 1995). Numerous studies on consumer behavior-related aspects of ethnicity were conducted mostly in the American context. Although in UK a range of surveys collect information on ethnicity routinely for a range of administration purposes, immigrant consumer behavior is a relatively under-researched phenomenon (Wang and Lo 2007).

RESEARCH METHODOLOGY

This study is designed to determine the impulsive buying differences of ethnic minorities who live in a country other than their ethnicity. The main purpose is to identify the role of dominant culture on the shopping habits of ethnic minorities by examining the Turkish, Chinese and Indian consumers living in the UK. In the literature it is suggested that consumers’ ethnicity can be such a characteristic, since it affects lifestyles and other behavior and, through them, consumption patterns (Laroche et al. 2003). Researchers also refer that examining the effect of different cultures and ethnic groups on impulse buying would help extend the theory of impulse buying behavior (Coley and Burgess 2003; Liang 2011). Therefore, the following research hypothesis is proposed:

H₁: Buying impulsiveness of consumers differs according to ethnicity.

Measurement

Multiple items were used to measure impulsiveness of Turkish, Chinese and Indian consumers. Impulsive buying scale was adapted from Rook and Fisher’s (1995) Buying Impulsiveness Scale (BIS). A total of nine items were utilized as five point Likert-type scaled questions with end points rating from (1) strongly disagree to (5) strongly agree. In order to determine which of the products respondents bought impulsively in last two weeks a list was formed based on the studies of Verplanken and Herabadi (2001), Cobb and Hoyer (1986) and Rook (1987). This list consisted products like coffee, CDs, books, flowers, chocolate, shoes, deserts etc. In addition, ethnicity of the respondents was determined by directly asking respondents. This study treated ethnicity as a subjective variable. Respondents selected their ethnic origin from a list based on their feelings.

The questionnaire was designed and applied to all respondents in English in order to eliminate translation errors. Before applying the questionnaire, interviews with four person groups of Turkish, Chinese and Indian consumers were conducted to validate the clarity of the questions. Every question was discussed, in terms of what it means, during these group discussions. Final questionnaire form was designed based on the results of group interviews.

Sample and Data Collection

The sample of this study consists of adult consumers living in London and who define themselves as Turkish, Chinese and Indian. The survey took place in Oxford Street, Tottenham Court Road and Holborn neighborhood of the London between the 4th and 17th of July, 2011 during all days of the week. University students training in the UK universities and with ethnic backgrounds other than Turkish, Chinese and Indian implemented questionnaires to respondents.

In total, 664 questionnaires were completed but initial check of data collected revealed that 631 questionnaires could be used for data analysis and 33 questionnaires were discarded because of either missing data or apparent inappropriate response patterns. In summary, 211 Turkish, 202 Chinese and 218 Indian respondents constituted the sample of this study. Demographic characteristics of the Turkish, Chinese and Indian respondents and the results of Kruskal Wallis test are shown in [Table 1](#). No significant difference has found among the respondents' demographic characteristics based on the Kruskal Wallis test results. This demographic similarity between the three samples provides evidence that the expected impulsive buying differences could not be affected from demographic variance of the samples.

Hypothesis Testing

Before testing the hypothesis, the validity and the reliability of the buying impulsiveness scale were tested. In order to validate the measurement properties of the buying impulsiveness scale for three samples, an iteration of confirmatory factor analyses were conducted. The fit of the confirmatory factor analysis models were assessed on a number of fit indices, including chi-square, relative chi square, goodness of fit (GFI), comparative fit index (CFI), normed fit index (NFI), Root Mean Square of Approximation (RMSEA) (Hair et al.1998; Kline 2005; Raykov and Marcoulides 2006). The results of confirmatory factor analyses for three dataset are given in [Table 2](#).

The reliability of the scale was evaluated through internal consistency, by using Cronbach's alpha which is a commonly used measure of reliability. Cronbach's Alpha values of the buying impulsiveness scale were found 0.85 for both Turkish and Chinese consumers and 0.83 for Indian consumers. After determining the validity and the reliability of the buying impulsiveness scale for three samples, analysis of variance (ANOVA) was applied to data in order to test the impulsive buying differences among Turkish, Chinese and Indian consumers who are living in the UK.

RESULTS

Results of the ANOVA show significant differences ($p < 0.05$) among Turkish, Chinese and Indian consumers and support the research hypothesis. As seen in [Table 3](#), Turkish consumers have the highest average on impulsive buying, followed by Chinese consumers. However, Indian consumers are not seen as impulsive buyers in comparison to Turkish and Chinese consumers.

Scheffe test, applied to data in order to determine which ethnicities create impulsive buying difference among Turkish, Chinese and Indian consumers, support the ANOVA results. [Table 4](#) shows that Indian consumers are significantly different from both Turkish and Chinese consumers. No significant difference exists between Turkish and Chinese consumers in terms of impulsive buying.

CONCLUSION

In this study, the role of ethnicity on impulsive buying is analyzed by examining the consumers from different ethnic background but at the same time living in the same country other than their ethnicities. With this purpose in mind, Turkish, Chinese and Indian consumers living in the UK were compared in terms of impulsive buying. The results of the study provide that Turkish and Chinese consumers look like each other in impulsive buying and moderate in nature, whereas Indians are found as low impulsive buyers and statistically different from both Turkish and Chinese consumers. This low and moderate impulsiveness of consumers could be explained by the fact that consumer decision making process is influenced a lot by the social and cultural factors (Berman and Evans 2007; Levy and Weitz 2009; Rose et al. 2009). For instance, in a study

examining the hedonic and functional shopping values of Indians, it is noticed that the Indian culture tends to emphasize on frugality and functional approach to shopping as a virtue. Thus, it is not surprising that Indians are low in impulsive buying since it is hedonically complex purchasing behavior as Kacen and Lee (2002) mentioned. Another explanation for low impulsiveness score of Indians could be the collectivist nature of Indians. Among collectivists a person is generally seen as more mature when he or she puts personal feelings aside and acts in a socially appropriate manner rather than in a way consistent with personal attitudes and beliefs (Triandis 1995). Given that impulsiveness is related to sensation-seeking and emotional arousal (Rook 1987; Weinberg and Gottwald 1982), it is likely that people in collectivist cultures learn to control their impulsiveness more than people from individualist cultures. Although Turkish and Chinese consumers are known as collectivists, buying impulsiveness score is found a little bit higher than Indians. This could be the result of cultural assimilation. Mburu (2010) refers that when people migrate to different locations globally, the unifying host country culture binds the different groups of diverse populations into a single cultural unit, thus bringing about a host country's culture in an immigrant group. Higher buying impulsiveness score of Turkish and Chinese consumers show that they are more open to that kind of influences from the dominant culture since the Britons are known as individualist. As noted in the literature, people who are more individualist are motivated by their own preferences, needs, and rights, give priority to their personal goals, and emphasize a rational analysis of their relationships with others (Triandis 1994) and these social patterns are expected to influence impulsive purchasing (Kacen and Lee 2002).

LIMITATIONS AND IMPLICATIONS

This study comprises only three ethnic minorities, Turkish, Chinese and Indian consumers in this case. For future studies, including consumers from the dominant culture, Britons, could provide an opportunity for more detailed comparisons and produce more interesting results. Also applying this study in other immigration countries would be interesting in terms of observing the effect of culture on consumers. In addition, sample of this study is restricted to consumers living in London. Although the survey was applied at different locations of London, including other cities is advisable for future studies. Also, not including consumers with no or inadequate English speaking ability is the other limitation of the study.

Impulse buying and culture/ethnicity have been studied in different countries by marketing academia and relevant literature indicates that consumer buying behavior is affected by consumers' culture and ethnicity. This study makes the difference by studying ethnically different consumers in a dominant culture, namely UK. Although this study addresses the influence of ethnicity on impulsive buying for consumers with different ethnic background, results of the study also highlight the impact that culture has on this complex consumer behavior and suggests that the interaction of culture and consumers should be taken into account in order to better understand impulsive buying behavior. In many European nations, marked by increased immigration and low fertility rates among the members of dominant groups, number of subcultures within the society is growing. As Lenartowicz et al. (2003) and Swaidan et al. (2006) suggested, understanding these subcultures is fundamental to successfully and effectively construct and refine marketing strategies within a nation because each subculture has a different set of values, beliefs, social norms, and attitudes as well as basic product needs and shopping styles.

TABLES

Table 1: Demographic Characteristics of the Respondents

Age	T*	C*	I*	Total	p**	Education	T*	C*	I*	Total	p**
18-25	72	71	68	211		High school and below	68	69	71	208	
26-33	76	72	66	214		Undergraduate	102	99	107	308	.809
34-41	37	37	42	116	.116	Graduate	41	34	40	115	
42 +	26	22	42	90		Total	211	202	218	631	
Total	211	202	218	631							
Gender	T*	C*	I*	Total		Income	T*	C*	I*	Total	
Male	97	88	106	291	.582	Below £ 2.000	56	72	67	195	
Female	114	114	112	340		£ 2.000 - £ 4.000	116	85	120	321	.429
Total	211	202	218	631		Above £ 4.000	39	45	31	115	
Marital Status	T*	C*	I*	Total		Total	211	202	218	631	
Married	58	52	59	169	.917	*T denotes Turkish; C denotes Chinese; I denotes Indian					
Single	153	150	159	462		** Kruskal Wallis test show no significant difference (p<0.05)					
Total	211	202	218	631		among three ethnicity groups based on demographic characteristics.					

Table 2: Test of Discriminant Validity Using CFA for Impulsive Buying on Three Dataset

		X2/d.o.f.	GFI	NFI	CFI	RMSEA
IMPULSIVE BUYING	Turkish Origin Dataset	2.443	0.949	0.918	0.949	0.083
	Chinese Origin Dataset	2.310	0.946	0.920	0.952	0.081
	Indian Origin Dataset	1.963	0.960	0.928	0.963	0.067

Table 3: ANOVA Results

Impulsive Buying	Sample Size	Mean	Standard Deviation	F	p.
Turkish	211	3.0074	0.61993	8.265	.000*
Chinese	202	2.9444	0.65592		
Indian	218	2.7594	0.69229		

* p<0.05

Table 4: Scheffe Test Results

(I) Ethnicity	(J) Ethnicity	Mean Difference (I-J)	Standard Error	Sig.
Turkish	Chinese	.06293	.06469	.623
	Indian	.24794*	.06346	.001
Chinese	Turkish	-.06293	.06469	.623
	Indian	.18502*	.06418	.016
Indian	Turkish	-.24794*	.06346	.001
	Chinese	-.18502*	.06418	.016

* The mean difference is significant at the 0.05 level.

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TOWARDS AN UNDERSTANDING OF MOTIVATIONS UNDERLYING THE RESISTANCE OF FRENCH CONSUMERS

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INTRODUCTION

Consumers increasingly display non-allegiance to the consumption system and opposition to firms' commercial practices. They engage in various acts to proclaim their rejection of the market system through collective actions such as boycotts (Friedman, 1999) or culture jamming (Rumbo, 2002), but also express their opposition in individual everyday practices such as voluntary simplicity (Leonard-Barton, 1981), the rejection of brands (Dalli, Romani and Gistri, 2005) or certain marketing techniques (Roux, 2008a). The manifestations stemming from these various forms of resistance are expressed either in voice or in exit, as described by Hirschman (1970). Previous consumer resistance research has focused on the importance of the situational context in explaining those behaviors, with scant attention paid to the conception of the psychological reasons why some people are more likely to resist than others under the same situational context. In order to go further in the comprehension of the phenomenon of consumer resistance, we are interested in consumer resistance in an individual perspective by examining the motivational processes underlying those behaviors. In other words, what are the intrinsic motivations explaining why some consumers may adopt certain behaviors so as to counteract or defeat marketing efforts (Fournier, 1998)

BACKGROUND

The research field on consumer resistance has steadily developed since its conceptualization by Peñaloza and Price (1993). These authors, following Poster's (1992) definition, propose conceiving of consumer resistance as "the way in which individuals and groups practice strategies of appropriation in response to structures of domination". Consumer resistance is approached as a socio-cultural phenomenon as it occurs in the marketplace and is related to marketplace ideologies and practices (Kozinets and Handelman, 2005). Consumer resistance also a contingent reaction (Roux, 2007), represents a specific type of response that occurs at the intersection of individual and their interpretation of a situation. Several individual traits have been however linked to consumer resistance: Consumer self-confidence (Bearden et al., 2001; Briñol, Petty and Tormala, 2004); consumers' skepticism (Dobscha 1998; Fournier 1998); and suspicion (Kramer, 1998; Darke and Ritchie, 2007). In this work, we try to understand consumer resistance in an individual difference perspective by exploring the psychological motivations explaining those behaviors.

RESEARCH METHODS

Our main objective is to gain insight into the motivations underlying some resistant consumers behavior, thus we adopted a qualitative exploratory methodology. In-depth semi-structured interviews were conducted. The interviews were structured around three main themes: (1) perception and responses to marketers' influence, (2) general attitude towards consumption and business practices and (3) consumption practices. Our final sample composed of 22 individuals, following the principle of semantic saturation, had 15 non-resistant consumers and 7 consumers who declared themselves as resistant to consumption and belonging to anti consumerist groups or associations. The final sample comprised individuals ranging in age from 22 to 60, covering a varied spectrum of family and professional situations. Data were analyzed by two independent coders (Kappa=.73)

Since we were using a comprehensive approach, the interviews were analyzed through a thematic content analysis. Thematic analysis was used to identify the specific topics addressed by each respondent on the one hand, those topics were then grouped them around mutually exclusive and relevant categories which brought out two types of motivations explaining why some consumers rather than other tends to react negatively to marketers' influence.

RESULTS AND DISCUSSION

Individuals with a tendency to resist highlight in their speeches a refusal to comply with the dictates of the market, and a will to retain control of their lives and their way of consumption. These elements underlie two types of motivations to resist: (a) desire for self-assertion and (b) motivation for self-protection

Resistance as self-assertion

The theory of self-assertion maintains that individuals are motivated to maintain their values and their integrity (Steele, 1988). This motivation to preserve their values and their behavior, consistent with their self emerges as a determinant of resistance among some consumers. Influencing people being a way of inducing the adoption of a desired behavior by the issuer, resistance become a way to affirm oneself and show disagreement.

"I do not give my support to dishonest procedures to get people to buy products; it turns me against the company that uses such methods, particular example FNAC. The former chairman of FNAC, the one who initiated the law on piracy, it turns out that he was selling pirated DVDs in his stores; they make profit on it, and he makes a law that punishes people who do it. It makes no sense. And I think it's unethical, it goes against my principles, and so, I do not buy at FNAC" (Leopold, 34)

In this excerpt, the consumer perceives the manipulative methods used by FNAC a French retailer whose discourse (law against piracy) which aims to increase their profit and attract sympathy and consumers is inconsistent with its practices (selling pirated DVDs). In response, he has stopped going to the store to affirm his rejection of such "unethical" practices that "go against his principles." Resistance here reflects a desire to behave in accordance with one's principles, hence the concept of self-affirmation.

The resistance of this consumer is directed against a particular firm (FNAC), but it can also be directed against the consumer society as a whole. The interviewee whose comments are reported below, perceives the consumer society as a standardization instrument, and justifies her desire to escape it, to assert her individuality and integrity: *"I do not like following everyone. It's not necessarily a way to stand out, but a way of remaining yourself, not necessarily to be like everyone else. I find that nowadays everyone is alike. We're all different, all unique, but we live in the same society, and I think, consumption leads us to want to be all alike. But I just don't want to follow everyone, have a certain thing because everybody has it"(Fatma, 22 years)*. This consumer justifies her tendency to resist normative pressures of consumer society by her desire to self-assert and maintain her individuality.

Resistance as self-protection

For some consumers, as for Maryse and Stephanie whose excerpts follow, resistance is above all a way to protect themselves. They implicitly recognize their vulnerability and adopt resistance behaviors, allowing them to avoid falling into these consumption traps.

« I have had a negative experience, and now that I'm aware, I try not to fall into these credit traps anymore. What makes us fall into these traps is the desire to ... when you come from a middle class, you want to go to the next upper class, then after ... They want us to believe we can have the same things even if we do not have the same salaries at the end of the month. That's the trap. You can have them on credit but at some point you will have to pay the bills ... and you fall in spirals of debt ... Now, my consumption has become reasonable, not that I do not want to buy all these stuffs, but I restrain myself, I control my desires, I self-regulate my behavior» (Maryse, 47 years)

For Maryse, having been victim of easy credit offered through loyalty cards makes her now much more suspicious and especially pushes her to resist by muzzling her desires.

Stephanie, however, does not refer to negative experiences. She just wants to protect herself from the wasting and overconsumption promoted by supermarkets. To protect herself against this risk, she prefers to frequent organics food stores that promote a sparse consumption, primarily because prices are higher, but also because the range of products is reduced.

« There is also all this marketing in supermarkets, and I never go into the malls, or very rarely and when I do, I'm stuck, I arrive and I see all these products ... in organic stores, since it is expensive, you pay attention to what you buy; if you need yogurt, you do not buy 10 because it's cheaper, you buy 4. When I go to a supermarket I'm lost; I see all these yogurts, chocolate, strawberry, nature ... in an organic food stores you have 4 different yogurts and there you have 25. » (Stephanie, 30 years)

These two excerpts illustrate the concept of self-control already put forward by Cochoy (2008) in the resistance behaviors. Cochoy considers in fact that to resist the market is often to resist to oneself. The author illustrates his point with the image of Ulysses being attached to the mast of his ship to resist the sirens' song. Here, the consumer, like Ulysses, is aware of its

inability to rely solely on his will to resist and relies on other elements (Ulysses uses the mast, Maryse controls her desires by using his previous negative experience as a safeguard, Stephanie frequents organic food stores to avoid being tempted by the abundance of products in supermarkets)

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

Ultimately, these two motivations highlight the tendency of consumers to resist based on their regulatory focus (Higgins 1997). The motivation of "Self-affirmation" captures the propensity to resist of consumers having a promotion focus, those consumers are confident in their ability to cope with marketers influence attempts, and will adopt approach strategies. Conversely, the motivation of "self Protection" is more specifically related to the prevention focus; those consumers are conscious of their vulnerability to those marketers' devices and will rather adopt avoidance strategies, to prevent themselves from being "trapped" by marketers. The results of this research invite to consider two distinct profiles of resistant consumers that may deserve differentiated marketing strategies.

References available upon request.

“PERCEIVED SELLER LOYALTY” FOR “CUSTOMER LOYALTY”, DOES “TAT FOR TAT” WORK LIKE “TIT FOR TAT”?

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INTRODUCTION

*"Do to others whatever you would like them to do to you. This is the essence of all that is taught in the law and the prophets."
– Matthew 7:12*

The norm of reciprocity or repayment in kind, is arguably one of the most prevalent social rules that governs and keeps the balance of the social relations for a long time. At the individual level, it confirms the need to reciprocate, promotes the predictability, and boosts the expectations. Given the importance of customer loyalty to the company, researchers have been trying to identify the antecedents of this construct. Loyalty, by nature, is to be reciprocated between two parties (Solomon 1992). And by reciprocating, the two parties are expected to exchange things of equivalent value, i.e., either “tit for tat”, or “tat for tat”. It is difficult to maintain the relationship, in which the loyalties are asymmetrically exchanged between parties. Yet none of the prior research in B2C identifies “seller loyalty” as an antecedent of customer loyalty. Based on the very simple social exchange rule, the norm of reciprocity, a few simple questions are raised in this study. The first one is, *whether the perceived seller loyalty is a potential antecedent of the customer loyalty?* Second, *what constitutes the seller loyalty from the perspective of the customer?* And the purpose of this study is to answer these questions.

LITERATURE REVIEW

The marketing literature devotes significant attention to customer loyalty in both B2C, and B2B. Most literature focuses on identifying the antecedents of customer loyalty. The most common antecedents of the customer loyalty are customer satisfaction (Szymanski and Hearnard 2001); expectations (Bearden and Teel 1983; Oliver 1981), disconfirmation (Oliver 1981; Oliver and DeSarbo 1988), performance (Churchill and Surprenant 1982; Oliver and DeSarbo 1988), affect (Westbrook 1987; Westbrook and Oliver 1991), and equity (Oliver and Swan 1989a; Oliver and Swan 1989b). Based on the classic work in norm of reciprocity by Gouldner (1960), all of the above can be considered “heteromorphic reciprocity”, the exchange between two things that are not alike, but equal in value (i.e., tit-for-tat). However, according to Gouldner (1960), there is another type of reciprocity; that is “homeomorphic reciprocity”, the exchange between two things that are alike (i.e., tat-for-tat). Based on this second type of reciprocity, customer loyalty should be exchanged with seller loyalty. Based on the basic premises of the norm of reciprocity this hypothesis is suggested:

H1: Perceived seller loyalty will be positively related to customer loyalty.

Even though both customer loyalty and seller loyalty share the term “loyalty”, the ways to conceptualize each one are totally different. Customer loyalty can be conceptualized based on behavioral perspective, e.g., repeat purchasing (Blattberg and Sen 1974; Ehrenberg et al. 1990; Kahn et al. 1986), and attitudinal perspective, e.g., recommending the seller to friend (Dick and Basu 1994). On the other hand, perceived seller loyalty refers to the extent to which the customers perceive the seller, or service provider, to be loyal to them, and can be conceptualized through three constructs. Those constructs are trustworthiness, consistency, and disconfirmation.

Trustworthiness: Trust is deemed as the basic requirement for both starting and maintaining interpersonal relationship (Larzelere and Huston 1980; O'Neill and O'Neill 1972). In the buyer-seller relationship, keeping the promises and fulfilling the obligations are essential to the existence of relationship (Schurr and Ozanne 1985). Morgan and Hunt (1994) conceptualize trust as the indicator of the confidence in exchange partner's reliability and integrity. Generally speaking, the customers will perceive the seller as being loyal when the seller demonstrates that it is trustworthy. Based on the discussion of the literature outlined above, the following is suggested:

H2: Perceived seller loyalty will be positively related to trustworthiness.

Consistency: In behavioral study, consistency is conceptualized as the degree to which a person behaves the same way across the situations (Funder and Colvin 1991; Furr and Funder 2004). Buyer-seller relationship literatures suggest that inconsistency in a party's input levels leads to difficulty in predicting the outcome from the exchange, which in turn leads to

the reduction in reliance by another party (Dwyer et al. 1987). Given all the discussion outlined above, we believe consistency is another dimension of perceived seller loyalty. State properly:

H3: Perceived seller loyalty will be positively related to consistency.

Disconfirmation: Research in customer satisfaction suggest that to be considered loyal, simply “mean what you say, and do what you say” might not be enough, you might have to “go the extra mile” as well (Davis and Mentzer 2006). In order to distinguish the “above and beyond” part from what is anticipated, the customers have to set their threshold, the expectation. Expectation has been confirmed to influence customer satisfaction, but the results from previous studies suggest that expectation appears to only provide the baseline for the comparison, and that discrepancy, or disconfirmation, is the one that actually drives the perceptions of the customers (Churchill and Surprenant 1982; Oliver and DeSarbo 1988). Further, disconfirmation seems to be the best tool to measure the ‘extra mile’ part. Based on the argument above, this hypothesis is suggested:

H4: Perceived seller loyalty will be positively related to disconfirmation.

METHODOLOGY

Research Context

The unit of analysis for our model testing is the relationship between the sellers (service providers) and their customers in the context of mobile phone service industry. There are two reasons why we believe this context suits our study. First, mobile phone service, in general, is a long-term service (Rafael 2003). Further, in most cases, there are interactions between the sellers and the customers periodically through both one-way and two-way interactions, e.g., information inquiring, purchasing, problems solving, billing. Thus, this context allows us to examine the longitudinal aspect of the relationship between the sellers (service providers) and the customers through their interactions. Second, since our data were collected from the student samples, the context of the study must be the one that most students can get access to, and that they have enough experience to enable them to provide credible data for our study. The only disadvantage we can see from picking this context is the risk in low generalizability of the results.

Data Collection

The data were collected through on-line survey from the college students in the major Southwestern U.S. University. The initial 578 responses were received; however, we removed three responses because those participants reported that they did not carry the mobile phones, and ended up with the final responses of 575 ($N=575$). Females make up 54 percent of the sample. 88 percent of the sample ages range from 18 – 16. Undergraduates make up 90 percent of the sample.

Measures

When possible, existing validated scales were used without any modification, otherwise minor modifications were made so that the scales become better fit the context. At the beginning of the survey, the participants were asked to identify the mobile phone service providers they were using. Then, the participants were asked to base all subsequence answers on the mobile phone service providers they identified earlier. A total of twenty measurement items were used to test the proposed model. Trustworthiness was measured using the seven-item scale (seven-point Likert-type: Strongly disagree - Strongly agree) adapted from Larzelere and Huston’s (1980) scale developed to measure dyadic trust in the marital literature. Consistency was measured using the three-item scale (seven-point Likert-type: Strongly disagree - Strongly agree) adapted from Bem and Allen’s (1974) scale developed to measure cross-situational behavioral consistency. Disconfirmation was measured using the three-item scale (seven-point semantic differential-type: (1) indicates “Much worse than expected”, (4) indicates “As expected”, and (7) indicates “Much better than expect”) adapted from Westbrook and Reilly’s (1983) scale, which modeled after Oliver’s (1980) disconfirmation scale. And both attitudinal and behavioral loyalty were measured using the seven-item scale (seven-point Likert-type: Strongly disagree - Strongly agree) adapted from Jacoby and Chestnut (1978), and Zeithaml et al. (1996).

RESULTS AND DISCUSSION

Measurement model evaluation

All measurements showed Cronbach's alphas ranging from 0.89 to 0.95, well above the suggested level (Churchill 1979). We performed Confirmatory Factor Analysis (CFA) using LISREL 8.80 (Jöreskog and Sörbom 2006) to verify unidimensionality of each construct (see Table 1). All of the factor loadings, ranging from 0.66 to 0.98, are significant. To assess the reliability of the measures we calculated individual Composite Reliability (CR) and Average Variance Extracted (AVE) using the procedures suggested by Fornell and Larcker's (1981). The all composite reliabilities, ranging from 0.86 to 0.95, are well above 0.60 as suggested by Bagozzi and Yi (1988). The AVEs, ranging from 0.67 to 0.75, are above recommended 0.50 level (Fornell and Larcker 1981). Convergent validity was assessed by verifying the significant of the *t* value associated with the parameter estimates. All *t* values are positive and significant ($p < .01$).

Although the chi-square statistic was significant ($\chi^2(160) = 578.29$), it is commonly accepted that the chi-square statistic will reject the valid model due to the large sample size (Bagozzi and Yi 1988). Nearly all of the fit indices indicated good fit of measurement model (GFI = 0.91; NFI = 0.99; CFI = 0.99, IFI = 0.99, RMSEA = 0.067).

Table 1. Parameter for Measurement Model, Item Loadings, t-Values

Items descriptions	Std. Loadings (<i>t</i> -value)
Trustworthiness ($\alpha = .95$; CR = .95)	
TRU1-This company is primarily interested in your welfare. ^a	0.71 (19.21)
TRU2-This company is perfectly honest and truthful with you.	0.81 (23.30)
TRU3-This company is truly sincere in its promises.	0.88 (26.51)
TRU4-You feel that this company shows you enough consideration.	0.87 (25.92)
TRU5-This company treats you fairly and justly.	0.90 (27.43)
TRU6-You feel that this company can be counted on to help you.	0.92 (28.92)
TRU7-You feel that you can trust this company completely	0.83 (24.23)
Disconfirmation ($\alpha = .89$; CR = .90)	
DIS1-Based on your experience with this company, you think the services it provides you are ^b	0.84 (24.25)
DIS2-Based on your experience with this company, you think the ways it handles the problems are	0.84 (24.31)
DIS3-Base on your experience with this company, your relationship with this company is	0.91 (27.63)
Consistency ($\alpha = .88$; CR = .86)	
CON1-Compare between the beginnings of the relationship and recently, the way this company ^a treats you is the same.	0.66 (16.69)
CON2-Based on your experience, this company's behaviors toward you are consistent.	0.78 (21.02)
CON3-You perceive this company's behavior to be reliable	0.98 (29.66)
Loyalty ($\alpha = .95$; CR = .95)	
LOY1-You are willing to make the extra effort to do business with this company.	0.71 (19.55)
LOY2-It means a lot to you to continue doing business from this company.	0.76 (21.19)
LOY3-You say positive things about this company to other people.	0.91 (28.36)
LOY4-You recommend this company to someone who seeks your advice.	0.95 (30.52)
LOY5-You encourage friends and relatives to do business with this company.	0.93 (29.31)
LOY6-You consider this company your first choice to go with.	0.90 (27.54)
LOY7-You will do more business with this company in the future.	0.82 (23.89)

Chi-square (χ^2) = 578.29, d.f. = 160, $p < 0.001$, GFI = 0.91; CFI = 0.99, IFI = 0.99, RMSEA = 0.067.

^a Unless indicated otherwise, scales are from 1 = "strongly disagree" to 7 = "Strongly agree"

^b Disconfirmation scales are from 1 = "Below expected" .. 4 = "As expected"... 7 = "Beyond expected"

Structural model evaluation

Nearly all the results of structural model represent a good fit with the data ($\chi^2(162) = 589.54$; GFI = 0.91; NFI = 0.99; CFI = 0.99, IFI = 0.99, RMSEA = 0.068). As shown in Table 3, all hypotheses were supported. To our knowledge, this model is the first demonstration including perceived seller loyalty as the antecedent of customer loyalty.

Table 2. Average Variance Extracted, means, standard deviation, inter-construct correlations, reliability estimates

Construct	AVE	Mean	Standard Deviation	Trustworthiness	Disconfirmation	Consistency	Customer Loyalty
Trustworthiness	0.72	4.79	1.21	<u>.95</u>			
Disconfirmation	0.75	4.60	1.15	.674**	<u>.90</u>		
Consistency	0.67	5.07	1.15	.639**	.521**	<u>.86</u>	
Customer Loyalty	0.74	4.75	1.28	.721**	.691**	.559**	<u>.95</u>

** $p < .01$; Composite Reliabilities (in italics underlined) on the main diagonal

Table 3. Constructs, hypotheses, standardized coefficients, findings

Path	Hypothesis	Std. Coefficients	t-value	Findings
Perceived Seller Loyalty (+) --> Customer Loyalty	H1 (+)	0.85	22.17	Supported
Perceived Seller Loyalty (+) --> Trustworthiness	H2 (+)	0.89	20.08	Supported
Perceived Seller Loyalty (+) --> Consistency	H3 (+)	0.79	13.60	Supported
Perceived Seller Loyalty (+) --> Disconfirmation	H4 (+)	0.83	18.90	Supported

Chi-square (χ^2) = 589.57, d.f. = 162, $p < 0.001$, GFI = 0.91; CFI = 0.99, IFI = 0.99, RMSEA = 0.068.

*All paths significant at 95%

CONCLUSIONS

The purpose of this study is to answer two simple questions in B2C context: “What constitutes seller loyalty?”, and “Will customers accept seller loyalty in exchange for their loyalty toward the seller?” Even though customer loyalty toward company/brand is a concept that has been thoroughly studied, yet none of the prior studies identifies seller loyalty as one of its antecedents. Based on the simple social exchange rule, norm of the reciprocity, we propose that seller loyalty is a potential exchange item that can directly elicit loyalty from customers. This study has several contributions to the loyalty literature. First, we defined the new construct called perceived seller loyalty. Second, we identified the potential dimensions of the construct: trustworthiness, consistency, and disconfirmation. Third, we build a theoretical model, and tested that model. We believe that our model can be used as the theoretical foundation for future research in this area. Based on our model and hypotheses testing, we found several encouraging results. The most interesting result is that, as predicted, the customers are willing to express their loyalty toward the sellers merely because customers perceived the sellers as being loyal to them. It is long known that mutual loyalty does exist in the B2B, organizational behavior, and interpersonal relationship literature. However, our study is the first study to empirically test this concept and prove that the concept also holds in the B2C context. Another insight we found very interesting is that we can measure this perceived seller loyalty construct from two different perspectives: as a second order construct, and as the multi-dimensional construct. Based on the data, both models demonstrated equally goodness of fit. We strongly believe that the results from our study should add more insights to loyalty literature, and more importantly, set the new ground for the future research.

References available upon request.

Session 8.1. Dimensions of Corporate Social Responsibility

Session Chair: Daniel Hall, KTH Royal Institute of Technology, Sweden

A Social Emphasis to Triple Bottom Line Reporting of Corporate Sustainability Efforts

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Corporate Social Disclosure Strategies and Stakeholder Engagement: Does GRI contribute to Greater Engagement?

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The Impact of Corporate Philanthropy on Corporate Reputation: A Cross-Cultural Comparison

Ilona Szöcs, WU Vienna, Austria

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A SOCIAL EMPHASIS TO TRIPLE BOTTOM LINE REPORTING OF CORPORATE SUSTAINABILITY EFFORTS

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ABSTRACT

Triple bottom line reporting tend to follow common approaches how it is done. There is rarely seen adapted or modified 'bottom line' approaches to specific market and societal characteristics in literature. The objective of this research note is to describe a 'fivefold bottom line' approach in implementing and reporting corporate efforts of sustainable business practices. The authors argues that insights from industry of implementing and reporting sustainable business practices based upon different corporate 'bottom line' approaches are required in literature. A lesson learned from the presented 'fivefold bottom line' approach to implement and report their corporate efforts of sustainable business practices is that it is adapted to fit and make sense in a specific market and society. The triple bottom line approach is usually derived from, or commonly based upon, a Western perspective on the market and society in literature. The authors propose that the 'triple bottom line' approach may need to be commonly adapted to the country and cultural context in focus, which is not normally done, but templates are used.

References available upon request.

AN EXAMINATION OF DETERMINANTS OF CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE STRATEGIES

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INTRODUCTION

An increasing number of companies are voluntarily disclosing their social, environmental and economic impact. These efforts have allowed corporate leaders to demonstrate to society that their companies are behaving in a socially desirable manner (Gray et al. 1988). The use of reporting standards like those produced by the Global Reporting Initiative have become an integral part of firms' CSR disclosure strategy (KPMG 2011). The GRI's G3 Guidelines provide firms an option to declare a specific application level based on what they choose to report. Firms also have the option of 3rd party assurance to assure stakeholders that requirements have been met. (Moneva et al. 2006; Gamerschlag et al. 2011; GRI 2011).

While corporate social responsibility reporting (CSR) has attracted some attention, scholars have called for additional research to assess its use in different industries and in a broader, more representative sample of firms (Sweeney and Coughlan 2008). There has also been a suggestion for further investigation into the quality and depth of information disclosed in CSR reports (Holder-Webb, Cohen, Nath and Wood 2009). When these calls for research are combined with the changing business environment, one can question if the determinants researchers previously identified are still applicable today. More specifically, do determinants still hold true and can they now be used to predict the firm's GRI application level and its decision to pursue third party assurance. This research will seek to answer this key question.

LITERATURE REVIEW

While CSR reporting has become more common amongst large companies, researchers have tended to focus more on social and environmental performance (Ziek 2009; Chen and Bouvain 2008). Those who have chosen to examine the topic of disclosure have tended to be accounting scholars. This is not unexpected given their previous research focused on financial disclosure. However, the result has been a narrow range of research limited to three primary research questions.

The first area scholars sought to understand was the nature and practice of CSR disclosures. This research examined single companies over an extended period, multiple companies in a single country, and multiple companies across multiple countries. These studies revealed that both the volume and type of information reported tend to vary across countries, industries, companies and time (Chen and Bouvain 2008). The variance observed in these studies has led researchers to try and better understand the contributing factors. One area that has been suggested, as being worthy of further examination, is the contextual factors that may be present (Adams 2002).

Scholars also have sought to examine the impact CSR disclosures may have on corporate social and financial performance. The studies that followed often produced inconsistent results (Ingram & Frazier 1980; Wiseman 1982; Roman, Hayibor and Able 1999). One study of note is that of Ulmann (1985) who proposed a three dimensional model to help explain the relationship between social and financial performance and the quantity and quality of social disclosure. The determinants were clustered into one of three factors - stakeholder power, the firm's strategic posture with social demands and past and current financial performance. Ulmann's (1985) work not only helped provide a potential explanation for the relationship, it also led other scholars to examine the third primary topic, which is what determines the content and clarity of reporting (Reverte 2009).

Most of the research that followed failed to propose new models but instead focused on a small number of variables that would complement Ulmann's (1985) model. One notable exception was Adams (2002) who proposed a more simplistic model that suggested that certain contextual factors could also play a role. Variables were grouped into one of three factors - corporate characteristics; general contextual factors and internal contextual factors. Corporate characteristics describe variable such as size, industry membership, systemic risk and elements of strategic posture. General contextual factors represent a broad category of variables including stakeholder concerns, media pressure, culture and the regulatory climate. The final category, internal context, describes processes and structures for internal decision-making.

Since the introduction of these models, no other models have been proposed. However, it is of note that the business environment in which reporting now takes place is substantially different from when Ulmann (1985) and Adams (2002) first proposed their models. First of all, substantially more companies now engage in CSR reporting (KPMG 2011). Second, society has become increasingly more interested in corporate accountability. Concerns about corporate conduct, the depletion of natural resources, the impact of climate change and the overall environmental impact of business are now more widely discussed than in the past (Arvidsson 2010). Finally, the ways in which society now shares information and

knowledge have changed with the growth in social media. Information is now available faster and to a broader audience that actively participates in the dissemination and prioritization of news and knowledge (Berthon et al. 2012).

Reporting practices have also evolved. Normative reporting standards have helped create more uniform CSR disclosures across geographic boundaries. The most widely used of these is the GRI G3 Guidelines, which suggest what the firm should report and how it should be reported. Firms who follow the Guidelines must make three strategic choices. They first must determine whether to declare a specific Application Level in reporting CSR activities or merely reference the principles from the GRI framework. Firms who choose to declare an Application Level must determine which one best describes their level of reporting. Finally, firms must decide whether they will have their CSR reporting assured by a third-party. This can ultimately help demonstrate to their commitment to stakeholders and help communicate CSR disclosures may have more legitimacy because they have been reviewed and assured by a third party (Moneva et al. 2006; Gamerschlag et al. 2011; Holder-Webb et al. 2009; GRI 2011). Taken together, these strategic decisions ultimately make up the firm's disclosure strategy.

Multiple scholars have called for additional research in order to assess CSR reporting in a broader and more representative sample of firms and industries (Sweeney and Coughlan, 2008). Previous research has been limited by the methods used to analyze the past reporting efforts. It has also been suggested that the evolving patterns of disclosure be assessed over time through the use of longitudinal studies (Brammer and Pavelin 2008). Finally, calls have also been made for further investigation of both the quality and depth of information disclosed in CSR reports (Holder-Webb, Cohen, Nath and Wood, 2009).

These gaps in CSR reporting research are amplified when you consider the changing business environment and evolution in reporting practices (Holder-Webb, Cohen Nath and Wood, 2009). Research must be done to understand how the determinants proposed by Ulmann (1985) and Adams (2002) has evolved since they were first introduced. We must also understand the relationship between these determinants and the firm's CSR disclosure strategy.

PROPOSITIONS

The combination of the firm's chosen GRI application level and its level of assurance reflect the firm's CSR disclosure strategy. Taken together, these provide a simple and more uniform way to describe both the volume and quality of a firm's CSR disclosure. Based upon the work of Ulmann (1985), Adams (2002) and others, this study suggests a four-dimensional model to help explain the determinants of the firm's CSR disclosure strategy. The model includes the following constructs - corporate characteristics, the firm's economic profile, the power of the firm's stakeholders and environmental turbulence.

The first dimension of the model is corporate characteristics. This dimension is consistent with the construct in Adam's model that has been most frequently studied. Based on past research industry membership (Cowen et al. 1987; Patten 1991; Roberts 1992; Hackston and Milne, 1996); corporate age (Roberts 1992); corporate size (Cowen et al. 1987; Patten 1991; Hackston and Milne, 1996, Adams et al 1998); business complexity as demonstrated by number of business units in each company (Boesso and Kumar, 2007); country of origin (Adams 1999; Cowen et al. 1987; Guthrie and Parker 1990) and the percentage of ownership held by management and shareholders who hold more than 5% of shares (Roberts 1992; Cormier, Magnan and Van Velthoven 2005; Brammer and Pavelin 2008) would be appropriate to exam. Consistent with legitimacy theory, large companies typically receive more public attention. This leads to increased expectations of socially responsible behavior and for disclosing their CSR activities (Arvidsson 2010).

Proposition 1: There is a relationship between corporate characteristics and the firm's disclosure strategy

The second dimension of the model is the firm's economic performance. This is consistent with Ulmann's model, which specifically called out the firm's past and present economic performance. Adam's also makes reference to performance but it is included in corporate characteristics. Just as with Proposition 1, legitimacy theory supports inclusion of this construct. Prior research has examined the impact of return on assets (Patten 1991, Hackston and Milne 1996); one year lagged ROA (Patten 1991); change in net income from the previous period (Patten 1991); systematic risk -Beta (Roberts, 1992) and the firm's annual stock market return (Cormier, Magnan and Van Velthoven 2005) on the volume and quality of CSR disclosures. This research would propose to examine the relationship between the firm's performance and its disclosure strategy.

Proposition 2: There is a relationship between the firm's economic performance and the firm's disclosure strategy

The third dimension is stakeholder power, which was introduced by Ulmann (1985). The variables that have previously been tested include the number of public affairs staff members (Roberts 1992); the level of corporate philanthropy; corporate sponsor of a philanthropic foundation (Roberts 1992); government fines (Neu et al. 1998; Huang and Kung 2010) and print and online media exposure (Neu et al. 1998; Cormier, Magnan and Van Velthoven 2005). Given the international nature of the companies who subscribe to the GRI guidelines, the number of public affairs staff members corporate may no longer be an appropriate variable. Corporate reputation, however, has been described as an important factor in maintaining legitimacy and as a factor related to CSR reporting (Bebbington et al. 2007). As a result, this variable will be included.

Proposition 3: There is a relationship between stakeholder power and the firm's disclosure strategy

The fourth dimension of the model is environmental turbulence. This dimension represents a subset of the general contextual factors described by Adams (2002). The factors include social, political and economic factors. Environmental turbulence is commonly defined as the loss of stability created by difficult to predict changes in the environment (Haleblian and Finkelstein, 1993; Berthon et al. 2008). This has been categorized as either economic or political turbulence and a variety of variables have been used to measure these constructs. While these factors can be difficult to measure, a variety of variables have been described in the literature by management, economics and political science scholars that would be appropriate.

Economic turbulence has been measured by assessing performance risk and demand instability. Performance risk is measured as the average coefficient of variation of firms' return on assets. Demand instability measured as the average coefficient of variation of firms' sales. The values of both indicators varied between industries (Haleblian and Finkelstein 1993). Additional factors that have been examined include GDP Growth and changes in unemployment (Aiginger 2005). GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products (www.data.worldbank.org)

Political turbulence has been examined using indices developed by the Political Risk Services Group (PRSG) to assess political risks in over 110 countries. Adsera et al. (2003) included several indices that would be appropriate to include. The Corruption Index measures the demand for bribes by political leaders. The Rule of Law Index assesses the strength and stability of the legal system. The expertise, quality and stability of both elected officials and their administrative counterparts are measured using the Bureaucratic Quality Index. The one index that would not be included is the Risk of Expatriation.

Other indices have been included in assessments by Transparency International (TI). Like PRSG, their indices also include the Corruption Perceptions Index and the rule of law. TI also measures judicial independence, the level of global competitiveness as well as voice and accountability.

Proposition 4: There is a relationship between environmental turbulence and the firm's disclosure strategy.

METHODOLOGY

Sample

A stratified random panel sample of global public firms will be created from a reporting registry maintained by the Global Reporting Initiative, a secondary data source. While the registry lists firms that have utilized the reporting framework since it was first introduced, only those firms who have reported since the launch of the G3 Guidelines in 2006 will be included in the panel. The period from 2006-2012 has been chosen because prior to 2006 the GRI Guidelines had fewer requirements and required the firm make fewer strategic choices.

This study will deviate from past CSR disclosure research in that it will rely on secondary data derived from the GRI registry, Capital IQ and public databases and business press to acquire information on publicly traded firms. Past studies have relied upon primary data developed through the use of content analysis. This limited the number of firms that could be examined and limited the generalizability. Like other studies that rely on secondary data, private firms have not been included in the analysis (McGahan & Porter 1997).

IMPLICATIONS FOR THEORY AND PRACTICE

This research has implications to both theory and practice. First, the study introduces the concept of a CSR disclosure strategy. Previously, researchers have examined the volume and quality of reporting. However, comparing reports was difficult because of the lack of uniform measures. With the development of the GRI G3 Guidelines, firms could communicate both the volume quality of their reporting through the use of the Framework's Application levels. While reports were not completely uniform, the Guidelines were a marked advancement for companies who disclosed their CSR activities and the stakeholders who read their reports. Third party assurance is also introduced as an element of CSR disclosure strategy and is included as an equal element along with Application levels. To date, third party assurance has received substantially less attention than either volume or quality.

This research also contributes to the advancement of theory. CSR disclosure strategy and the use of uniform reporting standards are introduced as means by which to reduce incongruity between the actions of the firm and the interests of society. As a result, they provide another means not previously described in the literature of demonstrating legitimacy. By determining the most appropriate disclosure strategy, the firm may be able to reduce the risk of reporting by using Guidelines developed with stakeholder support. The firm is also able to further reinforce its legitimacy by meeting the needs of multiple stakeholders. The use of third party assurance is also included as a means by which to further demonstrate legitimacy. The CSR disclosure strategy represents an intentional, well thought out approach to meeting stakeholder needs and reinforcing the legitimacy of the firm.

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References available upon request.

**THE IMPACT OF CORPORATE PHILANTHROPY ON CORPORATE REPUTATION:
A CROSS-NATIONAL COMPARISON**

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ABSTRACT

There is a dearth of knowledge on the impact of corporate philanthropic initiatives on corporate reputation. This study investigates how philanthropic support impacts customers' perception of a philanthropic company in Austria and Egypt. Set in the telecommunication industry, the analysis is theoretically anchored in balance theory, consumer ethnocentrism and institutional theory. The findings show that corporate philanthropy has only a minor positive impact on corporate reputation in both countries and that ethnocentrism moderates the link between attitude toward corporate philanthropic support and customer-based corporate reputation.

References available upon request.

Session 8.2. Exploring the 'Why' and 'How' of Consumer Interactions in a Web 2.0 World

Session Chairs: Anjali Bal, Dominican University, USA and Colin Campbell, Monash University, Australia

The New Willingness to Participate: Understanding Consumer Participation Online

Michael Parent, Simon Fraser University, Canada

Kirk Plangger, Simon Fraser University, Canada



WILLINGNESS TO PARTICIPATE: UNDERSTANDING CONSUMER PARTICIPATION ONLINE

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Kirk Plangger, Simon Fraser University, Canada

ABSTRACT

Companies strive, through branding and other efforts, to push their message out and create a high willingness to pay (WTP) where consumers feel there are few or no substitutes for what these companies are selling. Social Media, however, are making push-based marketing anachronistic. Users of social media typically eschew professional communications pushed at them by faceless, impersonal organizations in favor of more personal conversations. They seek greater engagement with their preferred brands, and involvement, with or without the company's approval, in creating brand personalities. Their affinity for these preferred brands might well auger the dawn of a new WTP – willingness to participate. This paper presents a model of consumer engagement through social media and argues for re-conceptualizing WTP by using a series of examples showing how companies that engage consumers through social media like Facebook, Twitter and YouTube stand to reap the benefits of long-term competitive advantages.

References available upon request.

Session 8.4. Cultural Issues in Branding and Communication

Session Chair: David Williams, Kennesaw State University, USA

The Effect of Consumers' Consciousness on Brand Perceptions: A Cross-Cultural Exploratory Study

Lilly Ye, Frostburg State University, USA

Mousumi Bose, Fairfield University, USA

Lou Pelton, University of North Texas, USA

Brand Compromises: An Examination of Cultural Influences on Consumer Complicity with Counterfeit Brands

Kelly Durham, Appalachian State University, USA

Jennifer Nevins-Henson, Appalachian State University, USA

Exploit, Neglect, Develop, Live: A Typology of Country Image Use in Company Branding

Niki Hynes, ESC Dijon, CRCGM Clermont Ferrand, France

Barbara Caemmerer, ESSCA School of Management, France

Emeline Martin, Universite d'Auvergne Clermont Ferrand, France

A Qualitative Approach to Analyze Intercultural Competence in Sino-German Collaborations

Wencke Guelow, Braunschweig University of Technology, Germany

Wolfgang Fritz, Braunschweig University of Technology, Germany



THE EFFECT OF CONSUMERS' CONSCIOUSNESS ON BRAND PERCEPTIONS: A CROSS-CULTURAL STUDY

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ABSTRACT

Despite increasing interest in understanding consumers' self-concept, there is relatively limited research on consumer's self-consciousness, one of the foundations of self concept (Belk, 1988; Chang 2006; Fenigstein et al., 1975). In addition, a disposition to focus attention on one's self (Buss, 1980), self-consciousness needs to be further explored with another related but different concept – gender consciousness, to provide a well rounded foundation of self concept (Gould, 1996). Gender consciousness, as defined by consumer's awareness of his/her gender identity (Gould, 1996; Gould and Stern, 1989), has long been considered important in social psychology since "one's consciousness of one's own gender will influence one's feelings about oneself" (Gould and Stern, 1989, p. 130). However, this concept has received scant attention in the marketing literature. Previous literature suggests that self-consciousness and gender consciousness may provide insights to some key issues of consumer behavior, including expression of values (Millenson, 1985), manifestation of personality traits (e.g. Dichter et al., 1989) and product choices (Gould and Stern, 1989). However, these studies have focused on either self-consciousness or gender consciousness. Thus, this study attempts to address the shortcomings in extant literature and provide knowledge base to marketing managers.

Our study specially focuses on the impact of self-consciousness and gender consciousness on consumer's brand perceptions. One central step regarding enhancing consumer's brand perceptions is to increase consumer's brand sensitivity or consciousness. Such consciousness has been well researched in extant literature and has been widely explored as an instrument for enhancing brand attitude and behavior (Liao and Wang, 2009; Nelson and McLeod, 2005; Mussey, 1997). Furthermore, an interesting perspective with respect to consumer consciousness and brand consciousness is their differential nature with respect to different cultural societies. This study targets two different cultures: that of the U.S.A and China.

Using structural equation modeling, the study found that both self-consciousness and gender consciousness have a significant impact on consumer's brand consciousness, which in turn, positively relates to consumer's brand attitudes, brand loyalty, and willingness to pay price premium. Brands, therefore, play a very important role in portraying individualistic personalities in the Western culture. Besides, need for uniqueness partially mediates the relationship between self-consciousness /gender consciousness and brand consciousness. Contrary to expectations, the findings show some interesting differences for the Chinese consumers. First, self-consciousness has a negative impact on brand consciousness. Second, gender consciousness was not related to brand consciousness. Though both self-consciousness and gender consciousness have no positive effect on brand consciousness, our findings suggest that need for uniqueness mediates the relationships. If a brand has a unique appeal, it will create a bond between Chinese consumers and brands.

Findings for the study provide insights for both marketing scholars and practitioners. At the theoretical level, the study demonstrates that self-consciousness and gender consciousness are two related but different concepts, and they can impact consumer's brand perceptions. The study also indicates the importance of consumers' need for uniqueness, especially in the Eastern culture. Specifically, need for uniqueness plays an important role in enhancing their brand consciousness and other brand perceptions for both the U.S. and Chinese consumers. At the practical level, the study encourages brand managers to focus on consumers' consciousness, including their self consciousness, gender consciousness, and brand consciousness, and thus design effective marketing campaigns to evoke consumers' consciousness.

References available upon request.

BRAND COMPROMISES: AN EXAMINATION OF CULTURAL INFLUENCES ON CONSUMER COMPLICITY WITH COUNTERFEIT BRANDS

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INTRODUCTION

International trade in counterfeit goods has been showing a steady increase in the new millennium, totaling an estimated \$250 billion, or nearly two percent of world trade, in 2007 (OECD, 2009). This increase in buying and selling of pirated and fake goods continues to gain ground despite global efforts to respect intellectual property rights through transnational organizations like the WTO, and a commitment to do so by member countries (WTO, 2012). Academics have examined the problem of counterfeiting from a “supply side” perspective, examining sources of counterfeit goods and factors such as political, legal, and economic infrastructure that may facilitate the practice (Berrell and Wrathall, 2007; Lambkin and Tyndall, 2009).

Recent years have seen an increase in research among marketing academics regarding the demand-side of counterfeiting: that is, understanding consumer characteristics that lead consumers to purchase counterfeit versions of brand name goods. Ethical orientations and price-quality associations are frequently included as determinants of a consumer’s propensity to purchase or avoid counterfeit brands (e.g. Chaudhry and Stumpf, 2011; Norum and Cuno, 2011). Some studies have taken cultural values, namely collectivism, into consideration (e.g., Chaudhry and Stumpf, 2011; Phau and Teah, 2009). However, most studies have specifically incorporated only a limited number of cultural dimensions and sampled only a single culture, thereby limiting the cross-cultural applicability of the findings. This research presents multiple cultural values as having a potential influence on consumers’ attitudes toward branded products and counterfeit versions of the same, and their willingness to engage in counterfeit purchases. Research propositions are outlined and potential implications of the proposed research are discussed.

RESEARCH PROPOSITIONS

Consumer complicity is defined as the willingness to engage, share or use counterfeit products (Chaudhry and Stumpf, 2011). Below, several dimensions of culture are posited as affecting consumer complicity. Recognizing the problems inherent in using national culture values to predict individual level phenomena, we follow recommendations to consider cultural values at the individual level (e.g., Bearden et al. 2006; Oyserman, et al. 2002). Specifically, we draw on the personal cultural orientations, as conceptualized by Sharma (2010), to assess values related to independence/interdependence, status differences, masculinity, risk aversion and time orientation. Our research context focuses on counterfeit purchases of global luxury brands, as these products are among the most affected by counterfeiting (Lambkin and Tyndall, 2009).

Independence / Interdependence

The concepts of collectivism and individualism as cultural values have a rich research tradition (e.g., Weber 1930; Tonnies 1957; Hofstede 1980, 2001; Triandis 1995). The core aspect of collectivism is the assumption that various in-group memberships place constraints on individual behaviors, while individualism assumes that individuals act largely independent of consideration of others (Oyserman, et al., 2002). Collectivism has been forwarded in prior research as a determinant of consumer attitudes toward counterfeits, with mixed results. Phau and Teah (2009) found no influence of collectivism on attitudes toward counterfeiting, while Chaudhry and Stumpf (2011) found a positive relationship between collectivism and consumer complicity with counterfeit purchases.

At the individual level, individualism and collectivism have been conceptualized as independence and interdependence, respectively (Sharma, 2010). Independence has been proposed to be associated with a strong self-concept, freedom and autonomy (Sharma, 2010). Conforming to a particular fashion style or code of conduct would be less important to those who value independence. Such consumers are less likely to engage in counterfeit purchases of global luxury brands, because they feel less need to wear the same brands as everybody else.

P1a: Individualism will be negatively related to consumer complicity with counterfeits.

Interdependence is related to the national cultural value of collectivism, wherein an individual strongly associates their identity with one or more in-groups (Sharma, 2010). Prior research has suggested that sharing among in-group members may

explain complicity with counterfeits (Chaudhry and Stumpf, 2011). Further, a reliance on others for self-identity suggests that a need for conformity would be higher among those who value interdependence. Global brands can confer identity and denote conformity with global trends (Holt, Quelch, and Taylor, 2004). As such,

P1b: Interdependence will be positively correlated with consumer complicity with counterfeits.

Inequality

Power Distance represents the extent to which inequality in power, wealth and status are accepted by members of a society. Research has suggested that high power distance cultures emphasize position, reputation and image and are under strong social pressure to meet the expectations of others (Hofstede, 2001). At the individual level, power distance is conceptualized as two related dimensions, one of which, “inequality”, represents the degree of inequality among people in a society (Sharma, 2010). To the extent that consumers recognize differences in societal status, their purchases would be expected to be consistent with the status-level they wish to be associated with. A desire to project higher social status would suggest counterfeit purchases as a means of doing so.

P2: Inequality will be positively related to consumer complicity with counterfeits.

Masculinity

Masculinity as a cultural value represents an emphasis on ambition, achievement, and material success. Previous studies have related masculinity to hedonic shopping, symbolic consumption, and the purchase of expensive luxury goods (e.g., Steenkamp, et al. 1999). Considering the emphasis on materialism and conspicuous consumption, it could be expected that consumers would trade off the authenticity of genuine luxury brands for the symbolic value represented by counterfeit versions of those brands.

P3: Masculinity will be positively correlated with consumer complicity with counterfeits.

Risk Aversion

Risk Aversion is the individual-level conceptualization of Hofstede’s Uncertainty Avoidance (Sharma, 2010). High risk aversion would likely prevent individuals from engaging in counterfeit purchases due to the illegality of the transaction. Low risk aversion is more likely to result in individuals challenging the status quo with new ideas and behaviors, and will be less deterred by the illegality of purchasing counterfeits.

P4a: High risk aversion will be negatively correlated with consumer complicity with counterfeits.

P4b: Low risk aversion will be positively correlated with consumer complicity with counterfeits.

Time Orientation

Cultural differences in time orientation have typically been condensed to long-term vs. short-term outlooks. Long-term outlooks have been associated with preferences for well-known global brands. Those with short-term outlooks towards time appear to be more willing to trade off authenticity for immediate gratification at lower prices, rather than sacrificing time and money to save up for the real thing (de Mooij and Hofstede, 2002). At the individual level, time-orientation is conceptualized as two related dimensions: “Tradition” and “Prudence” (Sharma, 2010). Tradition is proposed to be related to hard work, morality, and non-materialism, all of which would suggest a negative attitude towards counterfeit purchases. Prudence has been related to planning, thrift, and perseverance to attain future benefit. Prudence would be expected to correlate with either avoiding the expense of expensive luxury brands altogether and/or saving until one is able to afford the authentic brand which would provide benefits over a longer time horizon.

P5a: Tradition is negatively correlated with consumer complicity with counterfeits.

P5b: Prudence is negatively correlated with consumer complicity with counterfeits.

METHODOLOGY

The research propositions outlined briefly above provide a brief overview of the possible influences of cultural values on consumer complicity, or willingness to engage in counterfeit purchases. Empirical testing across multiple cultures is needed as a next step to test the proposed relationships. To provide a preliminary test of the above research propositions, a questionnaire will be developed and distributed to a convenience sample of college students at universities in China and the United States. Sharma's (2010) measures will be used to assess cultural values at the individual level. Additional measures of brand attitudes, consumer shopping styles, and consumer complicity to purchase counterfeits will be included to examine the relationships between cultural values and consumer behavior with respect to counterfeit purchases.

DISCUSSION AND IMPLICATIONS

Counterfeiting is an ongoing problem around the globe, despite global initiatives and political treaties to address the problem. One potential obstacle in effectively 'fighting the crime' is that we do not fully understand the motivations for making counterfeit purchases. For example, it has been suggested that traditional Chinese values related to Confucianism encourage, or at least permit, consumers to engage in counterfeit transactions without recognizing that there is an ethical issue (Wan et al. 2009). In fact, the notion of Intellectual Property Protection may be viewed as a concept based on "Western" values that has been imposed on others who have never recognized the importance of IPR. It is no wonder, then, that Asia in general, and China, in particular, have emerged as the largest markets for counterfeit activity (OECD, 2008) and that efforts to eradicate counterfeiting seem to make little impact.

An examination of the influence of culture, as outlined in the above research propositions, will help researchers and practitioners better understand the factors that shape consumer attitudes and in turn, their behaviors toward counterfeit purchases. In so doing, this research is expected to build on the model of Wan et al. (2009) in highlighting the role of culture as an antecedent to consumer behavior, specifically with regard to counterfeit purchases. Further, the results of this study should enhance our knowledge of the "demand-side" of counterfeiting, so that managers and governments may be better able to develop effective strategies to address the problem.

References available upon request.

EXPLOIT, NEGLECT, DEVELOP, LIVE - A TYPOLOGY OF COUNTRY IMAGE USE IN COMPANY BRANDING

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INTRODUCTION

Successful branding strategies form positive brand images in consumers' minds, which contribute to brand equity in the long run (Aaker, 1991). Much research suggests that the image of a product's country of origin (COO) can significantly impact consumers' brand image perceptions and buying preferences (e.g. Hsieh, Pan & Setiono, 2004; Wang & Lamb, 1983). However, little is still known about how country branding (a country's whole image, covering political, economic, historical and cultural dimensions), interacts with country product image (Fetscherin 2010). Switzerland has a strong country image and therefore provides a unique case (Yin 2003). Brand Switzerland governed by the Federal Department of Foreign Affairs to oversee the communication of the country's image (www.imageswitzerland.ch). This department monitors the view of Switzerland overseas, and has determined that the key brand values should be *trustworthy*, *premium quality* and *authentic* with two secondary concepts of *secure future*, and *self-determination*. The objective of this study is to analyse the degree to which Swiss companies use these key dimensions of the official country image.

METHODOLOGY

To address this research objective, a sample frame of 297 Swiss SMEs was established. From this sample frame, two stages of data collection were used; a random sample of 10 companies with English language websites was chosen. Following Pitt et al. (2007), websites were downloaded to four levels down, and a search list of terms and words with connotations to the five Swiss country image dimensions. The websites were then content analysed at two levels; the first was a simple quantitative content analysis of associated words, and the second was an open ended coding undertaken by 2 independent researchers which included words, phrases, styles and images. 10 companies were then randomly selected to participate in short semi-structured interviews. These focused on the following topics: 1) The extent to which the company's brand has benefited from the image of Switzerland 2) The extent to which the company is concerned with presenting a 'Swiss' image 3) How the company can contribute to a re-validation of this country image. All data were coded and content analysed (Krippendorf, 1980) by two researchers in order to enhance the reliability and validity of the findings (Armstrong et al., 1997). Source and method triangulation was implemented by augmenting the resulting information with data obtained through secondary resources such as company reports, websites and other marketing material.

RESULTS AND DISCUSSION

The telephone interviews gave a very consistent picture of the value that these companies attribute to Switzerland and suggested 90% support for the idea that companies should contribute to the perpetuation of this Swiss image. The combination of telephone data and web content analysis indicate a divide between organizations in the extent to which they believe a Swiss country image plays an important part in their branding strategy. We propose a 2*2 matrix to summarise the types of companies (Figure 1), against 2 criteria; their use of the COO image of Switzerland against the way in which they uphold and contribute to these values.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

The contribution of our study to the extant literature is twofold; first, we analyse the extent to which organizations use the existing country image for their own branding strategies and highlight some of the underlying reasons for their decisions. Second, this study suggests that a country image should be built upon solidly founded attitudes and behaviors already found within a country so that organizations "live the brand". When this is done, overt promotion of country images and logos is not required because the country brand reputation is continually being reinforced by action. This study provides an excellent example of how country branding impacts both local SMEs and potentially, the economic development of an entire nation by installing consistent messages and actions.

References available upon request.

A QUALITATIVE APPROACH TO ANALYZE INTERCULTURAL COMPETENCE IN SINO-GERMAN COLLABORATIONS

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INTRODUCTION

Intercultural competence is a significant qualification for successful cooperation between international enterprises. Research in this field, however, is mainly influenced by Western paradigms and methodologies which may not be transferred to the Chinese context as they do not adequately reflect important Chinese cultural characteristics. Hence, a qualitative study on Sino-German communication reflecting these shortcomings was conducted to conceptualize a country-specific model of intercultural competence. The findings are of practical relevance for Germans working with Chinese professionals.

PRACTICAL RELEVANCE AND CONCEPTIONAL BACKGROUND

Due to its enormous market size and economic growth, China has become increasingly important for international enterprises. Despite an extensive deregulation of the economy after China's WTO accession, the success of foreign companies in China is disputable. According to statements of leading business representatives, many enterprises incur losses or their amortization periods of investments in China are longer than originally planned (Holtbrügge and Puck 2008). A key reason for these problems is a lack in intercultural competence of many Western professionals and executives which work for foreign enterprises in China. The cultural differences between China and Western nations are often underestimated. Therefore, marketing or human resources management strategies are pursued which may encounter great cultural resistance (Alon 2003; Cooke 2005).

A considerable conceptual challenge is that a disagreement exists about how intercultural competence is defined, how individuals with high intercultural competence can be identified, and how intercultural competence can be increased, for instance, by intercultural trainings. The most popular concepts of intercultural competence originate from Western cultures, more specifically the USA and Europe (Müller and Gelbrich 2001). Thereby, it is possible that similar models are valid for different Western countries, e.g. Germany and the U.S. (Fritz, Möllenberg, and Chen 2002). In spite of an intensive research interest since the 1950s and a plurality of theoretical models and concepts, the scientific conceptualization and operationalization of the construct "intercultural competence" has not been solved adequately (Graf 2004). Yet, the interaction model of Spitzberg (2000, 2009) has been widely accepted in the research community (Graf and Mertesacker 2010). Former models of intercultural competence basically focused on personal characteristics whereas Spitzberg's approach also integrates relational and situational variables that highly influence intercultural encounters. Therefore, this model serves as a basic framework for the own research approach.

In recent years, criticism on Western research of intercultural competence has evolved. Apart from a general overvaluation of Western research achievements and the strong quantitative orientation, Asian scholars object to the extremely ethnocentric perspective of US-American and European scholars as well as the corresponding nature of their models. According to them, Western approaches either simplify the complexity of non-western cultures or ignore them completely (Ishii 2006). Consequently, Asian scholars claim that an Asian perspective in research needs to be further promoted and Western models must not be transferred uncritically by Asian scholars for their empirical research (Chen and Miike 2006). Particularly, cultural specific factors of the respective Asian countries have to be integrated in intercultural research since communication skills or rhetorical competencies are culturally bound regarding their traits as well as their function and evaluation (Okabe 2007). Hall (1976) already pointed out that communication itself is a highly culture-bound phenomenon. For instance, concepts such as "saving face", "implicit communication", and "relational orientation" are deeply rooted in Eastern Asian but not in Western communication (e.g. Gao 1998, 2006; Haugh and Hinze 2003).

Furthermore, general cultural standards influence the Chinese communication to a great extent. Due to their collectivistic peculiarity, Chinese people have a greater concern regarding social orientation and authority than most Western people (Yau 1988). Hence, Chinese appreciate family ties, emphasize group solidarity, accept authority, and tend to comply with traditions (Bond and Wang 1983). The group is regarded as the most important standard to approve or disapprove behavior. Early socialization and education of Chinese children is geared towards good behavior, cooperation, and obedience (Sidel 1972). There are developments towards a rather individualistic and open society, especially among the younger generation, which is a result of China's economic and social opening (Liu and Wang 2009; Zhang 2009). Nevertheless, traditional

principles still influence Chinese people in their beliefs, behavior, and communication (Chen 2002). According to Fu et al. (2007) Confucianism accounts for the most influencing philosophy. Even 2500 years after the time of Confucius, its ethics have remarkable impact on the Chinese society (Ling et al. 2000). Hofstede's fifth cultural dimension "Time Orientation" was additionally developed by Hofstede and Bond (1988) to integrate Chinese values regarding Confucian traditions in their cultural dimension concept (Hofstede 2008). Although these Asian culture and communication concepts can be found in literature, the theory has rarely been analyzed empirically (Gao 2006). Hofstede's (1980) and Trompenaars's (1994) cultural dimensions, the GLOBE study (2004), derived from a combination of the aforementioned, and Hall's (1976) High-Context/Low-Context dimensions provide empirical proof to cultural disparities and also serve as a basis for the empirical study. Furthermore, by analyzing studies on Chinese communication (e.g. Yau 1988; Ho 1993; Chen and Starosta 1996, 1997; Chen 2002, 2008; Gao 2006) it becomes apparent that harmony is a central concept. Contrarily, effectiveness and appropriateness are regarded as the main success criteria in Western models of intercultural competence (e.g. Spitzberg 2009; Lustig and Koester 2003; Wiseman 2002). Therefore, the objective of the empirical study is to analyze personal traits, situational and relational variables as well as potential success criteria of intercultural competence in a Sino-German interaction.

METHODOLOGY OF THE EMPIRICAL STUDY

After a secondary analysis of Chinese communication characteristics, a guideline for in-depth interviews was developed. The survey had been conducted from December 2010 to March 2011 with 25 current and former German expatriates as well as 20 Chinese professionals who gathered extensive business experience with Germans by working either as an expatriate in Germany or in the national market. The interview participants operated in different industries, e.g. automobile, technology, finance, market research, consulting, and tourism. The experience of the German expatriates was mainly focused on the economically developed regions, such as the east coast, south east and northern China, in which many international enterprises are located. However, some Chinese interviewees originated from western regions in China. Due to the wide diversity of the sample, a variety of perspectives in regional and professional aspects was attained. The interviews in Germany were mainly face-to-face whereas the participants in China were interviewed via telephone for practical reasons. Each interview was held either in German or English, with an average duration of approximately one hour. In order to allow for subsequent transcriptions, the interviews were recorded with prior permission from the participants.

The interview study was designed to evaluate the relevance of the theoretically derived culture and communication concepts on a qualitative level. Apart from the unprompted and prompted description of cultural particularities, the implementation of Flanagan's (1954) „Critical Incident Technique“ within the guideline supported a structured documentation of intercultural experiences which had a lasting impact on the interview participants. The structure of the guideline was maintained, but the contents were slightly modified throughout the course of the survey by gradually supplementing findings from completed interviews. This method is based on Grounded Theory (Glaser and Strauss 1967). In order to avoid a strong Eurocentric perspective on the topic, another coder with a Chinese point of view was equally involved in the qualitative analysis. By using MAXQDA, the codes of both analysts were compared regarding their similarities and differences. Subsequently, both sets of results were discussed and adjusted to ensure intercoder reliability. The key findings of the Critical Incident analysis constitute five main challenges in Sino-German cooperation: (1) German process orientation vs. Chinese flexibility, (2) personal responsibility and independent working, (3) transparency of processes and decision structures, (4) negotiations and contracts, and (5) separation of private and professional life (Gülow 2011). These five challenges served as scenarios for the final part of the study - the simulation of Critical Incidents with German and Chinese students at the Tongji University in Shanghai (PR China) in September 2011. The objective of this additional survey was to further analyze verbal and nonverbal communication patterns of interactions between Germans and Chinese.

FINDINGS AND IMPLICATIONS FOR RESEARCH AND PRACTICE

The interview study identified fundamental disparities between Chinese and German communication styles and behavioral patterns as well as associated challenges at the business level. For instance, communication competence in the Chinese culture is particularly characterized by implicit communication. It is regarded as a desirable trait, e.g. to show less self-disclosure to others, to understate one's own skills, and to avoid a public display of anger and happiness. The German and Chinese interviewees agreed that the German direct and explicit way of communicating is a large intercultural disparity to the Chinese communication. However, in the interview study one trend became particularly apparent which is driven by China's economic opening and the associated increasing number of international contacts. Both German and Chinese interview partners reported an adaptation to the direct Western communication style developed over the course of the intercultural encounters. Especially, China's younger generations and Chinese with international experiences were classified as substantially

more open and explicit in their communication. Beside the gradual convergence to the Western communication manner, regional differences in China were also discussed. According to the interviewees, in China's economically well-developed provinces on the east coast, a strong westernization is recognizable whereas in the west of the country traditional Chinese communication forms are still prevalent. Furthermore, situational factors influence the degree of the implicit communication. For instance, Chinese can be relatively direct in certain industries or professions, e.g. engineers, designers, and scientists. Relational factors, such as the hierarchical position, also play a major role and influence the way of communicating. Chinese have a pronounced hierarchical mentality which was mentioned several times in the interviews. A subordinate would thus choose a very implicit and respectful communication towards a supervisor whereas conversely a rather direct style can prevail. In the context of implicit communication, mainly German interviewees mentioned the non-committal and non-binding attitude of Chinese professionals which is expressed especially characterize negotiations and business meetings. Consequently, the type and function of interactions can be regarded as another situational factor that influences communication.

The implicit communication style is closely connected to the face concept. In Chinese culture, face is, among others, associated with self-esteem, social honor, dignity, insult, shame, (mis)trust, respect, and prestige (Gao 2006; Gao and Ting-Toomey 1998). In literature, the importance of face is stressed and referred to as an integral part of Chinese personality (Haugh and Hinze 2003). The interviewees, however, had come to different assessments regarding the relevance of face in China. The Chinese emphasized the importance whereas the Germans occasionally claimed an overvaluation of the concept. Both sides, however, pointed out that the face concept also exists in the German culture merely to a lower degree and with different coping strategies. It was repeatedly reported that Chinese are rather unwilling to admit mistakes and weaknesses. This behavior can apply to problems of understanding, for instance, at the business level when instructions are given and Chinese employees initially respond affirmatively. The strong obedience of Chinese to authority also has an effect in this context. Furthermore, if a Chinese employee made a decision and took responsibility, in the circumstance that decision was later found to be false, it would be associated with a loss of face. This also explains the non-binding attitude of Chinese business people since it allows them to take a step back without feeling ashamed. Hence, consequences of one's own action represent another situational variable.

Relational orientation plays an important role in the Chinese culture and affects how Chinese interact with others. In contrast to Germany, China is regarded as a high-context culture. Consequently, cultures like China make a stronger distinction between "insiders" and "outsiders" (Gudykunst and Nishida 1986; Yum 1988). Generally, family and close friends are counted among insiders who are involved in a highly emotional relationship characterized by reliability and honesty (Gao 1998). The interviews confirm this assessment by revealing strong family ties among the Chinese. It was frequently reported that the Chinese communication within the family and among close friends is typically more open. Protecting the inner circle and preserving harmony within the "in-group" is central (Bond 1993), and therefore a lot of time and resources are invested. The communication towards "out-group" members (e.g. colleagues, school friends, neighbors, strangers) is rather business like, reserved but polite (Ulijn 2005; Gao 2006). The majority of the German interview participants found a differing communicative behavior of Chinese people towards insiders and outsiders. The distinction between in-groups and out-groups is related to the principle of guanxi. Guanxi is an interpersonal network with the objective to mutually exchange favors (Luo 2007; Hong and Engeström 2004). The interviews revealed that different levels of guanxi exist which determine the degree of the bond and the obligation towards the other network members. Luo (2007) emphasizes the immense significance of guanxi for the business life in China; this is in line with the majority opinion of the interviewees. It was noted that private relationships can have a strong influence on business issues, e.g. in the human resources management. The role of expatriates in these social networks was interpreted differently in the interviews. Some German participants felt completely excluded from Chinese relations. Others had noticed the advantages of such a network at work and were able to use it in order to exchange information relevant to the company. However, the German expatriates also became aware that these complex networks are not completely fathomable. To sum it up, beside the hierarchical position, the in-group/out-group distinction as well as the integration in a guanxi network operate as relational factors in Chinese context.

As mentioned earlier, harmony is a central value of the Chinese culture. The foundation of the concept lies in all Chinese philosophies such as Confucianism and Taoism (Ng 2000; Rothacher 2008; Gao 1998) and is reflected in the implicit communication, the face concept, and the relational orientation. However, the interview statements regarding harmony were ambiguous and several Chinese interviewees could not confirm a general harmony orientation in China particularly because of frequent clashes in public. Furthermore, they referred to the governmental objective to create a harmonious society. According to Chen (2002) high context cultures like China tend to be less confrontational and also less direct in conflict situations. A silent attitude is therefore supposed to preserve a harmonious relationship even in disputes. Some interviewees confirmed this theoretical perspective by stating that Chinese would rather seek a compromise to mutually save face. Some German expatriates also perceived a particular harmony in different ways, for instance, during joint meals and drinks. Other German

interviewees, however, reported contrasting impressions, e.g. in the working environment by experiencing open conflicts and demonstrations of power. Nevertheless, several German participants observed a special respect shown to them from Chinese counterparts. According to some Chinese interview partners, a respectful treatment of authorities and elderly as well as good *guanxi* in a balanced network contribute to a harmonious co-existence. Although, the findings on harmony were contrary, the concept should still be included in the model as a success criterion since certain evidence for the relevance in the Chinese culture was found in the interviews.

In order to complement Spitzberg's model (2000, 2009) personal traits on the individual level are to be distinguished into three categories: affective, cognitive, and behavioral. The interview participants especially regard empathy (affective), culture-specific knowledge (cognitive), as well as communicative and linguistic skills (behavioral) as essential traits in a Sino-German collaboration. Furthermore, Spitzberg integrates an episodic and a relational system that includes the competence evaluation of the counterpart and continuous assessment throughout the relationship. Regarding the relational system, building up trust and investing time and resources to establish a long-term relationship is important for the business partner. Therefore, long meetings, business dinners, and drinks are common in China before finalizing a contract. In relation to Spitzberg's episodic system, international experience, for instance, plays an important role how intercultural competence is perceived and assessed by Chinese.

The objective of the second empirical study, the simulations of the critical incidents, was to survey the interaction of Germans and Chinese dealing with typical Sino-German collaboration challenges. Audio-visual recordings served to analyze communication strategies, shares of speech, nonverbal communication, and language barriers. The analysis is still work in progress. However, one key finding was, for instance, that all German teams had a much higher share of speech in the simulations. In addition, 40 Chinese and German students observed the simulations and filled out a standardized questionnaire. By applying the Mann-Whitney test, significant differences in assessing the German and Chinese performance in the simulations were found, e.g. regarding modesty, efficiency, willingness to compromise, and confidence. Apart from that, language barriers in the interactions were pointed out especially by the Chinese observers.

For future studies the implication arises that apart from international experience the influence of age and regional origin on the communication style needs to be further examined. In addition, it can be assumed that communication manners also depend on employees working for state-owned, private enterprises or companies with foreign capital participation. The interviews also implicated that the collaboration between Germans and Chinese was far more challenging in an internal competitive environment, such as joint ventures, whereas less communication problems were perceived in subsidiaries. Therefore, the composition of skills as well as the required degree of intercultural competence depends on situational factors like the professional field (as shown above), the type of enterprise and collaboration. The influence of corporate culture on communication was also discussed in the interviews. According to Meffert (1990) the corporate culture of subsidiaries belonging to successful global companies is rather unaffected by the national culture. For instance, it was reported that Chinese employees often adopted informal and open communication styles that were promoted by the corporate culture. Therefore, it would be worthwhile to further analyze whether in fast progressing and internationally oriented sectors a stronger convergence to Western communication styles exists than in traditional enterprises with much less international relations. Beside the westernization in Chinese communication, the interview survey showed that Western expatriates also adapt to the Chinese way of communicating to some extent. Therefore, another implication for future research is in determining which areas foreign expatriates should adapt themselves to Chinese communication styles and where it is more appropriate to maintain their own communication patterns. In this context, it is particularly worthwhile to survey under which conditions the combination of Chinese and German communication styles has rather positive effects by supporting intercultural learning processes or rather negative effects by aggravating intercultural misunderstandings and management problems.

This paper closes with a critical discussion of the employed method. The qualitative approach was chosen due to two reasons. First, it was the objective to identify personal traits, situational and relational factors relevant to the Sino-German business context. Some China-specific surveys exist but it generally is still a new research field. Second, Asian communication scholars object to the strong quantitative tendency in Western research. However, the study cannot fulfill the requirement of representativeness. Furthermore, due to practical reasons the critical incidents were simulated with students. A rather advanced approach would be to observe and analyze real intercultural encounters of German and Chinese professionals.

References available upon request.

Session 8.5. Retailing Relationships

Session Chair: Lucy Matthews, Kennesaw State University, USA

I Imagine, I Shop, I Buy: The Effects of Self-Esteem and Social Participation on the Ability to Imagine, and Consumer Fashion Objects in a Retail Environment

Kirsten Cowan, University of North Texas, USA

Retailer Brand Equity: An Approach based on Store Image

Julien Troiville, University of Rennes 1, France

G rard Cliquet, University of Rennes 1, France



I IMAGINE, I SHOP, I BUY: THE EFFECTS OF SELF-ESTEEM AND SOCIAL PARTICIPATION ON THE ABILITY TO IMAGINE, AND CONSUMER FASHION OBJECTS IN A RETAIL ENVIRONMENT

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ABSTRACT

Consumers use their imaginations to construct visions in which they become the featured actors of a future situation using the product, affecting purchase intentions, the intensity of the intentions, and the duration of the intentions (Ahuvia 2005; Anderson 1983; Cross and Markus 1990; Garry and Polaschek 1999; Gerrig 1994; Holbrook and Hirschman 1982; Markus and Nurius 1986). Using self-verification theory, this study makes an academic contribution by advancing the literature on imagination, self-esteem and social self-consciousness, as encouraged by researchers such as Schau (2000). From a managerial perspective, the topic certainly resonates at the retail level, where decisions are based on many factors- including experience and potentiality of possession and self in an object (Belk 1988). This paper uses Self-Verification theory to support individual traits', such as knowledge, self-esteem, involvement, and social self-consciousness, in relation to imaginative consumption. In addition, use of imaginative consumption and self-verification theory explains opinion leadership, the small, powerful, and vaguely understood segment (Baumgarten 1975; Goldsmith, Heitmeyer, and Freiden 1991).

The data collected in this research were obtained from a survey instrument administered to college students, primarily between the ages of 18-25, in a large, American-southwest university. All participants were entered in a drawing to win a gift card. A total of 156 usable survey responses were obtained. Scales were borrowed from the literature with all items rated on a Likert-type scale where 1 = Strongly Agree and 7 = Strongly Disagree. All alphas provided for at least minimal reliability (Beardon, Haws, and Netermeyer 2010; Robinson, Shaver, and Wrightsman 1991). Hierarchical multiple regression analysis was used to examine the relationships between individual differences and imaginative consumption, and between imaginative consumption and opinion leadership. Fashion involvement, self-esteem, and idea shopping motivation were all significant predictors of imaginative consumption and imaginative consumption, probability of a mispurchase, and fashion knowledge were all significant predictors of fashion opinion leadership. In light of these findings, retailers that appeal to opinion leaders and encourage self-verifying behavior can benefit. Retailers should stimulate thought and action through innovative atmospherics and visuals, special event programs designed to bring these consumers in shops, and by providing ease of access visually and physically to merchandise. In operationalizing these strategies, retailers can invite the consumers subtly to engross themselves in imaginative consumption.

References available upon request.

RETAILER BRAND EQUITY: AN APPROACH BASED ON STORE IMAGE

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INTRODUCTION

Although a long stream of research has been devoted over the last two decades to the definition and the measurement of the brand equity (Leuthesser 1988; Farquhar 1989; Aaker 1991, 1996; Keller 1993), little attention has been paid to the equity of the retailer as a brand. However, retailers are predominant actors in our current society since they build the bridge between manufacturers and consumers (Baldauf et al. 2009). On the one hand, they are crucial for manufacturers insofar as retailers can choose to remove a brand or to provide it more shelf space, depending on the impact the brand has on the retailer's performance. On the other hand, they gather in the same outlets various brands and products at competitive prices, making shopping more convenient and pleasant for customers. The main objective of this work is to offer a proper definition and conceptualization of retailer brand equity from the consumer's perspective that can serve for both researchers and practitioners since we emphasize that former measures badly reflect the concrete "added value" of some retailers (Ailawadi and Keller 2004).

BACKGROUND

We considered the consumer's perspective as the way to evaluate the retailer equity in the field of available measures. Then, the retailer must be viewed as a brand because of its strategy, which is closed to the one of a goods brand. We underline why the concept of Consumer-Based Retailer Brand Equity (hereafter RBE) is consistent. Three motivations drive this research. First, marketing definitions of brand equity (Aaker 1991; Keller 1993) mainly concern manufactured brands or service brands (Berry 2000). They have not been initially developed for retailers, which remain clearly distinct according to their specificities. Second, brand equity appears as a very important asset for firms (Aaker 1991). Subsequently, retailers like others companies need a clear understanding of what brand equity is, what brand equity drivers are, and how they can leverage these drivers to develop profitable brand strategies (Keller 1993). Third, the grocery sector is more and more competitive, either on classic channel (brick and mortar) or in other retail channels (pure players or bricks and clicks) and retail margins remain very low compared to other sectors (Ailawadi and Harlam 2004).

CONCEPTUAL FRAMEWORK

We retain that RBE has deserved very little attention despite all the interest of this hot topic in the marketing area and the call from major articles (Ailawadi and Keller 2004; Grewal and Levy 2009). We also retain that the twin concept of brand equity is not so closed that it was a priori thinking. In fact, various definitions, conceptualizations and empirical investigations of brand equity theory make this concept complex, that is, without a clear and common path. Because the image of the retailer in the minds of consumers is the basis of retailer brand equity (Ailawadi and Keller 2004), we propose store image theory to better materialize, specify, and measure the "added value" and the differentiation that a retailer can provide to consumers. The concept of store image has been widely discussed in the marketing literature. Since the seminal work of Martineau (1958), many works have been done around the idea that consumers have their own perceptions about store's features. Store image is more than a simple sum of objective individual attributes since parts of attributes interact in consumer's minds (Oxenfeldt 1974). For the first time in the literature appears implicitly the suggestion that store image dimensions may form a whole entity in consumer's minds that is more than basic preferences about the store. In line with Farquhar (1989), we define Consumer-Based Retailer Brand Equity as the "added value" with which a brand endows a retail outlet and the assortment, namely brands, products and/or services that are delivered in.

METHODOLOGICAL ISSUES

Store image dimensions that serve to build the RBE construct are cumulative and distinct as store atmosphere, price or promotions do not share any common attribute if the one of being RBE dimensions, i.e., the common theme. Consequently, eliminate one of those (e.g., store atmosphere) would restrict knowledge about the retailer, i.e. the domain of content. As a result, we argue that RBE construct is multi-dimensional, constituting of sub-dimensions that are the dimensions transposed from the store image theory. Although a formative measure of the construct of retailer brand equity seems appropriate in view of its conceptual definition (Hair et al. 2011), the debate about the measurement model specification may be carefully considered, especially because of frequent misspecifications and because the dichotomous sight appears to simple (Bollen

and Bauldry 2011).

DISCUSSION

Although this research offers a solid knowledge and guidelines to researchers and open new research perspectives, it also has some limitations. One of those is probably that this paper is purely conceptual. Additional empirical research is underway to confirm and adjust this work.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

Studies in retailing but also in broader marketing fields like consumer behavior, services or channels/supply chain management must carry many related considerations and still increase the scope of what we know about RBE, how it must be conceptualized in research and applied by managers. Future research could involve the stability of the RBE conceptualization over time and space and across situations (MacKenzie and al. 2011). In this respect, all the diversity concerning retail outlets types and distribution channels may offer valuable research tracks. Retailers are also very different according to the geographic areas they operate out or to various marketing factors like price strategy (Hi-Lo, EDLP), communication, retail brands positioning, loyalty program, that may cause RBE disparities across retailers.

We hope that our paper will stimulate progress in retail branding area and in marketing globally. We consider that research and knowledge about retailers are worthy insofar as they are major players in our modern markets. Our goal consists in providing a proper conceptualization of retailer brand equity since all the previous researches on this topic fail to fulfill this goal.

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Session 9.1. Understanding How Consumers use the Social Web

Session Chair: Mignon Reyneke, University of Cape Town, S.Africa

The Psychology of Social Networking Site Usage: An Empirical Examination of Antecedents to Intention and Behavior

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Toward a Better Understanding of the Ever Expanding Social Web: A Uses and Gratifications Approach

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THE PSYCHOLOGY OF SOCIAL NETWORKING SITE USAGE: AN EMPIRICAL EXAMINATION OF ANTECEDENTS TO INTENTION AND BEHAVIOR

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INTRODUCTION

The rise of social media has not only changed the internet as we know it, but has dramatically changed the way people communicate and interact. Under the larger umbrella of social media, social networking sites (SNSs) such as Facebook, MySpace, LinkedIn and Twitter have had a particularly substantial impact. The ascension to mainstream popularity of SNSs has been nothing short of incredible considering that only ten years ago these websites did not even exist and now the estimate of the number of SNS users is over 750 million people (Facebook 2011; MySpace 2011; Shih 2010). Needless to say the dramatic rise in popularity of this new medium has created huge opportunities for marketers. If marketers can develop a more comprehensive awareness of consumer's social networking site intentions and behavior they may be able to use these insights in the development and implementation of more effective SNS advertisements, business SNS pages and other marketing tools in order to better serve, attract and retain customers.

The purpose of this study is to work towards developing a more thorough understanding of consumer social networking site usage by exploring the determinants of consumer intention and behavior in regards to three activities related to social networking sites (1) general social networking site usage, (2) the joining of a business's social networking site page and (3) clicking on an advertisement on a social networking site (these three activities will frequently be referred to as the SNS behaviors henceforth). These three types of activities represent the some of the most common usage of SNS sites from a marketer's perspective.

CONCEPTUAL FRAMEWORK

A theoretical lens that may be a particularly effective part of a conceptual framework for exploring the above mentioned SNS behaviors is the theory of planned behavior (TPB) (Ajzen 1985, 1991). The theory has been used in a wide variety of online contexts including activities such as e-commerce (George, 2004; Lin, 2007), banking (Shih and Fang, 2004) and stock trading (Gopi and Ramayah, 2007), and thus should prove beneficial to research on social networking sites.

The theory of planned behavior was developed by Ajzen (1985, 1991), as an extension to the theory of reasoned action (TRA) (Fishbein and Ajzen 1975). Each of the theories involves using measurements of attitudinal and personality variables to predict a behavior based on intention to perform that behavior. The central factor in the each theory is that of intention since as a general rule the stronger the intention to engage in a behavior, the more likely the behavior will actually be conducted (Ajzen 1991). In the TRA the antecedents to intention are (1) attitude towards the behavior and (2) subjective norms. The TPB adds one additional variable, that of perceived behavioral control which was believed to also be an important antecedent to intention and behavior. Therefore, all of the variables of the TPB are also a part of the theory of reasoned action except for perceived behavioral control. For an in depth review on the theory of planned behavior, see Ajzen (1985, 1991). For convenience, the hypotheses for this study are listed in [Table 1](#).

METHODOLOGY

Data for this study was collected via a self-administered online survey. A total of 489 surveys made up the initial sample size; however 22 surveys were eliminated due to incomplete responses reducing the final sample to 467 respondents. Measures were developed based on recommendations by Ajzen (2011) and adapted to fit the context of this study. All constructs were measured using two items per construct, with each item being measured on a seven-point Likert scale. Since this study examined three distinct SNS behaviors, it was necessary to examine each measure as it related to its specified SNS behavior. [Table 2](#) presents measurement items for the SNS behavior of general social networking site usage.

Due to space limitations, items for the other two SNS behaviors (joining a business's SNS page and clicking on an SNS ad) are not displayed, however those items were very similar the items found in [Table 2](#) and were simply adapted to fit the particular context of the SNS behavior in question.

RESULTS

Data analysis for this study was carried out with the LISREL 8.8 software package (Jöreskog and Sörbom 1996) using structural equation modeling (SEM) with maximum likelihood (ML) estimation analyzing a covariance matrix. Prior to testing the hypothesized relationships between latent constructs, an analysis was conducted to assess whether each of the measurement scales achieved satisfactory levels of reliability and to determine the significance of the loadings between observed variables and their corresponding latent constructs. This is in accordance with the two-step model building approach recommended by Anderson and Gerbing (1988), in which the measurement model is first analyzed via confirmatory factor analysis (CFA), and then the structural model with the hypothesized relationships between latent constructs is tested.

For this study separate measurement models were analyzed via CFA for each of the three SNS behaviors. Thus, a total of three measurement models were generated and analyzed. Examination of each of the measurement models was promising. For instance, all indicators significantly loaded onto their respective latent construct at the 0.01 level of significance. In addition, all standardized factor loadings exceeded the recommended 0.70 value (Fornell and Larcker 1981; Ford, McCallum, and Tait 1986). Furthermore, the reliability analysis on each of the measurement scales demonstrated that all scales generated a Chronbach's alpha coefficient greater than the recommended 0.70 value (Nunnally 1978), signifying that the scales possess reasonably adequate psychometric properties. The goodness-of-fit statistics for each measurement model were also fairly positive with each of the three models generating NFI, NNFI, and CFI values greater than the benchmark of 0.95 or higher recommended by Hu and Bentler (1999). In addition, each model also obtained an RMSEA stronger than the recommended cutoff of less than 0.10 (Browne and Cudeck 1993).

Structural Model Evaluation

Similarly to the procedures followed in the CFA measurement model analysis, this study analyzed structural models with respect to each of the three SNS behaviors. Thus, a total of three structural regression models were generated and analyzed. [Figure 1](#) displays a graphic representation of the structural model results for each of the three behaviors examined in this study with path coefficients listed in the following order (1) general SNS usage, (2) joining a business's SNS page and (3) clicking on an ad displayed on an SNS.

As noted in [Figure 1](#) it can be seen that the coefficients for the paths from Attitude! Intention and Intention! Behavior were significant and positive for each of the three SNS behaviors. This signifies that attitude is positively related to intention and intention positively related to behavior in terms of the SNS behaviors examined in this study. This means that the coefficients for those paths were significant and positive in each of the three structural regression models tested providing support for hypotheses H1a-c and H2a-c.

The coefficient for the path from Subjective Norms! Intention is significant for only one of the three SNS behaviors; that of general social networking site usage. However, unexpectedly this coefficient is negative, thus hypotheses H3a-c were not supported.

The construct of perceived behavioral control was positive and significant in terms of general social networking site usage for the paths from Perceived Behavioral Control! Intention and Perceived Behavioral Control! Behavior meaning that for general social networking site usage perceived behavioral control appears to be positively related to both intention and actual social networking site usage. However, these same paths were not significant for the behavior of joining a business's SNS site and were significant but negative for the behavior of clicking on an ad on a social networking site. Taking this into account we can conclude that support was found for hypothesis H4a and H5a, whereas H4b, H4c, H5b and H5c were not supported.

In order to further examine the abovementioned results, a cross-validation procedure was performed by drawing a random subsample of 234 responses (50.11% of the original sample size) from the original sample of responses, and the same analyzes replicated on each of the three structural models. Results of the analysis on the random subsample, matched those found in that of the original analysis yielding the same significant (and insignificant) relationships as displayed in [Figure 1](#), thus providing initial cross-validation evidence for the study's findings.

DISCUSSION

Implications, Contributions and Conclusion

The results of this study have important implications for researchers and practitioners alike. First, this study helped to contribute to the understanding of consumer behavior as it relates to three distinct social networking site behaviors. For instance, the study demonstrated that attitude demonstrated the strongest relationship with intention in relation to the SNS behaviors, as a significant relationship was found between attitude and intention for each of the three structural models tested in this study. In addition, intention was also found to have an extremely strong relationship with behavior in regards to the SNS activities, as a significant relationship was also found between intention and behavior for each of the three models. Given the robust relationships that were found between attitude and intention and intention and behavior, researchers and practitioners should utilize this information in order to uncover the ways in which to improve consumer attitudes toward SNS behaviors, for after all it appears that if consumers possess a positive attitude toward an SNS behavior that should lead to an intention to engage in that SNS behavior, which in turn should lead to actual engagement in the SNS behavior itself.

Subjective norms demonstrated a significant and negative relationship with intention when it came to general SNS usage and showed no significant relationship with intention for the SNS behaviors of joining a business's SNS site or clicking on an SNS ad. This might mean that negative social pressure may actually influence individuals to abstain from using an SNS altogether, but once individuals begin using an SNS they may not necessarily be feel influenced by perceived social pressure in regards to other SNS activities.

Perceived behavioral control demonstrated a positive relationship with both intention and behavior when it came to general SNS usage. On the other hand perceived behavioral control was not significantly related to the behavior of joining a business's SNS page and it was found to be negatively related to the activity of clicking on an SNS ad. A reason for this might be that an individual's perceived control may factor into play initially when it comes to deciding on whether or not to use a social networking site in the first place, thus demonstrating a positive relationship with both intention and behavior to use an SNS. However, perhaps once an individual begins using and becoming more experienced with an SNS, activities on the site become much easier and as such, perceived control may no longer come into play when deciding on whether or not to join a business's SNS page or click on an SNS advertisement.

This paper provides several contributions to both practitioners and researchers alike. First, the paper has provided insight as to why marketers should study social networking sites. Second, the paper has helped to contribute to our understanding of consumer social networking site behavior by empirically examining three distinct social networking site activities. Third, results of the study revealed that attitude shows an extremely strong relationship to intention when it comes to SNS activities. Finally, several managerial implications were discussed to assist the practitioners interested in improving their understanding of the growing use of social network sites.

References available upon request.

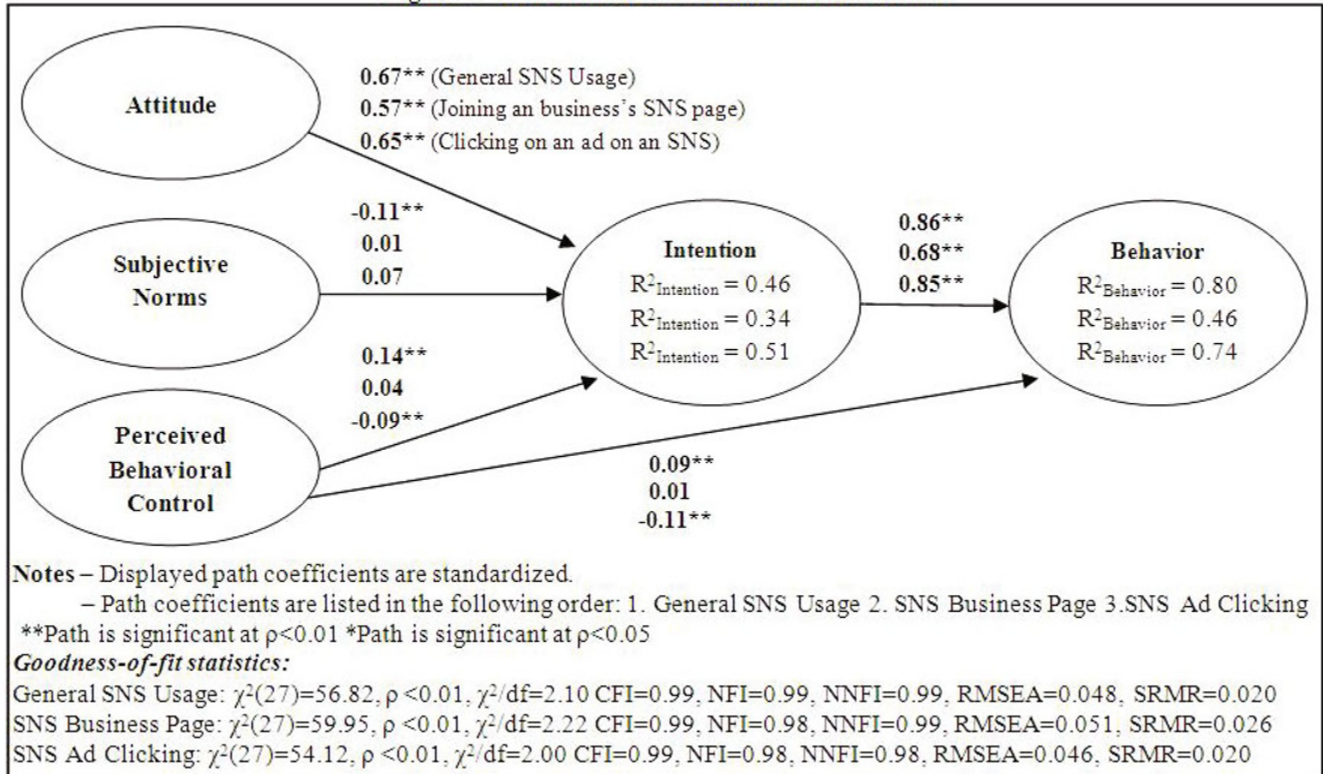
Table 1: Study Hypotheses

<p>H1a-c: Behavioral intention will be positively related to the engagement of the SNS behaviors of using an SNS, joining a business's SNS page and clicking on an advertisement displayed on an SNS.</p>
<p>H2a-c: Attitude will be positively related to intention to use an SNS, join a business's SNS page and click on an advertisement displayed on an SNS.</p>
<p>H3a-c: Subjective norms will be positively related to intention to use an SNS, join a business's SNS page and click on an advertisement displayed on an SNS.</p>
<p>H4a-c: Perceived behavioral control will be positively related to intention to use an SNS, join a business's SNS page and click on an advertisement displayed on an SNS.</p>
<p>H5a-c: Perceived behavioral control will be positively related to the engagement of the SNS behaviors of using an SNS, joining a business's SNS page and clicking on an advertisement displayed on an SNS.</p>

Table 2: Measurement Items for General SNS Usage

<p>Intention INT1: I intend to use a social networking site in the next month (disagree/agree) INT2: I intend use frequently use social networking sites (disagree/agree)</p> <p>Behavior BEH1: I have used a social networking site within the last month (disagree/agree) BEH2: I frequently use social networking sites (disagree/agree)</p> <p>Attitude ATT1: I feel using a social networking site is (bad/good) ATT2: I feel using a social networking site (unpleasant/pleasant)</p> <p>Subjective Norms SN1: Most people who are important to me would feel that using a social networking site is (bad/good) SN2: Most people who are important to me would feel that using a social networking site is (wise/unwise)</p> <p>Perceived Behavioral Control PBC1: I am able to use a social networking site if I want to (disagree/agree) PBC2: I have the resources, knowledge and ability to use a social networking site (disagree/agree)</p>
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Figure 1 – SNS Behaviors Structural Model Results



**TOWARD A BETTER UNDERSTANDING OF THE EVER EXPANDING SOCIAL WEB:
A USES AND GRATIFICATION APPROACH**

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ABSTRACT

Social media (sometimes referred to as consumer generated media or interactive media) has developed into an area of immense interest for marketing scholars and practitioners. Many organizations are using social media as part of their integrated marketing communication programs. Communicating with consumers via social media is thought to be very important especially within the coming years. Despite the importance and increased usage of social media, research on social media usage is lacking when compared to the more traditional components of the marketing mix. Therefore, this paper seeks to investigate why and how consumers use social media.

The current research explores why consumers use social media by applying usage and gratifications theory. In particular, this paper explores and identifies what uses and gratifications consumers identify as being important to them as they participate in social media networks. In-depth interviews are conducted with twenty-five consumers about their social media usage. Analyses of qualitative comments identify fifteen usages and gratification themes for social media usage. The fifteen usage and gratification themes combined with comments from consumers provide a rich and vivid understanding of why and how consumers use social media.

References available upon request

Session 9.4. Marketing in the Health Care Industry

Session Chair: Sven Tuzovic, Pacific Lutheran University, USA

Health Care Services Marketing of Swedish Innovation – A Comparative Study

Akmal Hyder, University of Gävle, Sweden

Maria Fregidou-Malama, University of Gävle, Sweden

Consumers' Security Concerns: Does it exist in the Context of Adopting RFID in the Healthcare Industry?

Mel Zuberi, University of North Texas, USA

Advances in Prior Knowledge Conceptualizations: Investigating the Impact of Health Behavior

Danae Manika, Durham Business School, USA

Linda Golden, University of Texas at Austin, USA

Raising Awareness of Responsible Drinking among Students: A "Live" Campaign Approach

Deirdre O'Loughlin, University of Limerick, Ireland

Geraldine Hogan, University of Limerick, Ireland



HEALTH CARE SERVICES MARKETING OF SWEDISH INNOVATION – A COMPARATIVE STUDY

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ABSTRACT

This paper deals with a comparative study between Brazil, China and Philippines on services marketing. By focusing on culture, standardization/adaptation, trust and network, attempt is made to illustrate how impact of service characteristics can be handled to smooth marketing of health care services internationally. Data has been collected through face-to-face semi-structured interviews with 21 respondents from Brazil, China, Philippines and Sweden. The result shows that culture has much effect on the operations of Elekta Philippines and China while Brazilian establishment is run by following general marketing practices. Standardization has been common regarding treatment and service quality but some adaptation has taken place in Philippines to treat new diseases not included in the Gamma knife tradition. Trust is found necessary in all the cases but has been built in different ways. In China, guanxi has been used to develop informal relationships with the customers to ensure trust. Trust in Philippines is developed by recruiting relatives and friends and relying on experience in work with old Gamma knife facility. In Brazil, long-term relationships with the customers have been stressed and are built on understanding, business facts, competence and customers' access to Elekta reference centers.

INTRODUCTION

This paper deals with a comparative study between Brazil, China and Philippines on services marketing. By focusing on culture, standardization/adaptation, trust and network, attempt is made to illustrate how impact of service characteristics can be handled to smooth marketing of health care services internationally.

Hyder & Fregidou-Malama (2009) identified that heterogeneity and tangibility make the services difficult for customers to understand what they really buy and consume. Further differences in culture make the marketing complicated if the service is sold in other countries. Researchers find it difficult how to study services when they are seldom available for demonstration and description, particularly in the international market. In many service sectors including health care, offering of services needs equipment support for creating, designing and delivering services. International marketing of such a service confronts therefore with a number of complications comprising of service characteristics, cultural differences, and use of equipments and support elements to guarantee expected values to the customers. Research is needed to highlight how sales of complicated services are planned, organized and conducted in the international market.

Standardization/adaptation has always been a significant issue in the development of international marketing strategy (Erdogomus et al. 2010). Knowing the local market is essential for developing a solid marketing strategy and therefore firms need to have right contacts in the market. Networking is significant in international marketing where the customers are different, economical and social environment poses various challenges and political and regulatory bodies either make the business easy or difficult (Fregidou-Malama and Hyder 2011). Network is helpful to develop trust when the marketing firm possesses a large cultural aloofness from the host country. Ford (2002) notes that relationships and networks are important to build trust and thereby to reduce the effects of cultural distance. Thus, standardization/adaptation, network and trust are interconnected and can largely solve the problems of cultural differences in international services marketing.

Elekta is a Swedish health care company which has been engaged since a long time in innovating and marketing clinical solutions for cancer and brain disorders around the world. It is the world leader in its field and has succeeded developing customer friendly equipments for offering necessary treatments. In this study, we have gone into the depth of Elekta's marketing process and explore how this health care service is indeed marketed in different countries. We compare how the Swedish company market health care services in Brazil, China and Philippines by utilizing standardization/adaptation, network and trust. In concrete, the following two questions are addressed in this paper:

- How do standardization/adaptation, network and trust take place in relation to service characteristics and affect marketing of health care services in Brazil, China and Philippines?
- How does Elekta deal with the local cultures to facilitate marketing of health care services in those countries?

CONCEPTUAL FRAMEWORK

The theoretical section, which is based on Fregidou-Malama and Hyder (2011), is comprised of standardization/adaptation, network and trust in presence of cultural differences. The ultimate goal of the framework is to demonstrate how the service characteristic barriers can be handled in international marketing by using the above variables.

In international business literature, cultural awareness is frequently discussed to ease the marketing process (Daniels et al. 2009). Cultural awareness is the understanding that there are many cultures and subcultures, and each such culture can influence the business activities conducted in that environment. By studying different cultures, Hofstede (1991) identified four dimensions of culture, namely power distance, individualism, masculinity and uncertainty avoidance. Power distance accepts that there is inequality in the society. Individualism treats people as individualists while collectivism describes people as integrated, coherent groups. Masculinity upholds masculine characteristics such as earnings and advancement while femininity defends opposite values such as friendliness and caring. Uncertainty avoidance indicates the degree of uncertainty, a society perceives due unknown and uncertain situations.

When going and operating abroad, firms face the challenge of finding the optimal balance between standardizing and adapting the marketing strategies across national borders in order to be successful (Schmid and Kotulla 2011). Standardization/adaptation has always been a critical issue in international marketing. Adaption/standardization does not necessarily apply to the whole product/service but usually deals with some part of it such as pricing, sales reduction, promotion, distribution and packaging (Fregidou-Malama 2011). Network tells how the firms are interconnected with the different actors in the market to secure necessary resource for conducting firms' activities. Ritter et al. (2004) recognize that firms are embedded in a network of ongoing business and non-business relationships that both enable and constraint the firm's performance. All relationships are therefore not equally important depending on their contribution vital to the core activities of the firms. Trust is seen as an important factor for the development of a successful long-term business relationship (Ford 2004; Madhok 2006). To build trust, there is a necessity from both partners that they are willing to engage in such a relationship. We anticipate that importance of trust, and process and technique for developing trust can vary from culture to culture. A comparative study is helpful to validate whether cultural differences have some impact on trust building and implication of trust.

Zeithaml et al. (2006) describe four characteristics, i.e. intangibility, perishability, simultaneous production and heterogeneity of services which make the procurement and marketing complex. Managers have to take a lot of trouble to handle these complexities so that right message is communicated to the customers. Hyder and Fregidou-Malama (2009) have studied service firm characteristics and identified intangibility and heterogeneity as the major obstacles for marketing of international services. We also treat these variables relevant for this study and focus how these obstacles can be dealt with in relation to standardization/adaptation, network and trust between different cultures.

METHODOLOGICAL DISCUSSION

As this work is engaged in theory building by a comparative study, case study research is found suitable (Eisenhardt 1989). For data collection, qualitative method is employed to guarantee the richness of data to study services marketing in culturally distant environments. Referring Cheng (2007), Doz (2011) observe that qualitative research may be essential for surfacing contextual dimensions in international business, such as differences between countries. Variables like trust, networking and culture are complex and interrelated which needs a researcher to go into the depth of the real world situation and explore how and why things happen and do not happen. Qualitative methodology is primarily directed to understanding the complex and the elusive in a systematic perspective more than to establish unambiguous cause and effect relationships between single variables (Gummeson 2005).

A large number of interviews had been conducted with host country executives, host country professionals, and executives of Elekta in Sweden. In the Chinese case, Elekta marketing manager for Asia and Elekta China manager were interviewed. The second interview was conducted in Chinese and then translated to English by the Chinese interviewee. The Philippine case was based on five interviews including president and Clinic Director of the Elekta center in Philippines. For the Brazilian case, we interviewed 14 people including executives and professionals both in Brazil and Sweden. Two interviews were conducted in Swedish which were translated into English by the researchers. All interviews were face-to-face and lasted between 30 minutes to three hours. Interviews were semi-structured and tape-recorded. Besides interviews observations had been made in Elekta premises in Sweden, Philippines and Brazil. Six visits have been made to Gamma knife center in

Philippines to examine how the treatments proceeded and the services offered. In Brazil, the researchers stayed in the Elekta office for a week to interview the personnel and closely watch the daily works and dealing with the customers. The researchers also visited the two hospitals at São Paulo, one of which is equipped with newly bought six Elekta machines, to see working environment and also talk with technicians and physicians. No such observation could be conducted at the Elekta China as no visit could be made to the Gamma knife center. Using different sources for this type of exploratory study has been emphasized by Yin (2003). By following the conceptual framework, data were reduced inductively to conduct the comparative analysis.

THE CASE STUDIES

Elekta Brazil

In 2007, Elekta established a wholly-owned health care company in São Paulo. The company employs 41 persons and all of them are local people. Keeping contact with the authorities and show respect to the government hierarchy is duly practiced by the company to ease the use of nuclear power in the operation. Power distance is visible in the company as the employees are mentally dependent on the local manager for guidance, support and management of the company. However trust on the local manager is also substantial as he came from the main competitor, established the Swedish subsidiary from scratch and is well known to the customers for his long presence in the Brazilian neuroscience market.

Customers are very sensitive in their contacts with Elekta. If they call, company personnel has to respond immediately, not really to solve the problem but for honor and showing importance to the customer. The local culture suggests that one cannot keep the customers waiting because it deals more with the customers' *prestige* than doing the pure business. Elekta Brazil stresses the importance of having the right employees. The local employees are cheaper compared to foreigners and they speak Portuguese, the native language, English and Spanish. Since its inception, Elekta Brazil hired key employees from the American competitors to acquire a major market share. Elekta Brazil helps the customers, who are medical doctors and hospitals, with the installation of the healthcare equipment. It organizes training of the employees at different gamma Knife (Elekta's one of the major equipments for treatment of cancer and brain disorders by radiation therapy) centers in Brazil and other countries and offers after sale services and necessary technical support.

The company adapts equipments to the customer's requirements and provides upgrading of the offerings for at least 15 years. It largely follows the guidance of the head office at Stockholm. The ad messages are translated into Portuguese but adaptation is made with the colors and images to bring life to them. The company develops informal relations with hospitals, universities and doctors in Brazil. It participates in meetings that are organized by Leksell Gamma Knife society and sends its employees for training in countries around the world where reference centers are established. To develop trust, Elekta Brazil works to establish a similar reference center in São Paulo in the near future. Elekta is expecting to use this center for building trust and support business expansion in Brazil and other Latin American countries through demonstration of the equipments and services. By offering all necessary information, after sales services and technical support, Elektra Brazil tries to gain trust from the customers. Compared to the main American competitor, Elekta management's openness to the Brazilian subsidiary and local empowerment helped to develop trust in two fronts: within the employees of the local company and in relationship between the customers and the employees.

In marketing, Elekta Brazil focuses on clients and their needs. Even cost of treatment and level of technology are considered for acquiring business. The company recently established a neurosurgery centre at São Paulo with six huge Elekta machines as a sign of its professionalism and ongoing contacts with the authority. Major reasons for getting this business are said to be competitive price, perfect equipments offering synergies, customer friendly software programs, after sales services, satisfactory demonstration of equipments in different reference centers and emphasizing total solution for the customers.

Elekta Philippines

In 1997, Dr. Eduardo Mercado together with friends and other doctors, established Gamma Knife center which is the first and the only Gamma Knife facility in the Philippines. For financing the project, an independent corporation under the armed forces of the Philippines, was involved in the company as a partner along with the neuro-physicians. To spread knowledge about the centre, free treatment had been initially offered to soldiers who needed this treatment. The first doctors were trained in Gamma Knife centers in Sweden, and Germany. To counter problems with old traditions in Philippines, the company introduced the Leksell Gamma Knife through lectures, newspaper articles and journal articles. Word-of-mouth recommendations by satisfied patients and doctors helped to establish its reputation. To recruit the employee, Elekta

Philippines use personal relations for recruitment. Majority of the employees are related to each other. More emphasis has been given on personal liking and acquaintance than competence. This is a sign of collectivism and uncertainty avoidance which is based on trust.

The company adapts the prices based on the financial capacity of the patients. To live up to the promised standard the doctors act with a Western attitude in respect of time, management and professionalism, which help to develop trust in the local market. But the old machine has been a point of criticism from the competitors and the local physicians. The machine underwent little upgrading in its lifetime and thereby became difficult for the center to offer a worldwide standard service to the clients. The advanced technology applied in the new machine and its high price are not found justified by the management for the Philippines market. New training by Elekta has therefore not been necessary as the local physicians could handle the treatment well and also succeeded to make some adaptations of the Gamma knife machine to keep it functioning after a period of 15 years. The doctors claim that through local adaptation and long experience, they can still offer a quality service to the patients.

Informal relationships with medical schools and hospitals spread positive information about the center. It offers medical students internships which gives Elekta Philippines recognition in the local society. In addition to regular treatments it also uses the equipments for treating Parkinson, dystopia and some other diseases. Being a member of Leksell Gamma Knife Society, Elekta Philippines shares information, experiences, clinical techniques and advances in scientific research with the co-users.

Elekta China

Elekta China is located in Shanghai and was established in 2000. It is responsible for selling linear accelerators and Leksell Gamma Knife solutions and has about 300 employees. Elekta China strictly follows licensing and guaranty requirements of China. The company recruits local employees and it is run through a joint venture. Elekta China maintains standardization on service quality, technology and training system for the doctors and other employees. China has been a difficult market as locally produced Gamma knife machine, which is a less quality equipment, is sold at lower price in the local market. Further attempts have been made by the local competitors to damage the reputation of the Swedish company through false campaigns. Elekta China did not compromise with the quality and maintained its high price throughout. It was difficult in the beginning but the market has gradually accepted that quality has a price and it is particular important when it relates to live saving medical treatment. Adaptation is made to follow the legal restrictions and health care policies of the government.

The company develops network relationships with the local government and customers and exchange experience by organizing and participating in customers meetings. Leksell Gamma Knife Society gives the company access to publications and contacts with other hospitals. Due to the presence of high power distance and collectivism in the local country, Elekta China cares about local traditions, rules and also tries to find the right persons for developing vital contacts. It has built *Guanxi*, a Chinese pattern of relationship, with the government and authorities to enter the Chinese market. Communication and relationships in the local market helps the company to develop an understanding and acceptance for Elektra's solutions. Elekta has developed an innovative platform by the name "society meetings" for external networking where current and potential customers can meet and share information on clinical techniques, treatment results, advanced scientific research related on Leksell Gamma knife. Elekta China sees it as a great opportunity to establish contact with other customers and develop their competence through dialog and sharing of experience. Even society meetings serve Chinese hospitals to getting international contacts and access to publications on neuroscience technology.

Sweden and other west European countries are well known in China for offering quality products and services. Swedish country of origin has contributed much to build corporate reputation and this reputation has further helped Elekta China to develop its marketing strategy based on consistency in quality, advanced technology, training and technical support to the customers and after sales services. The argument of quality worked well as the service dealt with health care and applies to serious diseases like cancer and brain tumor. The word-of-mouth has been important for it to develop and maintain trust in the local market. Elekta China usually refers potential clients to the old patients who had been successfully treated by the company.

CASE COMPARISON

Trust and network development have been found essential to fit with the cultural environment of all the three countries. Role of culture was dominant in China and Philippines and therefore Elekta companies had to understand how culture affects relationships and also to find out the major actors in those markets. However the cultural features have been manifested differently in these two countries. Collectivism and uncertainty avoidance were evident in Philippines as the company relied on kinship for employing people mainly to keep control within the owner group and secure trust. Relying on old equipment shows that the company is not willing to bring changes which is a mark of traditional thinking, highly linked with power distance as suggested by Hofstede (1991). In the Chinese case, guanxi is developed to follow the long Chinese tradition that belongs to collectivism and power distance. Sense of professionalism was found in Elekta Brazil that concentrated on acquiring marketing competence and penetrating the competitors' market share. Cultural view was present in recruiting local people for easy communication with the customers. This attribute can also be related to pragmatic business thinking by Elekta Brazil. Over confidence and respect to the local manager by the Brazilian employees however show that power dependence is present in the company. A comparison between the Elekta companies is presented in [Table 1](#).

Standardization of the service concept and training programs helped the companies to develop trustful and homogenous environments in all the three cases. The work of Elekta Brazil was rigorous as it was actively marketing Elekta solutions within and outside Brazil. It was relatively new entrant in the Brazilian market and had to compete with the already established and well-known American competitor. The marketing was in fact aggressive and contains features of both standardization and adaptation. Concerning technology and equipment, the company applied standard solution package comprising accurate quality, supporting soft ware programs, training, access to research information on neurological treatment and full time technical support. The local company was empowered to take decisions on matters relating to marketing, using own ads, visiting customers and conducting deals with the customers on behalf of Elekta Sweden. Some adaptations were allowed in connection to financing of certain projects considering the merit of the potential customers. In Elekta Philippines, adaptations were made to follow the local tradition and also offering treatments of local diseases not originally covered by the Gamma knife practice. Development of relationships in Chinese style was a successful adaptation in the Chinese case.

The problem of intangibility was overcome by country of origin, training, after sale services and technical support. For Elekta Brazil, reference centers played an important role in this regard. Trust and informal relationships were found effective in China and Philippines to reduce the effect of heterogeneity. Guanxi, which was deeply rooted in the Chinese culture, required the company to identify the right actors for building relationships. Special care had been taken by the local employees to keep conformity with this local tradition. For Elekta Philippines, trust on the employees was deemed important to offer consistent services. However more emphasis was given on the acquaintance than competence of the employees. It can also partly explain why the company concentrated on the old equipment and didn't show interest in upgrading or acquiring a modern equipment. For developing trust, Elekta Brazil relied on usual marketing practices including keeping continuous contact with the customers before and after the business deals, providing all necessary documents and technical support, offering training to the technicians and physicians and often visiting hospitals. The trust in this case was built on understanding, dialog and the customers' belief on the availability of the support from Elekta Brazil whenever needed.

CONCLUSIONS

This study shows that both adaptation and standardization are practiced by the Elekta companies in the studied countries. Adaptation relates mainly to marketing, pricing and building informal relationships. Cultural adaptation has been particularly important in China which is manifested in the development of Guanxi. Standardization is associated with the service concept and training, and is practiced in all the Elekta companies. Maintenance of standardization in the core area has served two purposes: offered uniformity in the delivery of services and evoked trust on quality to the customers and the local employees. This finding suggests that some standardization is not an option but a necessity to communicate with the markets. The message should be clear that the company does not compromise with the concept but responds positively to adaptation when it is important for the country. Hiring on personal relationship in Philippines is an example of how trust is developed and ensured in the company. But it also shows that how the management is influenced by the culture and no fruitful attempt is made to develop competence based working force. Professionalism is evident in Elekta Brazil and

adaptation and standardization have been successfully combined to offer better services to the customers and be highly competitive in the market.

This research work suggests that internationalization of health care service needs a manager's sensitiveness to cultural differences and competence to properly combine standardization with adaptation. To make the service tangible, it is also important that the service is appropriately demonstrated to the customers which Elekta Brazil has done by organizing visits to reference centers where Elekta equipments are in use. Another important issue is the type of offering made to the customer. As the technology is complicated and central in health care service, managers need to come up with a package of total solution. Certainly it is expensive for customers, but it is again the task of the manager to find a reasonable solution for the customer. In one case Elekta Brazil came in contact with a prospective buyer who had difficulty to arrange financing. The company took the matter seriously and consulted with the Stockholm office to find out a solution. The matter was solved by the help empathy and broader perspective of the Brazilian management. Only emphasizing the local culture cannot work in the long run, is demonstrated by Elekta Philippines. The company has not undergone any upgrading and further lacked the vision of recruiting efficient employees and relied on the relatives of the doctors and owners of the company.

One limitation of the study is the small number of cases. By including few more cases, the result can be further generalized. We have looked on the culture from a broad perspective, a detail study on culture relating to different aspect of internationalization could therefore provide important insight of services marketing. Further, impact of service characteristics on health care can also be compared within the same country to keep away the role of culture.

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Table 1. Comparison of Elekta’s business between Brazil, Philippines and China

Variables	Brazil	Philippines	China
Culture	Power distance and individualism affect the business.	Power distance, collectivism & uncertainty avoidance affect the business.	<i>Guanxi</i> is stressed as a part of collectivistic society. Power distance important in developing relationship.
Standardization	Service concept standardized. Country of origin	Service quality & training of doctors standardized.	Identical product is stressed with consistent service quality.
Adaptation	Marketing adaptation in response to local culture.	Terms of payment adapted to local financial situation. Hiring on personal relationship.	Cultural adaptation made to reduce communication gap. Extra long warranty granted to meet the local Country demand.
Network	Formal & informal contact present. Informal contact essential for building trust.	Formal network with Doctors, medical centers & students. Informal network important in the local culture.	Informal network relates to local sales, marketing and R&D. Building better <i>guanxi</i> with the government significant.
Trust	Adaptation helpful for trust development. Network and trust Interrelated.	Long presence in the market. Involvement in neurosurgeon training makes the firm trustworthy.	Country of origin, reputation and word-of-mouth lead to creating trust.

CONSUMERS' SECURITY CONCERNS: DOES IT EXIST IN THE CONTEXT OF ADOPTING RFID IN THE HEALTHCARE INDUSTRY?

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INTRODUCTION

This study seeks to investigate consumers' concerns with personal privacy, and security threats to personal information (Ohkubo et al 2005; Smith 2005). The context is potential consumers' behavioral intention to adopt the RFID technology in the healthcare arena, and the research question explored is: Do patients have privacy concerns resulting from the application of RFID based tracking in the healthcare arena? While existing literature talks about consumer privacy issues in general as being incumbent upon the deployment of technology (Hossain and Prybutok 2008), or of adoption of RFID by the healthcare industry (Lee and Shim 2007), no research has been done specifically concerning the privacy of patients in the healthcare arena.

BACKGROUND

The technology acceptance model (Davis, 1986, 1989; Davis, Bagozzi and Warshaw 1989), the theory of planned behavior (Ajzen, 1991) and the expected utility theory (Mongin 1997) are employed as theoretical lens to investigate the behavioral intention to adopt (the use of RFID technology in the healthcare arena) or the "usage intention."

The expected utility theory states that the decision maker chooses between risky or uncertain prospects by comparing their expected utility values, that is, the weighted sums obtained by adding the utility values of outcomes multiplied by their respective probabilities (Mongin 1997). Shoppers confronted with the choice of purchasing an RFID-tagged product item would be dealing with this utility function: $U(X) = \text{Benefit} - \text{Cost}$, where benefit is derived from the benefits promised by the healthcare vendor and cost is the function of a number of important variables relative to the consumers' "privacy calculus" such as their idiosyncratic consumer privacy concerns, consumer-rated importance of transparency on the part of the healthcare vendor about their data collection, distribution, and data mining efforts, and observance of privacy laws by the healthcare vendor within the legal jurisdiction (Angeles 2007; Milne and Gordon 1993; Rust et al. 2002).

Perceived usefulness, perceived ease of use, and intention to use or rent which here is the "usage intention," are taken from the technology acceptance model (Davis 1986). Attitude, subjective norm, and perceived behavioral control are adapted from the theory of planned behavior (Ajzen 1991). The technology acceptance model and the theory of planned behavior are frequently employed together as theoretical frameworks to investigate the behavioral intention to adopt technology (Hossain and Prybutok 2008).

The research model for my study is based on the following constructs. The dependent variable is the behavioral intention to adopt (the use of RFID technology in the healthcare arena). The independent variables are perceived convenience (usefulness and ease of use in adopting RFID), perceived cultural influence (on the adoption of RFID), perceived regulators' influence (on the adoption of RFID), and perceived (importance of, and unwillingness to sacrifice personal) security.

METHODOLOGY

Preexisting scales from the extant literature were contextualized to fit this study whenever possible. The scale items for the construct "behavioral intention" are modified from Amin (2009), Angeles (2007), and Seeman and Gibson (2009). The scale items for the independent variables were adapted from three different sources. The scale items for the constructs of "perceived convenience," "perceived security" and "perceived regulators' influence" were adapted from Hossain and Prybutok (2008). The scale items for the constructs of "perceived cultural influence" was adapted from Hossain and Prybutok (2008); two of the dimensions of this construct, "attitude" and "subjective norm," were adapted from Ajzen (1991) and Malhotra and Galletta (2005); the third dimension of "perceived behavioral control" was adapted from Ajzen (1991). The survey questions for perceived usefulness and perceived ease of use were combined into the new construct termed "perceived convenience" within the research model as well as for the data analysis. Each construct had 3 to 13 scale items. Data for the study were collected from a sample of students in a large public university in the southwest United States through a paper based questionnaire and analyzed.

RESULTS AND DISCUSSION

Of the 328 valid responses of the students who participated, 55.2% were males, and 39.6% females. 79.3% students were in the age group of 18 to 25 years, and 74.7% were in their junior or senior year in college. 64% had used the NTTA Tollway, and 72.6% had correctly answered the question about RFID technology. 87.5% were able to list healthcare applications of RFID technology, and 93.9% correctly answered the question about increase in the use of RFID tags. 26.2% had bought healthcare supplies with RFID tags and 9.5% had been tagged with an RFID microchip at a hospital. 29.3% knew someone who had bought healthcare supplies with RFID tags, and 19.8% knew someone who had been tagged with RFID microchips at a hospital. 68.3% were aware that healthcare supplies may have RFID tags, and 64.0% were aware that patients may be tagged with RFID microchips.

Partial least squares (PLS) was used to test the proposed research model and the hypotheses, the study used the partial least squares (PLS) method, and employed the SmartPLS version 2.0 software package (Ringle, Wende & Will 2005). The reliability was confirmed using Cronbach alpha and the composite reliability measures. In this study, all the values of Cronbach's alpha are higher than the value of 0.8 suggested by Nunnally and Bernstein (1994). All composite reliability values are greater than 0.8, higher than the 0.7 suggested by Fornell and Larcker (1981). Hence the latent constructs have acceptable reliability. The convergent validity of the model is evaluated by examining the factor loadings, and by calculating the average variance extracted (AVE) of each construct. Items with loadings less than 0.7 were removed. All of the resultant loadings are statistically significant and greater than 0.8, establishing convergent validity (Chin 1998). Moreover, the AVE for each of the constructs is greater than 0.7, higher than the 0.5 recommended by Fornell and Larcker (1981). Convergent validity is thus established.

Discriminant validity is checked using the Fornell and Larcker (1981) criterion. The square root of the AVE for each construct is found to be higher than the squared correlation between any pair of latent variables. The smallest square root of the AVE is 0.836, which is greater than 0.59, the square of 0.769 which is the highest correlation. Hence, the reliability, convergent validity, and discriminant validity of the measurement model is established.

Harman (1976)'s one-factor test was used to check for common method bias on the reflective constructs. All the variables were entered into an exploratory factor analysis, using unrotated principal components factor analysis and principal component analysis with varimax rotation to determine the number of factors that are necessary to account for the variance in the variables. According to (Podsakoff et al. 2003), if common method variance is present, either (a) a single factor emerges from the factor analysis, or (b) one general factor accounts for the majority of the covariance among the variables. Our results show that six factors account for 78.50% of the variance in the data. The first factor accounts for 29.4% of the variance, not a majority. Therefore, no general factor is apparent.

The validity of the overall model was evaluated by the t-values obtained from bootstrapping using 600 subsamples (Chin 1998). The overall R-squared obtained was 66.58%, that is, the research model explained 66.58% of the variance in the usage intention toward adoption of RFID in healthcare. This value can be described as moderate (Chin 1998).

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

This study is focused on protection of privacy, and aims to address the concern that the ability to track people and the items they are carrying on their person or their vehicle could create an Orwellian world. The contribution of this paper is in investigating the question about an individual's privacy and security concerns in the context of adoption of RFID technology in the healthcare arena, using the technology acceptance model, theory of planned behavior, and the expected utility theory as theoretical lens.

This study investigated the importance as well as the unwillingness to sacrifice both, personal privacy and personal security, in the context of the behavioral intention to adopt RFID technology in the healthcare arena. The findings suggest that perceived convenience, perceived security, perceived regulators' influence, subjective norm, attitude towards RFID adoption, perceived behavioral control and are significant in explaining the potential consumer's behavioral intention to adopt RFID technology for healthcare. This study has implications for marketers and researchers in the arena of product and services marketing.

Subjective norm from the theory of planned behavior and an individual's personal calculation of trade-offs based on expected utility theory are significant drivers of their receptivity to adopt RFID in the healthcare arena. Our findings suggest that

consumers tend to heed to peer-pressure above other considerations in deciding whether or not to be willing to adopt RFID technology for healthcare. By implication, they follow their utilitarian rather than hedonic behavioral patterns in adopting technology for something as important as healthcare. Essentially, consumers rely on others' experience, wisdom and judgment. This indicates the tremendous significance of electronic word of mouth and viral forms of advertising products and services, especially when products or services are likely to involve issues related to privacy and security. A case in point is the context of social media, which is driven by peer pressure, above all other considerations. This has implications for marketers in planning the marketing mix accordingly. The significance of perceived regulators' influence might explain why people are more likely to use technology that has been vetted by the government or another agency considered reliable in the eyes of the consumer.

All six dimensions tested by the model load as distinct factors showing that the model is robust. However, the most serious limitation of this study is that a convenience sample of students is used to draw inferences about personal privacy and personal security. However, for the context of the application of RFID, the students are an adequate sample for exploratory research as they are more knowledgeable about RFID technology than many older consumers. The United States is an individualist society (Hofstede 1980) and young students reflect the general perceptions of the population about privacy and security.

We now live in a global village where there is an unbounded marketplace for efficient peer-to-peer exchanges, according to Botsman and Rogers (2010). Future research can explore the privacy and security factors in other marketplace exchanges, related issues that may be facilitated by technology, showing whether they are amenable to peer-to-peer and word of mouth advertising among different target segments. Privacy and security are important areas that could be investigated more thoroughly in future empirical research, using other contexts. Using ethics as control could open up further possibilities for empirical research.

References available upon request.

**ADVANCES IN PRIOR KNOWLEDGE CONCEPTUALIZATIONS:
INVESTIGATING THE IMPACT ON HEALTH BEHAVIOR**

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ABSTRACT

Health care marketers should assess the levels of consumers' prior knowledge set before designing health marketing communication messages. Consumer behavior research has established the importance of prior knowledge, yet only part of knowledge directs health behavior. We posit four prior knowledge dimensions which include consumer behavior's prior knowledge conceptualizations (objective knowledge, subjective knowledge), a discrete measure of knowledge use confidence, and introduce the economic psychology concept of what the individual takes to apply to the self (personal knowledge); and we investigate their impact on health behavior for the USA and their relevance for six other countries. Scales were developed and administered via an Internet survey. Across all countries, personal knowledge is important to understanding the relationship between prior knowledge and health behavior. Countries varied in their knowledge use confidence and subjective knowledge. Objective knowledge was associated with health behavior for only one country.

References available upon request

RAISING AWARENESS OF RESPONSIBLE DRINKING AMONG STUDENTS: A “LIVE” CAMPAIGN APPROACH

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INTRODUCTION

This paper focuses on exploring the concept of raising awareness of a key healthcare issue, responsible drinking, among students through the use of “live” projects in the form of marketing campaigns developed and run by students. The key knowledge and skills developed through live projects are both pedagogical in terms of teaching, learning and assessment tools and market-place orientated in terms of increased employability for students. Furthermore, the orientation and theme of responsible drinking provides a strong societal dimension which highlights social and moral considerations to students and educates them to be ethical citizens and champions of change among their peers in areas affecting student healthcare and wellbeing.

LITERATURE REVIEW

The issue of excessive alcohol consumption is core to public and social policy discourse (Griffin *et al.*, 2009) and is broadly acknowledged as a ‘social activity’ (Tucker, 2004) and a standard part of socialisation among young people particularly in countries such as Ireland where it has become normalised behaviour and is deeply embedded in national culture. Ranked as third across the EU (Hope, 2007), in Ireland, excessive episodic alcohol consumption or binge drinking represents a prevalent social practise among the youth (Ramstedt and Hope, 2003) and is particularly evident among Irish university students. In a recent study on student alcohol consumption (Irish Times, 2010), 8 out of 10 students reported they had engaged in binge drinking in the previous year, with excessive consumption being practiced at least as often among female as male students. Furthermore, 1 in 4 male students admitted to entering into a fight due to alcohol and 1 in 10 students claimed they had engaged in unintentional or unprotected sex as a result of alcohol. Reflecting the mixed success of many social marketing programmes (Hastings, 2009), the promotion of responsible drinking attitudes and behaviours by state-funded bodies and alcohol awareness groups has enjoyed varying levels of success in Ireland as elsewhere. Hence, there is a growing acknowledgement among academics, policy makers and agencies of the need to identify more meaningful and impactful methods to target and promote sensible drinking among young people in Ireland and elsewhere.

A movement towards more active, experiential learning pedagogies is a phenomenon which has generated increasing interest in recent years (Farazmund and Green, 2011; Elan and Spotts, 2004). The concept of the “live project” is becoming increasingly recognised in the literature as offering students the opportunity to work on real-life business problems (Thomas and Busby (2003). Live projects and cases provide a wide range of learning outcomes and benefits including team work, critical thinking, time-management and applied skills (Chase *et al.*, 2007) which are particularly important given the key role higher education institutions play in preparing graduates for employment. Frequently, problem-based learning or experiential learning, achieved through live projects and cases, as opposed to the more traditional subject-based learning is central for the effective acquisition of real-life knowledge and skills in addition to developing organisational ability, effective planning and strategic thinking which have become increasingly mandate for the competitive graduate marketplace (Dickenson, 2000). In particular, within the marketing domain, the effectiveness of live projects has been underlined in improving both marketing and marketing research pedagogy, providing hands-on experience and fostering a link between theory and practice (Maher, 2003).

There is increasing recognition of the need for business schools to incorporate social, ethical and environmental dimensions into their curricula in order to enable graduates to adopt a more sustainable approach to business leadership (e.g. Sroufe and Ramos, 2011). Exposure to social and ethical issues through teaching and assessment activities develops in students a deep internalisation of ethical principles and an understanding of societal responsibility (Lavin and Roussin, 2012). Furthermore, there is growing recognition of the importance of university civic engagement through student involvement in causes and activities where civic learning is of value to the individual, the community and to society as a whole (Wynne, 2010). Social activities and causes including promoting responsible drinking to their peers offers individual students opportunities to gain valuable experience and skills through the live project process while also fostering a sense of community engagement and responsibility (McIlrath and MacLabhrainn, 2007).

METHODOLOGY

This study explores the effectiveness of promoting a social cause such as alcohol awareness among university students using a “live” project approach. The study also explores both the pedagogical and marketplace benefits of using a “live project” method as well as the impact and success of such student-led campaigns on their peers. Students of an MSc in Marketing programme taking the module Marketing and Society engaged in a “live” marketing campaign project as an effective method of promoting responsible drinking among students on campus in addition to an innovative and appropriate student assessment method tool. Seed-funding was provided by the “client”, a student welfare representative body in the university, to help fund, advise on and evaluate the responsible drinking campaigns developed and implemented by student groups. This opportunity both engaged marketing students in a worthwhile civic activity and charged them with the responsibility of creating innovative social marketing campaigns using print & electronic media, promotions and events focusing on various aspects of responsible drinking including *sensible drinking*, *alcohol and health*, *alcohol and identity*, *alcohol and sport* and *anti-drink driving*. A case study analysis is presented based on the live campaigns developed by the student groups which showcases the quality of materials developed, strategies used and impact on student attitudes and behaviour. A series of post-campaign focus group interviews was conducted with the 5 student teams which highlighted the range of practical marketing skills developed among participants, the effectiveness of student-run campaigns as well as underlining the heightened sense of responsibility and civic duty perceived by participating students in promoting sensible drinking to their peers.

RESULTS AND DISCUSSION

During a specified “live period” of 4 weeks during semester, MSc in marketing student teams created and ran live multi-media social marketing campaigns to target and raise awareness of sensible drinking to their peers in their university. With seedfunding of \$200, each group engaged in key activities centred on developing and implementing their campaigns including concept and strategy development, media selection and scheduling, creation and printing of posters and flyers, event management and PR, user of interactive and social media e.g. tailored Facebook pages, blogs and YouTube content, liaising with their client and other stakeholders and post-campaign analysis and budgeting. Students compiled a report and presented their campaigns to a panel of experts who provided feedback and judged the campaigns, students also exhibited their campaigns on campus where the winning team was selected and awarded. To illustrate the standard and quality of the campaigns produced, a selection of campaign materials and creative content was developed including posters and flyers, a sample of which is presented in Figure 1.

Figure 1: Selection of Posters and Flyers: *Alcohol and Identity “Live” Campaign*



Social media played a central role as a forum for reaching the student target market and dedicated Facebook pages were developed such as the one promoting anti-drink driving in Figure 2. Student teams also created and directed their own viral

videos with promotional messages which was uploaded onto You Tube (See link: <http://www.youtube.com/watch?v=fiP6-GsEw7k>).

Figure 2: Facebook page: *Anti-Drink Driving “Live” Campaign*



Focus groups with each of the participating student teams identified the key perceived pedagogical and operational challenges, opportunities and advantages to the live project approach as a learning tool. Key challenges included managing client expectations in addition to the level of time and effort invested by students, evidenced by the comment: “it wasn’t that it wasn’t manageable... it was the time it took” (Member, Alcohol and Sport Campaign). Positive benefits included the recognition across campus of the high quality and impactful campaigns developed by students for students and increased profile for both students and the cause through exposure at the campus exhibition, promotional events, and publicity and PR in the form of press-releases which were published in in on-campus and regional publications. The range of skills developed among participants included creative and critical thinking, organisational skills and real-life, applied skills, as illustrated by the comment “it was my first time.. that I was asked to do something live...practical...it’s also good to have on your CV”, (Member, Alcohol and Identity Group). A heightened sense of self- and team -awareness was also gained by students: “we know each other’s strengths and weaknesses now” (Member, Responsible Drinking Group). Students also highlighted the benefits of the live campaign as an innovative and experiential learning experience, evidenced through: “it’s grand to write something on paper, but then to actually put something into action it’s a really good experience” (Member, Anti-Drink Driving).

The impact of such campaigns on students was also strongly underlined by students as exemplified by the quote: “I think they really got it.... They recognised our posters from around campus...it was a great feeling to see that they were getting the message” (Member, Alcohol & Identity Group). Similarly another group highlighted the direct effectiveness of their campaign on students: “It was fantastic when one girl said after our event ‘I’ll never drink again’” (Member, Alcohol and Health Group). Students also felt a strong sense of responsibility and satisfaction in promoting responsible drinking to their younger peers: “It was great to work on something we all had experience of... and try to spread the message of responsible drinking to first years... we weren’t trying to be preachy and it worked” (Member, Responsible Drinking Group). As a further measure of the success of the campaigns, selected campaign material was published on the Drink Aware website, the Irish agency responsible for promoting sensible drinking nationally to Irish citizens with a particular focus on college students (see <http://www.drinkaware.ie/index.php?sid=12&pid=381>). In summary, these live campaigns succeeded in effectively promoting responsible drinking to students, providing a range of key skills and learning and developing a sense of civic duty and responsibility among students.

CONCLUDING REMARKS

Live projects directly enhance a wide range of technical and transferrable skills and experience which are far more significant and valuable than those gained through more traditional assessment formats. Furthermore, live projects which incorporate an ethical or societal dimension, exemplified by the responsible drinking campaign, develop a strong sense of civic duty and responsibility in students to not only acknowledge their own role but also promote an ethical and societal awareness and orientation among their peers which is likely to continue throughout their professional lives. Clearly, the live project model offers tangible and valuable benefits as a pedagogical tool, leading to deeper learning, enhanced experience, and as illustrated in this case, heightened ethical awareness and responsibility which can positively enhance student health and well-being.

References available upon request.

Session 9.5. Decision Making

Session Chair: Reto Felix, University of Monterrey, Mexico

Evaluation of Hybrid Products consisting of Low-Familiarity Product Categories: The Role of Goal Activation

Moon-Yong Kim, Hankuk University of Foreign Studies, Korea

Impact of Time Orientation on Consumer Innovativeness: A Study in India and the United States

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Gregory Rose, University of Washington, Tacoma, USA

Understanding the Role of Emotion in Self-Service Technology

William George, Oxford Brookes University, UK

Yuksel Ekinci, Oxford Brookes University, UK

Lyndon Simkin, Oxford Brookes University, UK

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INFERENCES AND EVALUATIONS OF HYBRID PRODUCTS: THE ROLE OF GOAL ACTIVATION

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INTRODUCTION

Hybrid products arise from combining two or more previously independent product categories into one (Gregan-Paxton et al. 2005). A stream of recent research in marketing has demonstrated that consumers process an ambiguous product by applying one or more categories that they judge to mostly fit it (Gregan-Paxton et al. 2005; Moreau et al. 2001; Rajagopal and Burnkrant 2009). Recent research has begun to investigate whether and under what circumstances individuals would use multiple (vs. single) categories to generate inferences about ambiguous products (e.g., Gregan-Paxton et al. 2005). If only one of the key focal goals attached to a hybrid product generating multiple-category inference is activated, this research proposes that (1) single-category inference will occur where inferences are based largely on the category relevant to the active goal; and (2) the hybrid product whose inferences are based on the category relevant to the active goal (i.e., the hybrid product generating single-category inference) will be more positively evaluated, as compared with the hybrid product inducing the same single-category inference in the no-goal condition.

When goals become activated, they can affect consumer decision making by guiding consumers' perceptions and attention to information relevant to the active goal(s) (cf. Markman and Brendl 2000). Thus, if multiple-category inference for a hybrid product is elicited in consumers, an active goal that the hybrid product can satisfy will especially strengthen the association between the corresponding goal-relevant category and the active goal, and hence single-category inference will occur where inferences are based largely on the category relevant to the active goal (hypothesis 1).

Category-consistent inferences have a stronger effect on product evaluations for ambiguous products than category-inconsistent inferences (Rajagopal and Burnkrant 2009). Classical economic theory predicts that the more the functionalities, the higher the consumer's utility (von Neumann and Morgenstern 1947). Thus, as it is inferred that a product has more functionalities, the preference for the product becomes higher. In the absence of goal activation, therefore, multiple- (vs. single-) category inference can lead to a relatively higher preference for the hybrid product (hypothesis 2).

Previous studies have suggested that consumers' goals are critical to evaluation of objects—that is, the degree of the valuation of objects goes up with their similarity to the active focal goal (Markman and Brendl 2000). Thus, if only one of the key focal goals associated with a hybrid product under multiple-category inference is activated, the hybrid product whose inferences are based on the category relevant to the active goal will be more positively evaluated, as compared with the hybrid product inducing the same single-category inference in the no-goal condition (hypothesis 3).

METHODOLOGY

This study follows the methodology established by Gregan-Paxton et al. (2005), manipulating the category inference (i.e., multiple-category inference) for a hybrid product comprising two distinct product categories. In empirical studies of Gregan-Paxton et al. (2005), under the conditions of categorization ambiguity elicited by the ad for the hybrid product that perceptually cues the one category (via a picture) while conceptually cueing another category (via a label), the inference of the hybrid product was shown to vary depending on the familiarity of its constituent categories (low vs. high) and the nature of the category cues (perceptual vs. conceptual) by which each product category is communicated. Specifically, Gregan-Paxton et al. (2005) have shown that the consumer's inferences regarding the hybrid product will be based on both perceptual and conceptual cues (i.e., multiple-category inference) if perceptual cues indicate that a hybrid product falls in a low-familiarity (hereafter termed LF) product category, regardless of the familiarity of the category referenced by the conceptual cues.

With this in mind, this research focused on a hybrid product that falls into two product categories with which consumers have low familiarity. Based on the results from two pretests, a combined handheld 3D gaming device (LF category) and a stress analyzer (LF' category) was selected as the hybrid product generating multiple-category inference. To test the hypotheses, it was necessary to create treatment advertisements and baseline advertisements. The treatment and baseline ads were produced in the same manner as the ads in Gregan-Paxton et al.'s (2005) studies. Specifically, in the treatment ads (Ad1 and Ad2) for the LF category plus the LF' category, the upper part for the headline conceptually claims that the hybrid product is an LF (LF') category, and the middle part presents a picture of a typical LF' (LF) category. The lower part conceptually describes both the LF category and LF' category features; when the LF (or LF') category is listed in the headline, the LF (or LF')

category feature(s) is listed first in the short description. That is, Ad1 (Ad2) perceptually cued the LF (LF') category and conceptually cued the LF' (LF) category, encouraging multiple-category inference. Additionally, the baseline ads (Baseline Ad1 and Baseline Ad2) were used to examine whether the treatment ads (Ad1 and Ad2) would lead to multiple-category inference in the no-goal condition. In the baseline ads, the perceptual and conceptual cues were consistent, representing the product in terms of either the LF category (hereafter termed Baseline Ad1) or the LF' category (hereafter termed Baseline Ad2). As in Ad1 and Ad2, the short description below the picture in the baseline ads provides the features associated with both the LF category and LF' category, and the order of the features is driven by the headline. The exposure to Baseline Ad1 (vs. Baseline Ad2) gives the hybrid product a higher rating for LF category functionality but a lower rating for LF' category functionality. As proposed in Gregan-Paxton et al.'s (2005) studies, thus, the inference pattern in exposure to Ad1 (Ad2) will differ from that encouraged by Baseline Ad1 (Baseline Ad2); inferences regarding LF' (LF) category functionality based on Ad1 (Ad2) will be increased relative to a situation in exposure to Baseline Ad1 (Baseline Ad2).

As part of a class requirement, 310 undergraduates at a large university participated in this study. The participants were assigned to one of eight cells. More specifically, the participants were exposed to (1) Ad1, (2) Ad2, (3) Ad1 with an activated goal relevant to the LF category, (4) Ad1 with an activated goal relevant to the LF' category, (5) Ad2 with an activated goal relevant to the LF category, (6) Ad2 with an activated goal relevant to the LF' category, (7) Baseline Ad1, and (8) Baseline Ad2. The scenario for activating a goal relevant to the LF category or the LF' category (in only the goal-activation conditions) was generated based on Huffman and Houston's (1993) study. The participants' inferences regarding the functionalities of the LF and LF' categories were measured using an eight-item, 7-point scale. Next, the participants were asked to evaluate the hybrid product on six 7-point items.

RESULTS AND DISCUSSION

The LF-perceptual/LF-conceptual group gave the hybrid product a higher rating for the LF category functionality (4.95 vs. 4.13; $F(1,73) = 7.97, p < .01$), but a lower rating for the LF' category functionality (3.41 vs. 4.89, $F(1,73) = 17.40, p < .001$) than did the LF'-perceptual/LF'-conceptual group. It was also revealed that the ratings by the LF-perceptual/LF'-conceptual group in the no-goal condition were indistinguishable from those of the LF-perceptual/LF-conceptual group on the handheld 3D gaming device (LF category) functionality (4.85 vs. 4.95, $F(1,70) = .18, p > .10$), but it showed a higher value on the stress analyzer (LF' category) functionality (5.01 vs. 3.41, $F(1,70) = 29.58, p < .001$). Thus, multiple-category inference occurred in the LF-perceptual/LF'-conceptual group in the no-goal condition. More importantly, it was revealed that the ratings by the LF-perceptual/LF'-conceptual group in the LF category-relevant goal activation condition were indistinguishable from those of the LF-perceptual/LF'-conceptual group in the no-goal condition on the handheld 3D gaming device functionality (5.21 vs. 4.85, $F(1,75) = 2.23, p > .10$), but they were distinguishable from those of the LF-perceptual/LF'-conceptual group in the no-goal condition on the stress analyzer functionality (4.27 vs. 5.01, $F(1,75) = 6.37, p < .05$). Also, the ratings of the LF-perceptual/LF'-conceptual group in the LF' category-relevant goal activation condition were distinguishable from those of the LF-perceptual/LF'-conceptual group in the no-goal condition on the handheld 3D gaming device functionality, although there was a marginally significant difference between them (4.37 vs. 4.85, $F(1,61) = 3.34, p < .10$), but they were indistinguishable from those of the LF-perceptual/LF'-conceptual group in the no-goal condition on the stress analyzer functionality (5.31 vs. 5.01, $F(1,61) = 2.03, p > .10$). Thus, hypothesis 1 was marginally supported. In the LF'-perceptual/LF-conceptual condition, the analyses also yielded the pattern of results supporting hypothesis 1.

The participants in the LF-perceptual/LF'-conceptual group in the no-goal condition, as compared with those in the LF-perceptual/LF-conceptual group in the no-goal condition, evaluated the hybrid product more favorably, albeit marginally significant ($M_{LF\text{-perceptual}/LF'\text{-conceptual}} = 3.84$ vs. $M_{LF\text{-perceptual}/LF\text{-conceptual}} = 3.34$; $F(1,70) = 2.99, p < .10$). Thus, hypothesis 2 received marginal support. Consistent with hypothesis 3, the participants in the LF-perceptual/LF'-conceptual group evaluated the hybrid product more favorably when the LF category-relevant goal was active, as compared with those in the LF-perceptual/LF-conceptual group in the no-goal condition ($M_{no\ goal} = 3.34$ vs. $M_{LF\ goal} = 4.04$; $F(1,76) = 6.85, p < .05$). As compared with those in the LF'-perceptual/LF'-conceptual group in the no-goal condition, the participants in the LF-perceptual/LF'-conceptual group evaluated the hybrid product more favorably when the LF' category-relevant goal was active ($M_{no\ goal} = 3.22$ vs. $M_{LF'\ goal} = 3.76$; $F(1,76) = 5.56, p < .05$). In the LF'-perceptual/LF-conceptual condition, the analyses also yielded the pattern of results supporting hypotheses 2 and 3.

CONCLUSIONS

This study replicated the Gregan-Paxton et al.'s (2005) findings (study 3). In addition, it was found that goal activation induces single-category inference based on the product category that is relevant to the active goal. Also, in the absence of

goal activation, it was found that hybrid products in which multiple-category inference is used would be evaluated more favorably than those in which single-category inference is used. Furthermore, as compared with the no-goal condition, an active goal led to a higher evaluation of the hybrid product; that is, the valuation effect was found. This research provides managerial implications of positioning and communicating a new hybrid product under multiple-category inference, suggesting the ways by which marketers can render consumer preferences for their hybrid products higher by considering their target consumer segments' goals and providing appropriate communication cues to affect their inferences.

References available upon request.

IMPACT OF TIME ORIENTATION ON CONSUMER INNOVATIVENESS: A STUDY IN INDIA AND THE UNITED STATES.

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INTRODUCTION

Past research has shown that consumer innovativeness is influenced by demographics and consumer personality attributes, like need for stimulation, desire for novelty, and need for uniqueness. We extend previous work in this area by empirically testing the effect of three time orientations (past, present and future) on consumer innovativeness; using data collected from two countries: India and the USA.

HYPOTHESES DEVELOPMENT

Midgley and Dowling (1978, p 236) define innovativeness as “the degree to which an individual is receptive to new ideas and makes innovation decisions independent of the communicated experiences of others”. As a personality trait, innovativeness is influenced by the need for uniqueness (Burns and Kramf, 1991), need for novelty (Hirschman, 1980) and, most importantly, the need for stimulation (Mittelstaedt et al., 1976, Raju, 1980). The key influencer of innovativeness is novelty seeking or exploratory behavior, which is a predisposition toward new or unexpected experiences. Novelty seeking is, in turn, influenced by the need for stimulation or arousal. Individuals with a high optimum stimulation level (OSL) are more likely to explore new stimuli and situations. On the other hand, individuals with a low OSL are more likely to be comfortable with familiar stimuli, and thus, shy away from new or unusual ones (Raju, 1980). Thus, exploratory behavior is related to a consumers’ need for stimulation, which is influenced by values, time orientation, and national culture (Steenkamp et al., 1999).

Innovativeness and National Culture

Hofstede (2001) examines several aspects of national culture. Individualistic societies tend to have loose ties between individuals. They are more willing to initiate new behaviors, less tradition bound, and exhibit higher levels of innovativeness than collectivists, who tend to be more conformity and tradition oriented and exhibit lower levels of innovativeness (Hofstede, 2001, Steenkamp et al., 1999). Uncertainty avoidant cultures are willing to take risks and innovative, while masculine cultures emphasize success, achievement, and wealth.

Examining Hofstede’s (2001) ratings of the US and India on these three dimensions reveals that the US is a highly individualistic nation, while India is a collectivist nation. Both are masculine societies; and both are low in uncertainty avoidance. Thus, both societies should exhibit some degree of innovativeness, because both societies are willing to take risks and place a high importance on success, which are associated with innovativeness (Steenkamp et al., 1999). Differences in individualism across these nations, however, should result in a higher degree of innovativeness among American than Indian respondents.

H1: American respondents should exhibit a higher level of innovativeness than Indian respondents.

Time Orientation

Time perspective is defined as “the totality of the individuals’ views of his psychological future and psychological past existing at a given point of time” (Lewin 1951, p 75). All consumers have some conceptions of the past, the present and future but differ in terms of their emphasis each. Time perspective impacts how consumers think, act and behave (Bergadaa 1990, Gonzalez and Zimbardo, 1985), and influences values, behavior and emotions.

Zimbardo and Boyd (1999) stated that people, in general, can have three types of time perspectives. Each of these time perspectives differ from the others on various parameters like attitude to life, priorities, risk taking ability and confidence. The three time perspectives are: (1) Past Orientation - where individuals have warm and pleasant memories of the past, are prone to nostalgia, and seek comfort in the pleasant memories of the past (Zimbardo and Boyd, 1999). (2) Present Orientation where individuals live for the moment (Zimbardo et al., 1997), focus on enjoying the present; tend to be impulsive (Lennings and Burns, 1998) and risk taking (Zimbardo et al., 1997); and are oriented toward short term goals (Murrell and Mingrone,

1994). (3) Future Orientation where people live for the future, organize, evaluate and guide their actions based on future potential gains and losses (Strathman et al., 1994) and are less impulsive (Lennings and Burns, 1998) and risk taking (Zimbardo et al., 1997) than present oriented individuals.

These orientations should impact consumer innovativeness (Karande, Merchant and Siva Kumar, 2011). Past orientation reflects a warm, sentimental attitude toward the past (Zimbardo and Boyd, 1999). People who are more positive towards the past show a stronger preference for products of the past than consumers who are less nostalgic, because established ways of doing things provide a comfort zone to these individuals, making them hesitant to try new things. Thus, we hypothesize that:

H2: There is a negative relationship between past orientation and consumer innovativeness

Present orientation reflects a hedonistic, risk-taking, "devil may care attitude" toward time and life (Zimbardo and Boyd, 1999). Present oriented individuals live for the moment (Zimbardo et al., 1997), are not too concerned about how life was in the past or might be in the future, seek immediate gratification (Hodgins and Engel, 2002), and should be prone to try new things. Hence, we propose that:

H3: There is a positive relationship between present orientation and consumer innovativeness

People that are future oriented live for the future. They organize and evaluate their actions based on potential future outcomes (Strathman et al., 1994), are less prone to act impulsively, and are willing to compromise current pleasure seeking for future gains (Lennings and Burns, 1998). Thus, we propose that future oriented individuals will be cautious and less prone to try new things, resulting in the following hypothesis:

H4: There is a negative relationship between future orientation and consumer innovativeness.

RESEARCH METHODS

Data were collected from undergraduate business students in the USA and India. The questionnaire was initially pre-tested with 15 students in each country, to check if the statements were clear. After no major problems were detected, the final sample was collected from 254 respondents in the US and 230 respondents in India.

Consumer innovativeness was measured using the 5-item scale developed by Baumgartner and Steenkamp (1996). Time orientation was operationalized using items from the Zimbardo's Time Perspective Inventory (ZPTI) (Zimbardo and Boyd, 1999). Past orientation was measured using 5-items; present orientation was measured using 7-items; and future orientation was measured using 9-items. Cronbach's alphas were calculated for each of the constructs, and the measures showed acceptable reliability ($\alpha_{\text{Consumer innovativeness}} = .77$, $\alpha_{\text{Past orientation}} = .75$, $\alpha_{\text{Present orientation}} = .79$, $\alpha_{\text{Future orientation}} = .76$).

RESULTS

H1, which predicted that US respondents will exhibit higher levels of innovativeness than Indian respondents, was supported (Means: US = 3.50, India = 3.24, $F = 12.1$, $p < .001$). Although we did not hypothesize differences across time orientations because of parsimony, length considerations, and the homogeneity of our samples (both samples contained undergraduate business majors, implying a degree of similarity in lifestage, training, and career aspirations); we examined mean differences on time orientation and found that US respondents exhibited higher levels of future (Means: US = 3.57, India = 3.42, $F = 9.3$, $p < .01$) and past orientation (Means: US = 3.64, India = 3.51, $F = 6.7$, $p < .01$) than Indian respondents, while no significant difference was found in present orientation across nations (Means: US = 3.35, India = 3.43, $F = 2.8$, $p > .05$).

Hypotheses 2- 4 were examined using a structural equations model ran with AMOS 16. The SEM model showed that the model had acceptable fit (Chi Square 1004 [594 df], GFI = 0.86, AGFI = 0.84, RMR=0.081, RMSEA = 0.038). H2 posits that there is a negative relationship between past orientation and consumer innovativeness. This hypothesis was supported ($\beta_{\text{Past}} = -0.18$, $t=-2.03$, $p<0.05$). H3 hypothesizes a positive relationship between present orientation and consumer innovativeness. This hypothesis was not supported ($\beta_{\text{Present}} = 0.13$, $t=0.18$, n.s.). Lastly, we proposed that there is a negative relationship between future orientation and consumer innovativeness, H4, which was supported ($\beta_{\text{Future}} = -0.21$, $t=2.59$, $p<0.05$).

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PRACTICE

The extant literature had not examined the impact of time orientation (past, present and future) on consumer innovativeness. This study fills this gap in the literature. The results indicate that past orientation and future orientation have a significant relationship with consumer innovativeness. Our research builds on the conceptual work of Karande, Merchant and Siva Kumar (2011), and empirically demonstrates that time orientation is a critical influencer of consumer innovativeness.

American respondents exhibited higher levels of innovation than Indian respondents, which is consistent with the willingness of individualists to initiate new behaviors (Steenkamp et al., 1999). American business students were also more future and past oriented than their Indian counterparts. The finding for past orientation may be related to the potential for alienation and loneliness within individualistic cultures, which are antecedents to nostalgia (Merchant, Ford, and Rose, 2011). The higher level of future orientation in the US may be related to the importance of planning in an individualistic culture, where individuals actively attempt to shape outcomes and must rely on themselves (Hofstede, 2001).

The three time orientations impacted innovation similarly in each nation, suggesting at least some degree of generalizability to the model examined. Past and future orientation inhibited innovation, while a positive but non-significant relationship was found for present orientation in both nations. Marketers can use time orientation as a variable to segment and target their consumers, particularly as more is known about the characteristics of people with high scores on each time orientation.

This study has several limitations. We sampled a relatively homogenous group of undergraduate business students in each nation, which provides a matched sample but suggests caution in generalizability. Our study also did not address product specific consumer innovativeness. In the future, the effect of time orientation on consumer innovativeness for different types of products (e.g., convenience, shopping, specialty and unsought goods) should be studied. Future research should also investigate the role of demographic and psychographic variables in moderating these relationships.

References Available Upon Request.

UNDERSTANDING THE ROLE OF EMOTION IN SELF-SERVICE TECHNOLOGY ADOPTION: A STRUCTURED ABSTRACT

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INTRODUCTION

Recent advances in technology have given organizations the opportunity to provide self-service through the medium of technology, and accordingly, the provision of these technology-based services has increased in the last decade (Holman & Buzek, 2007; Lee et al., 2010). Providing consumers with the opportunity for self-service allows organizations to reduce the number of staff members needed to provide a service to customers (Meuter et al., 2000). This allows organizations to speed up a service while maintaining costs, or to maintain speed while reducing costs. Importantly though, when providing these self-service options, organizations must ensure that standards of service are maintained in order to benefit from the reduction in staffing. This generates a requirement that organizations understand why consumers try, and continue to use, self-service technology. While the trial aspects of self-service technology are well represented in research (Curran, Meuter & Surprenant, 2003; Meuter et al., 2005), the process of adoption is represented less so. Central to technology adoption literature is the technology acceptance model (TAM) (Davis, 1989), and it has been applied to cover employee (Davis, 1989; Venkatesh & Davis, 2000), customer facing (Lin, Shih & Sher, 2007; Wang & Butler, 2007), and self-service (Alhudaithy & Kitchen, 2009; Pikkariainen, et al., 2004) technology adoption; however, it has been suggested that improvements can be made to increase the relevance of the model for modern scenarios (Bagozzi, 2007). Specifically, while the cognitive antecedents of technology adoption are well covered, the role of emotion in the process is somewhat underrepresented, or simplified. Accordingly, in development of past methodologies, the current study aims to investigate the role of emotion in adoption, providing a more thorough representation of the self-service technology adoption process.

BACKGROUND

Technology adoption refers to the likelihood that an individual will continue to use a technology after a trial phase. Technology adoption theory expresses a direct relationship between attitudes, intentions, and actions, based upon the theory of planned behavior (TPB) (Ajzen, 1985). In development of the TPB, Davis (1989) states that the process which leads to technology adoption is said to have two main antecedents; perceived ease of use (PEOU), and perceived usefulness (PU). Davis (1989), using the TAM model, demonstrates these antecedents to have a direct impact on adoption behavior for employee use, using relatively few variables to achieve a high predictive power. While the model adequately represents the process of adoption for employees, consumer based adoption differs from employee based adoption (Wang & Butler, 2007).

Consumers are said to have more choice, and less technical training than employees who use work related technologies (Wang & Butler, 2007), resulting in a different, and more complex, process of adoption compared to adoption within organizations. Accordingly, the model has been developed to more accurately represent these customer-based scenarios, and a number of successful applications have provided more predictive power through greater complexity (Alhudaithy & Kitchen, 2009; Lin, Shih & Sher, 2007; Pikkariainen, et al., 2004; Wang & Butler, 2007). Wang and Butler (2007) specifically, integrate technological competency to conclude that an interaction between mandatory use and technological competency influences technology adoption. While these results have improved the ability of TAM to predict adoption behavior, it can be argued that as the general population receives more experience with technology on a day-to-day basis, that this effect is degraded, and less relevant (Lee et al., 2010).

Considering further development of the TAM model for use in new contexts, Bagozzi (2007) comments that in addition to the existing cognitive aspects of the adoption process, the emotional aspects should also be examined. Similarly, when referring specifically to services, Hirschman & Holbrook (1984), and more recently Schmitt (1999), comment that the affective elements of the consumptive experience are somewhat underrepresented in marketing literature. Emotion has been successfully integrated the TAM model (Kulviwat et al., 2007; Nasco et al., 2008), however; the degree of complexity with which emotion has been conceptualized is limited. For example, a model that only differentiates between positive and negative affect wouldn't necessarily deal with the different behavioral consequences that would result from fearful or angry customers. Accordingly, this study aims to explore the emotions experienced by consumers in the self-service technology context, and apply these to a more comprehensive model of self-service technology adoption.

METHODOLOGY

The study aims to explore the different emotions experienced, and to measure these emotional aspects along with the cognitive and behavioral elements already included in the TAM model. Accordingly, the study uses a questionnaire, which uses questions to measure emotion, and questions adapted from the TAM model to measure cognitive and behavioral factors. Factor analysis is used to categorize the groupings of individual emotions into emotion clusters. Furthermore, the study uses linear regression to examine the relationships present between emotion and behavioral intention in the self-service technology context.

A quantitative questionnaire is used to examine both the degree to which particular emotions are experienced during the use of self-service technology, and to examine the relationships between these variables and the cognitive and behavioral aspects of the adoption process. A bank of questions is adapted from Laros et al. (2005) taxonomy of consumer emotions, which allow individual emotions to be expressed as clusters of emotion, such as anger being expressed by high responses to irritation, frustration, anger, and discontentment. In addition, a set of statements referring to the ease of use, usefulness, and likelihood of reusing the self-service technology are adapted from Davis's (1989) model of technology acceptance, to assess the cognitive and behavioral elements of the model. Participants are asked to think back to a particular recent use of self-service technology, and to respond to the questions in the questionnaire accordingly. A list of examples of self-service technologies was provided, including self-scan checkouts, online banking, and online shopping. The participants are asked what emotions they felt during the recent encounter with self-service technology that they recalled.

A process of peer review is used to examine the content validity of the variables, and the construct validity is examined using a factor analysis. In order to test the hypotheses presented, a Linear Regression is used to compare the independent variables (Emotion, PU, PEOU) with the dependent variable (behavioral intention to adopt self-service technology).

RESULTS AND DISCUSSION

During collection, 200 questionnaires were completed, however due to incomplete or incorrectly filled out forms, data collection was extended to provide a sample of $n=200$, achieving this after administering around 220 questionnaires. Participants were 60% male and 40% female, and mostly participants were young, 60.5% being 16-24, 25% being 25-34, 7% being 35-44, 3.5% being 45-54, 1.5% being 55-64, 1.5% being over 65, and 0.5% declining to respond.

Where the selected emotion scales have been used in past research (Laros & Steenkamp, 2003; Richins et al. 1997), factor analysis has been used to extract meaningful patterns in the data, and to produce the emotion clusters. In the current study, this is repeated using varimax rotation, to provide a comparison to the source of the scales used. The technology readiness index (TRI) (Parasuraman, 2000), adapted to a 10-item scale (Colby & Parasuraman, 2003), unfortunately the TRI, in contradiction to much past research, lacked reliability in the 10-item format, and so has been omitted from results.

Table 1 shows the factor loadings for the individual emotion items, providing a 4-factor solution. Firstly, a 5-factor solution was obtained using eigenvalues greater than 1, however, after examining the scree plots, the fifth factor (containing only 'contented') was removed in favor of a 4-factor solution. The cut off point for inclusion in the linear regression is $\leq .6$, which retains at least 4 items in each factor, while maintaining construct validity. Along with low scoring items, the items removed from below the cut off point also express emotions, which hold low face validity with the rest of the group ('hostile', 'helpless', 'hopeful', 'astonished'). This provides a scale with four factors; factor 1 refers to 'happiness', factor 2 refers to 'fear', factor 3 refers to 'anger' and factor 4 refers to 'sadness'. These interpretations are based on the shared categories that can be seen in past literature (Izard, 2007; Plutchik, 1980; Richins et al. 1997), and cluster headings were based on the most reasonable fit based on this research, and on those factors with the highest loadings. In addition to the factor analysis for the emotion items, a factor analysis for the TAM variables shows as expected that they conform to the factors outlined in Davis (1989) from which they were taken.

Table 2 shows significant relationships between the emotion scale and behavioral intention, and between the TAM factors and behavioral intention. The table shows strong correlations between PEOU and BI, PU and BI, and happiness and BI, and a significant correlation between sadness and BI.

Table 1. Factor analysis for emotion scale using varimax rotation

	Factor 1	Factor 2	Factor 3	Factor 4
Joyful	.834			
Happy	.817			
Enthusiastic	.809			
Optimistic	.757			
Pleased	.747			
Peaceful	.736			
Fulfilled	.709			
Encouraged	.684			
Thrilled	.648			
Contented	.556			
Hostile	.552			
Relieved	.552			
Amazed	.500			
Nervous		.778		
Panicky		.752		
Scared		.707		
Worried		.702		
Afraid		.679		
Tense		.619		
Irritated			.801	
Frustrated			.780	
Angry			.774	
Discontented			.670	
Disappointed			.641	
Helpless		.548	.551	
Hopeful			.506	
Miserable				.776
Gloomy				.670
Low				.668
Depressed				.610
Astonished				.581
Regretful				.569
Unfulfilled				.556

Table 2. Linear regression showing relationships with behavioral intention

Variables	B	SE	Beta	t	Sig.
PU	.54	.08	.44	6.57	.000
PEOU	.29	.09	.20	3.15	.002
Happiness	.23	.07	.20	3.11	.002
Sadness	-.26	.12	-.20	-2.11	.036
Anger	.09	.08	.09	1.16	.319
Fear	-.07	.12	-.05	-0.61	.248
Constant	2.21	.48		4.65	.543
Multiple R	.64				
R ²	.41				
Adjusted R ²	.39				
Standard error	.801				

F(6,181) = 21.00, *p* < .001

The findings from this study highlight the importance of particular emotions in the process of self-service technology adoption. The factors that express the emotions experienced by users of technology outline which emotions are experienced during use, and the regression analysis shows where these emotions have relationships with behavioral intention to adopt self-service technology. While in themselves they don't provide evidence of any cause and effect relationships, they can be used as the basis for future research in this area.

When used in the TAM model in the past, PEOU and PU present as strong antecedents of behavioral intention to adopt self-service technology, a result that is repeated in the current study. Interestingly, 'happiness' holds a similar statistical relationship as PEOU to behavioral intention to adopt. 'Sadness' also showed a significant relationship with intention to adopt, although surprisingly, 'anger' and 'fear', strong emotions which produce powerful aversive reactions in people, didn't produce significant relationships with behavioral intention to adopt.

A possible explanation for the stronger emotions not displaying significant relationships with behavioral intention might be due to the time that had passed since individuals had experienced the emotions that they were reporting. Emotional experience was quite low for 'happiness' (M = 2.10, SD = 0.89), 'sadness' (M = 1.42, SD = 0.77), 'anger' (M = 2.05, SD = 0.94) and 'fear' (M = 1.56, SD = 0.75), and this could be due to the questionnaire occurring at a different time to when the emotions were first experienced.

Where past studies provide positive and negative affect as developments of TAM, the current study aims to develop a more detailed explanation. While significant relationships are only shown for 'happiness', a positive emotion, and 'sadness' a negative emotion, this does not undermine the original aim of the study. Importantly, if the results gained regarding anger and fear are replicated in other methodologies, it provides very strong support that these particular emotions are possibly factors of an experience that individuals can learn to cope with. Outlining these individual emotions, as opposed to simply separating positive and negative affect, provides this benefit.

In development of the current study, the results provide strong support that emotions are involved in the process of self-service technology adoption. Moving forward, the study provides support for more thorough examination of the process, using an experimental paradigm, where emotions are experienced during testing, and cause and effect relationships can be examined.

References available on request.

Session 10.1. Organizational Behavior - Internal and External Factors

Session Chair: Ivan Snehota, Università della Svizzera Italiana, Switzerland

Understanding Sustainability DNA: An Exploration into the DNA of the top 100 Sustainable Companies

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Evan Campbell, Boston College, USA

Does FLSE Perceive Organizational IMO Impact on their Customer Oriented Behavior?

Ahmed Ferdous, Deakin University, Australia

Michael Polonsky, Deakin University, Australia

Nonprofit Marketing: A European Perspective on Donations and Religiousness

Madalena Abreu, Polytechnic Institute of Coimbra, Portugal



UNDERSTANDING SUSTAINABILITY DNA: AN EXPLORATION INTO THE DNA OF THE TOP 100 SUSTAINABLE COMPANIES

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ABSTRACT

Metaphorically, a company's tendency toward sustainability is a result of its DNA. That is, there are properties that trigger or shape sustainability activities within the organization. The company DNA holds the deeply rooted set of values and beliefs that provide behavioral norms that trigger or shape sustainability activities. Crittenden et al. (2011) identified three properties within a company's sustainability DNA: core ideology, dynamic capabilities, and societal engagement. Collins and Porras (1996) proclaimed that a company's core ideology was the glue that held the company together—the enduring character of the organization. Trice and Beyer (1993, p. 33) defined organizational ideology as the “shared, relatively coherent interrelated sets of emotionally charged beliefs, values and norms that bind some people together and help them make sense of their worlds.” Since the core ideology does not change continually, the company's sustainability efforts must fit clearly within the domain of the company's purpose and values. Thus, according to Crittenden et al. (2011), the company's core ideology is exemplified by its mission and shared values. Day (1994) refers to organizational capabilities as complex bundles that are deeply embedded in organizational routines. Schreyögg and Kliesch-Eberl (2007) refer to these organizational capabilities as dynamic capabilities which are complex processes across an organization that can be built in different fields and at different levels of organizational activity. As such, Crittenden et al. (2011) propose that sustainable products are more likely to come from companies purporting to be integrated cross-functionally and that value collaboration internally and externally. Societal engagement involves the proactive development of strategies that benefit stakeholders and the organization. The supposition is that a firm's DNA has an embedded awareness of both societal issues and opportunities to create societal benefits as organizational resources are deployed for competitive advantage.

Given this initial exploration into the sustainability DNA, the decision was made to focus on companies that have a strong sustainability reputation. Corporate Knights (2012), a Toronto-based media, research, and financial products corporation, along with three partners, identify the 100 most sustainable companies in the world on an annual basis. This Global 100 has been released for 2012, and companies on this list are used for the data set in the current research. Thus, the websites for the 100 companies on the list were examined with the following content search guiding the exploration:

- Company mission, core values (i.e., core ideology DNA property)
- Cross-functional integration and supply chain collaboration in general or related to sustainability (i.e., dynamic capabilities DNA property)
- Community efforts and philanthropy (i.e., societal engagement DNA property)

The Global 100 companies are ranked from one to 100 via a rigorous sustainability assessment. In addition to pursuing the identification of individual companies' sustainability DNA, the current research includes a country-by-country evaluation.

As noted in previous research, there is the need to understand *why* companies engage in sustainability. Crittenden et al. (2011) provided a theoretical framework for beginning to understand the underpinnings – the *why* – that companies do what they do. By offering the DNA construct and suggesting organizational properties of this construct, these authors provided an impetus for research into the *why*. However, there is a need to better understand the composition of the DNA properties before attempting to delineate testable variables. As such, this qualitative research project enables extensive exploration of sustainable companies' DNA. This review of the DNA properties will offer insight as to similarities/dissimilarities of DNA within a known group of sustainable organizations. If the content analytic method of websites appears to be a fruitful avenue, then the next step would be to identify a set of successful companies that are not on the Global 100 listing and compare their DNA properties to that found in this stage of the research.

References available upon request

DOES FLSE PERCEIVE ORGANIZATIONAL IMO IMPACT ON THEIR CUSTOMER ORIENTED BEHAVIOR?

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ABSTRACT

Frontline Service employees (FLSEs) are responsible for the effective delivery of services and thus are critical in determining how customers evaluate organizations. Given their focal role in the exchange process it is essential that marketing strategies and programs targeting FLSEs, ensure they (the FLSEs) deliver on organization's marketing programs and objectives. To achieve employee engagement with strategic actions, organizations develop internal marketing orientation (IMO) as a broad strategic approach which is designed to systematically understand and respond to employees' needs by delivering the right 'job' product. This is analogous to traditional market orientation (MO), where firms gather external information and then respond to external customers' needs. From the perspective of Internal Marketing (IM), it has been argued that even though management may craft the most carefully developed organizational internal market orientation (IMO), the successful implementation of these programs are contingent on how FLSE's respond to IMO as a general concept. It is therefore vital for management to develop IMO at the organizational level (i.e. organizational IMO) that is viewed positively by employees. However, to date FLSEs' perceptions of organizational IMO have been under-researched, which is somewhat surprising, even though some studies exist, given that it is FLSEs who determine whether IMO implementation succeed or fail. To address this gap, this paper develops and tests a conceptual model investigating if FLSE perception of organizational IMO impact on their job satisfaction (JS) and organizational identification (OI) and whether these in turn impacts on their customer oriented behaviors (COB) which is the ultimate focus of implementing IMO targeting FLSEs.

The hypotheses were tested using a sample of 295 frontline salespeople working for a large Bangladeshi general insurance company, using the bootstrapping bias corrected 95% confidence interval procedure in SEM using AMOS 20. The paper also uses the phantom-model approach to calculate specific indirect (i.e., mediated) effects of perception of organizational IMO on COB via JS and OI. The findings of this paper suggest that FLSE's perception of organizational IMO impact on their COB via JS and OI. This would mean that firms should foster both FLSE's OI as well JS as both are equally important for positively mediating the impact of perception of organizational IMO on FLSE's COB i.e. achieve broader organizational actions designed to improve customer outcomes.

References available upon request

NONPROFIT MARKETING: A EUROPEAN PERSPECTIVE ON DONATIONS AND RELIGIOUSNESS

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ABSTRACT

This study argues that an individual's religiousness influences his donation practices in multiple and complex ways. Data analysis was carried out under the grounded theory approach, and a series of 34 semi-structured, exploratory interviews were conducted in two European countries with religious different traditions, Portugal and England. The findings support that religiousness is an underlying variable that partly determinates donation practices. Nevertheless, donors state this influence is sometimes present because of background, education, or on other occasions due to personal and intimate reasons. Likewise, there is considerable overlap between such motives for giving behavior between religious and secular donors, and a readiness to give to either religious or secular charities. The interviews and subsequent codifications confirm that different motives, prosocial behavior and the role of religion are closely linked.

INTRODUCTION

Nowadays, there exists a non-market exchange in societies and, consequently, an important not-for-profit sector. Moreover, globally, more people are interested in making donations to charities but, nonetheless, the competition has increased fiercely. As a consequence, this sector has turned to marketing to increase income from donations; in other words, the not-for-profit sector is increasingly developing its competences and operations in fundraising. Fundraising research has grown into a separate theoretical branch of the marketing discipline. However, it is necessarily complex, dealing with a huge variety of situations that call for research derived from a variety of theoretical psychological bases (Bendapudi, Singh, & Bendapudi, 1996; Bennett & Sargeant, 2003; Burnett & Wood, 1988; Guy & Patton, 1989; Sargeant & Woodliffe, 2007; Webb, Green, & Brashear, 2000).

Religious organizations are ordinarily regarded as being part of the not-for-profit sector (Anheier, 2005), and they have been facing growing challenges in generating donations. Most of the funds for these organizations come through private donations, apart from state and foundation subsidies, and corporate philanthropy (Ebaugh, Chafetz, & Pipes, 2005). Religions organizations are finding it more difficult to draw private donations due to a number of factors, such as decline in church attendance, a wider range of choice for potential donors, diminishing public support for church sponsored activities and increased competition for donations, along with a complexity in managing these sources of revenues. Additionally, there is an enormous body of literature available within the not-for-profit sector with religious organizations as a field of enquiry. Nevertheless, the pattern between donations practices and religion remains complex and controversial, and religiousness remains uncertain requiring further thought and research (Bekkers & Wiepking, 2010; Ji, Pendergraft, & Perry, 2006)

The topic of this paper concerns the differences of donors with respect to their donation practices in the context of religious and secular organizations, regarding their religiousness, motivation, and prosocial behavior, as well.

To accomplish this purpose, it was used a grounded theory approach, i.e. a continual process involving the generation and refinement of a model of the motives underlying donations to religious and secular organizations. This question was based on a total of 34 semi-structured exploratory interviews, performed both in Portugal and in UK, in three phases between August 2007 and September 2008. These interviews shaped the development of conclusions.

The purpose of this paper is to help fundraisers address their donors in a more effective way while taking note of their religiousness behind their donations. Therefore, the purpose of this study lies in uncovering the larger truths about donors in general, their giving and motivations. A better understanding of these areas should lead to more effective and efficient fundraising practices.

THEORETICAL FRAMEWORK

Presently, there is a range of literature coming from disciplines such as marketing (Bekkers & Theo, 2008; Bennett & Sargeant, 2003: 348; Brady, Brace-Govan, Brennan, & Conduit, 2011; Brown, 1985; Guy & Patton, 1989; Pitt, Keating, Bruwer, Murgolo-Poore, & Bussy, 2001; Webb et al., 2000), economics, psychology, sociology and anthropology, which has helped practitioners and not-for-profit organizations in their fundraising activities and management (Bennett & Sargeant,

2003). Moreover, the literature is vast and addresses various constructs relating to donation behavior. Donation can be considered part of a very large set of behaviors that benefit another, i.e. part of the broader area of prosocial behavior. Nevertheless, the topic of donation is an enduring challenge for charities but in the opinion of some authors, relatively little is known about donor attitudes and behavior (Kaufman, 1991; Ranganathan & Henley, 2008; Sojka, 1986; Webb et al., 2000), presenting opportunities for further research (Bennett & Sargeant, 2003). Studies concerning donations to religious organizations are particularly scarce, obviating the necessity of continued research in this area.

Drivers for donations

As one might expect, the drivers that motivate people to donate have gained intensive attention, not only by the academia, but from professionals in the area of fundraising. Surprisingly, motivations for donation are more complex than they appear on the surface and increasing attention is being paid to all donation related activities including helping behavior and philanthropy, both academically and practically. These phenomena have also been under academic scrutiny in the so-called domain of prosocial behavior. In turn, one of the most debated topics has been altruistic motivation.

Religiousness as a driver

Indeed the religiousness of the donor is considered to be a strong driver for prosocial behavior and donation practices. But what does the term “religiousness” of a person mean? Basically, religiousness refers to the personal practice of religion (Singhapakdi, Marta, Rallapalli, & Rao, 2000). And one of the most commonly used ways for measuring this dimension has been “religiosity.” Other ways of describing the religiousness of the donor also accommodate a “demographic” evolution as being essential, as differences in age and income and where a donor lives. And, so, religious affiliation designates the adherence of individuals to a particular religious group. Moreover, religious affiliation doesn’t imply that the subject shows high or low religiosity, even if part of the measurement of religiosity is on a self-chosen evaluative scale describing their religious practice.

The popular view that religiosity increases the charitable behavior of people has not been fully accepted (Batson, 1976; Batson & Flory, 1990; Batson et al., 1989; Chang-Ho, Lori, & Pery, 2006; Reistma, Scheepers, & Te Grotenhuis, 2006; Shariff & Norenzayan, 2007). Even though, the Saroglou et al. (2004) enquiry into this impact of religion is not limited to low-cost prosocial actions, or some conjecture it is possibly limited to the context of interpersonal relations with significant others. The connection between religiosity and prosocial behavior is rather complex and varies across individuals and situations, and religion regarded as a form of social capital means that it provides opportunities for helping (Carlo, Okun, Knight, & Deguzman, 2005). On this topic, there are indeed some studies that hypothesize that churchgoers give more just because they are asked more frequently. Notably, Spilka et al. (2003) have found that it is difficult to separate the religious givers from the non-religious when their giving is not solely in a religious context; hence there is little evidence that religious people give more than less religious people. Nevertheless, it has been observed that religious givers are more generous than nonreligious givers when giving to church-based institutions (Chaves & Miller, 1999; Eckel & Grossman, 2004; Smith, 2006). So, to sum up, little is known about how religious donors and secular donors are similar or different with respect to their donation practices, motivation, prosocial behavior, and religiosity. Moreover, the situation is unclear when the donation is directed either to a religious organization or a secular one.

METHODOLOGY

Grounded theory was chosen as it seemed the most appropriate method to uncover these sets of possible motives, values and beliefs behind donations, and within a religious framework. Briefly, the reasons for choosing this method were the doubts about the best method and path to follow, the need for an interpretative method, and also the possible bias when using American scales, and also the lack of data in Portugal.

Grounded theory

Grounded theory has been gaining increasingly attention from marketing researchers (Goulding, 2001) for being most appropriate when complex social phenomena are being studied (Corbin & Strauss, 1990), as the case here. One may apply this methodology as one that offers the possibility for the analysis of the actual production and concepts use by social actors in real settings (Suddaby, 2006) that is, to uncover how social actors respond to changing conditions (Corbin & Strauss,

1990). Nevertheless, one should be aware of among the business research qualitative studies, its academic applicability is still disputed (Pauwels & Matthyssens, 2003), because of perceived lack of methodological rigor and methodological vagueness.

Grounded theory is a methodology for building theory that is based on gathering and analyzing data in a systematic way (Charmaz, 2000). It seeks themes and categories and generates theory from data analysis (Finch, 2002), so does not have an external a priori structure of analysis. (Baker, 2002).

The principles of grounded theory which served as a guide during the process of data collection and analysis were:

- (1) Generation of low level categories, to make sense of the relevant features of the data corpus.
- (2) Definitions and linkages between the categories at the different levels of abstraction.
- (3) Comparisons between interviews and categories, in order to explore the complexities of a criterion domain.
- (4) Theoretical sampling of interviews, to seek data to support or disconfirm the emergent conceptual framework or theory.

The different stages in grounded theory were not strictly sequential. Moreover, all the different phases of the grounded theory, including the constant comparison and analysis, were followed both by the researcher and by an independent evaluator. This process led to originating coding strategies: the concepts were first provisional, then clustered into descriptive categories, and then re-evaluated. Afterwards they were compared to new incidents appearing to belong to the same category, producing higher order categories, and finally suggesting an emergent theory (Corbin, 1999).

The process and findings

The field research, a total of 34 interviews, was performed both in Portugal and in UK, in three phases between August 2007 and September 2008. The criterion to identify the participants was twofold: eventual donors and charities staff. The group of donors had three main targets: (1) church goers, (2) non church goers but religious, and (3) non religious. The charities followed the classification used by the Johns Hopkins Project (Salamon & Anheier, 1997). Because of convenience criteria, the characteristics identified as appropriate for groups of participants, and to ascertain that the sample included both religious and non church goers, the choices were the following: for the group of donors, respondents came from: attendees of the Fátima Festival during the month of August, Portugal; for secular organizations: University of the West of England (UWE), Bristol, UK; London College of Communication (LCC), University of the Arts of London, UK; for the group of charities the respondents were from: religious organizations like ACN UK, Caritas from Portugal, and Colégio da Imaculada Conceição, Jesuits run private high school in Portugal. Moreover, the literature review originated the first questions for the interviews.

The interviews were previously arranged. All the interviews were recorded after permission from the interviewees as a guarantee of reliability. Also the semi-structured interview was followed by the researcher and by the independent evaluator. Transcripts were made of these interviews, in English, and then coded to assess the viability of the initial first round coding system. As in the rest of the work, the coding of all transcripts was undertaken by an independent evaluator.

The first set of concept driven categories for the coding of discourse from the framework and sets of variables delineated by Sargeant and Woodlife (2007): Individual characteristics, External influences, Perceptual Reaction, Processing determinants, Motives, and Outputs. Secondly, these concepts were compared to other author's models or descriptions and adding three variables: 'the Self and the Other', 'values/beliefs', and 'empowerment'.

As in the Straussian grounded theory approach (Corbin & Strauss, 1990), there was a set of provisional hypothesis) from the literature review to establish the first steps for enquiry around the question of donations and religion:

- The empowerment for a religious person may be associated with a sense of the infinite.
- The empowerment for a secular person may be finite.
- For secular donors, 'The Other' means both the external world and other people.
- For religious donors, 'The Other' is the relationships of the individual, in his or her perception, to God.
- There are multiple factors in motivation which may vary both between individuals and groups (e.g. secular and religious) and at varying levels of consciousness (multiplicity of the self).
- 'The Other' empowers the donor to give the donation. Also the output is empowering to the 'self', e.g., the donor. The empowerment is both psychological and real (Offer, 1997).
- The intrinsic and extrinsic religious orientation (Allport & Ross, 1967) may not apply worldwide.

- The donor motives are influenced by the culture of giving he belongs to (Clary & Snyder, 1995b; Gaudiani, 2002) which relates also to the habitus in which the individual has come to be, with different voluntaristic, normative and practical logics (Bourdieu, 1977, 1984, 1990, 1998).
- Religious giving behavior may have the same motives as secular giving behavior.

On a concept driven basis from other reading on moral philosophy, philosophy of cognition and the philosophy of psychology, and confirmed on a data driven basis from the initial research interviews, four further categories were added for the coding of interview discourse, including: Social/distributive justice, Empathy/sympathy, Benevolence, Efficacy/ empowerment.

Throughout the literature analysed there were other theoretical views and some ideas that have been proven to assist in the clarification of the several codifications used. Briefly, it could be said that one faces doubts and a lack of clarity when one seeks a deeper understanding of religious giving. The measures and scales don't seem to give a satisfactory answer to the deep motivational reasons as they are too limited within the scope of their analysis (Clain & Zech, 1999; Long & Settle, 1977; Payne, 1982; Smith, 2006; Spilka et al., 2003; Weaver & Agle, 2002) and may be biased by an American approach (Cohen, Hall, Koenig, & Meador, 2005; De Jong, Faulkner, & Warland, 1976), and may produce misleading results (Ford, Sargeant, & West, 2008). It is also acknowledged that the donor motivational reasons are influenced by the culture of giving he belongs to (Clary & Snyder, 1995a). To deepen research, this behavior was contextualized to the giving culture of the people participating in the study. To understand the motivations of donors, whether conscious or less so, it was essential to use a methodology that allows the researcher to avoid the traps of rigid notions and scales developed in addressing a reality that is quite complex (Weaver & Agle, 2002). As such, it was helpful to use psychology to better understand the motivations behind religious giving (Andreoni & Payne, 2003; Brown, 1985; Titmuss, 1973; Vergote, 1985).

Therefore, during the entire process of interview analysis, there was special attention to different issues. The different meanings-in-use of words that depend on the context they are used (Bud, 1993; Malcolm, 1958; Wittgenstein, 1980). The meanings, and 'sets-within-sets' of meaning (Matte Blanco, 1988), need to be grounded and contextualized in terms of the structure, culture and climate of an organization. Religious language is constituted by a number of different socio psychological levels (Bomford, 1999). Free-floating of thoughts, sometimes less than consciousness, which has been compared by psychoanalysts to Buddhist techniques of meditation (Bomford, 2006).

Further literature review both summarized some of the main views related to such issues and also seek to assess whether such research questions may be conceptually rigorous and also operable in terms of a grounded theory research methodology.

The researcher's guidance towards and initial reading within such literature suggested that the distinction between the Self and the Other, matched by the theory of cognition, disposition, values and beliefs in Hume (2006) and Smith (1976), provides a central conceptual framework which can inform and interrelate exhaustive but sometimes disparate taxonomies found in the literature on giving behavior. This is illustrated in [Figure 1](#), which represents the operational model of research, and is influenced by the conceptual framework of research and findings in the literature on giving behavior; or, in other words, it comes from the "Self and the Other" category and applied to the donations topic.

The ongoing codification and comparison between the researcher and the external evaluator, originated six different tables of codification. Also, some supplementary questions were added to the interview process, with open ended supplementary questions in order to deepen or widen responses to the initial questions. The order of the thematic content of the questions was reasons and motives, values, beliefs and convictions, then the "what" and "how" of the nature of giving, followed by questions relating to efficacy and empowerment. The questions were fewer in number since it initially was found that some questions were perceived as equivalents. I.e. there was the need of additional changing with the aim of gaining a more informed understanding of the relation between motives in giving behavior and the marketing and fundraising of charitable organizations. Thus, two more conceptual frameworks came out from the codification and additional literature review.

As the semi-structured exploratory interviews were analyzed by grounded theory, which is qualitative in nature, these data were evaluated using criteria of credibility, transferability, dependability and confirmability (Denzin & Lincoln, 2000):

Results

Through the process of coding and abstraction, it was possible to derive from the data a higher order of categories, and these core categories could offer an explanation of the themes under research. Moreover, the theory was only considered valid if

the research has reached the point of saturation. This was attained when no new evidence emerges from the data in this ongoing process. A core category can be defined as a summing up of different occurrences, it must explain a large proportion of behavior, based on reoccurrence in the data, and it must relate meaningfully to other categories (Goulding, 2001).

The vast codification, a total number of nine tables of codification used for three phases was all used separately by the researcher and by an independent evaluator. Then, both codifications were compared: in average the rate of accordance was 74%. The initial findings, drawn from applying grounded theory to the on-going process of carrying out the 33 exploratory interviews in Portugal and England between August 2007 and September 2008, indicate that:

- Values, beliefs, a sense of wellbeing from giving, related to a sense of empowerment and efficacy in contributing to outcomes may be the main dispositional drivers of the donation decision process and determine the nature of the motivation in giving.
- There is considerable overlap between such motives for giving behavior between religious and secular donors, and a readiness to give to either religious or secular charities. Much giving is habitual in the sense of Hume (2006), with a disposition to give regularly to a religious or secular charity influenced by religious or secular background (habitus).
- Regular giving is self motivated rather than influenced by group behaviour. Response to appeals is influenced by the nature of the phenomena to which they relate, and especially images from television rather than from radio. These may individually reinforce collective appeals and literature from churches or secular charities.

Also other hypotheses have been agreed like: Donors of a religious disposition may be more concerned with efficacy in the case of large scale events (phenomena) which have prompted them to make a non regular donation, than they are with regular donations. Older people and especially women may be more concerned with the afterlife than younger religious donors.

The last set of interviews comprised 12 interviews, both in Portugal (Jesuits College) and England (University of the Arts of London). The results of this codification are shown in [Table 1](#) (the results of this codification just mentioned the codes were there was agreement in the codification used between the researcher and the independent evaluator).

Having in mind the aims of this study, the main results are thus:

- The key motives in donation practices are efficacy, sense of well being and of proximity with the people being helped.
- Prosocial behavior is indeed an important driver for donation practices, whilst donate motivated by social/distributive justice, and empathy/sympathy/pity.
- Religion is a driver of donation practices being explicitly seen as the background of this behavior.
- There is a considerable overlap between motives for donation practices between religious and secular donors.
- Secular organizations are chosen along with the religious ones, but they are the favourite's ones for the non religious people.

Moreover, the interviews and subsequent codifications confirmed motivation, prosocial behavior and the role of religion is in a knot. And further on, the levels of the importance of religiousness in a person donations practices is multiple and complex: this influence is sometimes pointed out because of the background, because of education, or at personal and intimate level for some occasions. It can be also acknowledge that the conceptual model presented in the previous chapter is still up-to-date after this study.

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

This study supports the complexity regarding the relations between donation, motivation and religion.

Moreover this study makes contributions on an important topic but, as all studies, has limitations. The limitations of this study include mainly its sampling and its design method, addressing problems of internal and external validity. A third identified limitation can be attributed to its scope but, nevertheless, this constitutes lines for future research. On this issue, one has to ask the extent to which these results can be generalized to other cultures.

The results of this study also indicated that there is considerable overlap between motives for donation practices between religious and secular donors, and a readiness to give to either religious or secular charities. The secular donors remain sceptical while giving to religious charities and this highlights awareness of the similarities of motivations in religious and secular donors in their donation behavior. In addition, the interviews and subsequent codifications confirmed motivation, prosocial behavior and the role of religion are intricately tied together. Furthermore, the levels of the importance of

religiousness for an individual's donations practices are multiple and complex: this variable is believed to exert influence through a person's background, education, or on a more personal and intimate level in some situations. Even so, this study is an addition to the limited literature on religious and secular giving, and provided the researcher with additional insights on the subjects being held.

Investigation into the intricacies of fundraising has become even more crucial on account of the present economic crisis. The urgency to find new ways to address donors for different causes is now growing dramatically.

These findings are important to fundraising managers as this study demonstrates that religiously affiliated donors can be approached both by religious and secular organizations. In relation to the fact that religious donors are willing to help different types of organizations, we advise these organizations to strengthen their ties and efforts and work more in synergy: the network of religious organizations can be an important issue to be managed. Moreover, donors awareness about the efficacy of the charities, social justice and empathy, the sense of their well being and of the proximity with the people being helped, are important drivers for donation practices.

Table 1: Codification results from the last set of interviews

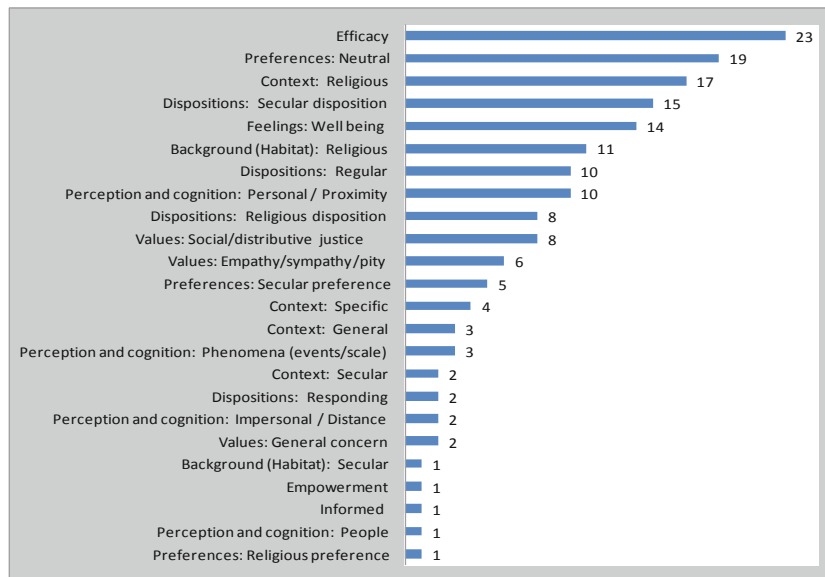
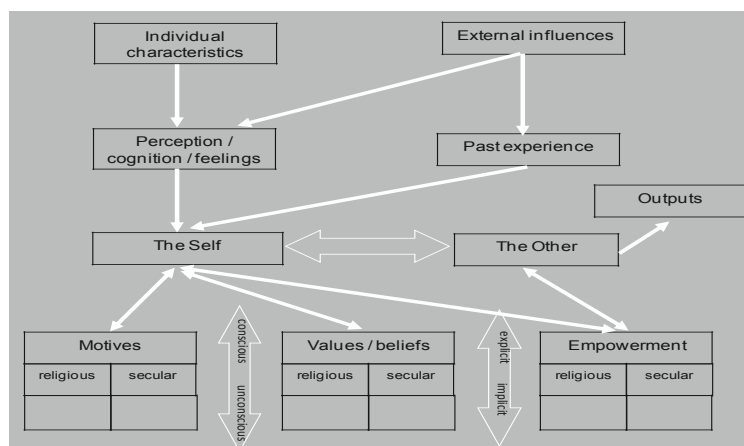


Figure 1: First conceptual framework- Central model for giving behaviour



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Session 10.2. Maximizing your Teaching Tools

Session Chair: Mimi Rickard, University of West Georgia, USA

Nugget Notes: A Simple Teaching Tool

Kirk Plangger, Simon Fraser University, Canada

Michael Parent, Simon Fraser University, Canada

Social Media Assessment for Marketing Students: The Klout Challenge

Todd Bacile, Florida State University, USA

When Second-Best Becomes the First-Best Option: The Education Dilemma

Mignon Reyneke, University of Cape Town, S.Africa

Yolanda Jordaan, University of Pretoria, S.Africa

Gene van Heerden, University of Pretoria, S.Africa

Andre Jordaan, University of Pretoria, S.Africa



NUGGET NOTES: A SIMPLE TEACHING TOOL

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ABSTRACT

Post-secondary instructors have many demands on their time, however student learning in their classes is one of their most important responsibly. We introduce Nugget Notes, a new teaching tool, that recognizes the time and effort demands felt by professors, busy markers, and of course overwhelmed students. With Nugget Notes being only 100 words, students are compelled to engage with course material, synthesize pertinent information, and apply that knowledge to a real life situation or problem. Student and instructor exploratory surveys support the primary learning goals of Nugget Notes.

References available upon request.

SOCIAL MEDIA ASSESSMENT FOR MARKETING STUDENTS: THE KLOUT CHALLENGE

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ABSTRACT

This paper discusses a class project created by the author titled: “The Klout Challenge”, which helps students gain engagement skills and the capacity to influence within social media. The Klout Challenge helps to fill the void of students failing to develop experience with social media tools for marketing application. This project uses an independent online metric available from Klout.com to assess students’ level of social media influence. The impact of this project stretches beyond the classroom, as some hiring firms are beginning to assess applicants’ Klout scores. Therefore, students who successfully put effort into this project are likely to appear more attractive as job applicants. Educators can use this paper’s five-step implementation plan to adapt this project into a marketing or advertising class.

A before and after analysis for one class that participated in this project revealed significantly higher Klout scores after participating. When the project began, most students were below an average Klout score of 20 ($M = 16.7$, $SD = 10.7$, $n = 46$). Upon project completion Klout scores were significantly higher ($p < .0001$, $M = 39.1$, $SD = 11.5$, $n = 44$). Students with higher Klout scores said they actively used the social media engagement strategies presented in class. There are two methods an instructor can use for grade assignment. The first grading calculation method is subjective, using the distribution of scores around the mean to assign a letter grade. This method is effective, as it challenges students to compete against one another for a higher score. However, some students prefer fixed grading thresholds known up front. Instructors who prefer to offer fixed grading cutoff points can elect to use a second grading method: take the final Klout score multiplied by 2.00 to arrive at the grade percentage.

References available upon request.

WHEN SECOND-BEST BECOMES THE FIRST-BEST OPTION: THE EDUCATION DILEMMA

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INTRODUCTION

Education is a public good that should be utilized to help build an educated workforce that can contribute to economic growth and prosperity. A relationship exists between industry, secondary and tertiary education as role players in contributing to an effective workforce. This relationship seems to be linear in nature and therefore, when an imbalance in any of these environments occurs it can potentially have an effect on the overall economic wellbeing of the specific country.

This paper explores the challenges currently experienced by marketing educators in the South African context. In an effort to address this challenge, the theory of the second-best will be introduced. This theory may provide insight into the complex and challenging role marketing educators are now required to fulfill. The paper starts by introducing an overview of the educational context in South Africa followed by a brief discussion on the second-best theory. Thereafter the role of marketing educators is described. An intervention is then proposed to address the current imperfection as prescribed by the theory of the second-best.

THE EDUCATIONAL DILEMMA

We turn our attention to the current educational dilemma within the context of South Africa and the possible causes thereof. Since post-apartheid 1994, the South African higher education system has expanded considerably, mainly due to restructuring through policies such as The National Plan for Higher Education (Ministry of Education, 2002). The growing student numbers and improved access to higher education, especially from previously disadvantaged students, were seen by the South African government as key to overcoming past injustices and producing high level skills to drive economic growth (Ministry of Education, 2002). The process of transformation of higher education in South Africa thus expected (and still expects) academic institutions to deliver the much-needed graduates for social and economic development, which is critical to the economy. However, the growth in the South African higher education environment has placed immense pressure on institutions. Currently, over 900 000 university students are studying at 23 different public higher education institutions across South Africa (MacGregor, 2012) and the South African government aims to achieve a participation rate in higher education of 23% which translates into 1.5 million enrolments by 2030 (MacGregor, 2012). These numbers are putting pressure on higher education institutions but an even greater concern, which is specifically addressed in this paper, is the effect of the Outcomes Based Education (OBE) secondary schooling system on tertiary institutions.

The South African government introduced OBE to the secondary schooling system in 1998 which is based on specific learning outcomes or skills rather than measuring inputs, allowing teachers the ability to develop their own teaching tools and materials (Bloch, 2010; Ngubeni, 2010). The OBE system relies on environments rich with books, libraries, laboratories and Internet connections. What was believed to be an ideal reform model (with successful adoption in the United States, Hong Kong and Australia), has failed to produce the necessary results in South Africa mainly due to a lack of resources in many schools (Ngubeni, 2010). The impact of the OBE system is evident in the statistics, revealing that more than five million learners have left school unable to read or write adequately (Masondo, Mahlangu & McLea, 2010).

Since 2009, tertiary institutions have been accepting the first OBE learners (who have completed their entire schooling, spread over 12 years in the OBE system). As anticipated, the OBE group showed poor transition from school to university as is evident from increased failure rates of key subjects such as mathematics (Solomons, 2011). In short, the South African schooling system is not delivering students who are adequately prepared for tertiary education and in turn, universities are not yet equipped to accommodate these learners (Nel, Troskie-de Bruin & Bitzer, 2009).

In a wider context, many US schools seem to be experiencing similar problems in terms of international students. For example, the number of English as-a-second-language students (ESL) entering US Colleges and Graduate schools is steadily increasing (Angelova & Riazansea, 1999). These students may often find that they are not adequately prepared for the rigors of academia in a first world economy such as the U.S. yet they are expected to perform to the same standards as American students. Angelova and Riazansea (1999) also contend that U.S. schools are posing stricter standard on writing proficiency, which increases the problem of preparedness for international students in terms of their English language and writing ability.

The under-preparedness of learners entering the tertiary educational environment indicates that a schooling system imperfection is currently evident in the economy. The universal agreement is that government should be an instrument through which citizens engage in projects like education that manifestly improves their collective welfare. As the majority of the schooling system operates within the public sphere, this imperfection can largely be classified as a government failure. From an economic perspective, this imperfection places the economy in disequilibrium and one needs to determine the conditions or relationships that have to be satisfied to restore equilibrium again. In the light of the situation discussed above, we now turn our attention to the second-best theory to explore the current predicament that marketing educators at tertiary institutions find themselves in, and the possibility of better understanding it.

THE SECOND-BEST THEORY

In economic models, equilibrium conditions arise when producers and consumers collectively maximize their behaviour. Suppose an economy operates under perfectly competitive conditions with no market or government failures, no negative externalities in production or consumption, and no public goods. In such a situation, producers maximize profit, consumers maximize utility and equilibrium is achieved with no adjustment costs or unemployment of resources. In this type of economy, the preferred government policy is a laissez-faire approach, and the resulting equilibrium is referred to as a first-best condition. This kind of market condition can be seen as the optimal economic condition since there is no conceivable way of increasing economic efficiency any further (Benneer & Stavins, 2007). However, real-world economics is unlikely to be so perfect, since market and government failures are part of any economy.

As soon as an imperfection or failure, such as the lack of sufficient schooling, is introduced into an optimal economic environment, the resulting equilibrium is less than optimum, reducing the level of national welfare. This situation is called a second-best equilibrium condition and is clarified by the 'theory of the second-best'. Formulated by Richard Lipsey and Kelvin Lancaster (1956), a second-best condition arises whenever all the equilibrium conditions satisfying the optimal economic condition cannot occur simultaneously. The principles of this theory have important implications for the understanding of potential interventions in situations where imperfections or government failures are experienced.

In this paper, it is assumed that the lack of student readiness for tertiary education is a government failure and this imperfection implies that the economy experiences a second-best equilibrium condition. The theory of the second-best posits that in the face of any imperfection or when governments fail, it is possible to add another carefully designed 'imperfection' to improve economic efficiency. We refer to this 'imperfection' as suggested curriculum changes, which will be discussed later in this paper. This second imperfection (an adapted curriculum) could therefore correct the inefficiencies of the first imperfection (under-prepared students) by more than the inefficiencies caused by the second imperfection (Suranovic, 1999). In other words, interventions that would reduce national welfare in the absence of imperfections can now improve welfare when there are imperfections present. Even though the potential intervention may not correct the imperfection in total, it may reduce the detrimental effects of that imperfection, obtaining a new and better equilibrium position in the economy. A general rule to achieve a first-best equilibrium is to use an intervention method that most directly addresses the existing imperfection. Due to the fact that a correction of the schooling system in South Africa (the first imperfection) would only take effect in correcting the equilibrium over the very long term, a second imperfection is required in order to reduce the detrimental effect of the first imperfection over the short term. It therefore seems as if the onus falls on tertiary institutions to implement this second imperfection.

The Role of the Marketing Educator

Tertiary institutions have identified the failure of the OBE schooling system as an institutional challenge, and the effect of it has now created various challenges in a number of disciplines, including marketing. Marketing educators have to face and address the challenges pertaining to the current OBE learners who lack basic skills such as adequate reading and writing. When marketing departments deliver 'under-prepared' students to the market, it poses a reputation risk to the image of marketing degrees as well as that of individual marketing departments. The aim has always been to deliver well-rounded students (products) to the market and the current situation has led to great concern in terms of the quality level (or lack thereof) that industry might attach to marketing degrees.

In addressing this challenge, it is essential to keep in mind that marketing educators, and many other academics, have not been pedagogically trained or educated to address basic skills. Currently, marketing educators' major challenge is to deliver students to the market with the necessary set of skills that meets the requirements of industry and commerce. This has created added

pressure on marketing educators in assisting current under-prepared students through foundation programs and more intense tutorial-driven models in an attempt to restore some sense of equilibrium.

Earlier in the paper it was mentioned that the challenge experienced in the educational environment is partly an institutional challenge. In reality, individual disciplines such as marketing are bearing the burden of this challenge. This is mainly because industry has an expectation of marketing graduates to have acquired an acceptable minimum skills level when leaving the university. The acceptable level of skills a graduate should have and what exactly these skills should be have been debated among academics and practitioners for some time. Some are of the opinion that analytical and problem solving skills are most important (Floyd & Gordon, 1998) where others believe that specialist marketing skills should be the main focus of a degree (Hill, McGowan, & Maclaran, 1998). Unfortunately, despite the graduates' contemporary marketing knowledge, industry members will question the quality level of the marketing graduates and subsequently, the marketing degree if these general skills are not sufficient. There is thus a mismatch with industry expectations that leads to dissatisfaction with tertiary institutions in general, and more specifically with marketing departments who produce these graduates.

At tertiary level, marketing educators are currently teaching innovative and up-to-date marketing matters, as they should, with no focus on developing and improving basic skills. This situation now causes an imbalance or disequilibrium in the economy when these students enter the market not being fully prepared and equipped to enhance the marketing industry. The result of this is a disgruntled industry and an added social cost to society at large.

The Second Imperfection

The second-best theory states that it is possible to accommodate for imperfections by adding another 'imperfection'. Thus, applying this theory, our marketing department (being responsible for curriculum development) has added a subject at the honors level (fourth year level) in order to address the skills shortage of students. The subject named Marketing in Practice covers various topics such as personal and professional development, managing personal finances, general writing skills, and personal and professional etiquette. The subject aims to equip students with some of the basic (non-marketing) skills required of marketing graduates by industry who seek to employ them. For every topic the student will be assessed through practical tasks and projects, which will culminate in a personal portfolio at the end of the academic year.

Unfortunately our intervention creates challenges for the academic department as mentioned earlier. The faculty members of the marketing department now not only take on the role of researcher and marketing educator, but also that of a teacher in general life skills. Marketing educators thus need to learn, explore, understand and teach subjects they are not necessarily academically qualified for or educated in. Despite the efforts of the marketing department to improve the economic equilibrium by implementing a second imperfection over the short term, it is important that the main focus should ultimately be on addressing the initial imperfection (government failure). Worth noting is that the South African government has recognized the shortcomings of the OBE curriculum and introduced a new school curriculum in 2010, referred to as Schooling 2025 (Butler, 2010).

CONCLUSION

We believe that the current disequilibrium between the inadequate schooling system and the needs of industry could best be addressed by collective efforts from marketing educators and industry members. To date, some businesses in South Africa have developed their own training academies to supplement tertiary education that do not equip students with the skills needed to be effective in their jobs (Botha, 2011). If tertiary institutions and industry members could join forces to address the disequilibrium, the combined impact may be superior to each of these acting in their own right to develop and implement second imperfections at random. As suggested by the African proverb "it takes a village to raise a child", a joint effort could in fact begin to direct the economy in general and the educational system specifically, towards a first-best-equilibrium.

References available upon request

Session 10.3. Marketing Challenges in BRIC

Session Chair: James Haefner, University of St. Francis, USA

Global Brand Purchase Intentions and the Emerging South African Consumer

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Bringing the Nation to the Nation Branding Debate: Evidence from Ukraine

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GLOBAL BRAND PURCHASE INTENTIONS AND THE SOUTH AFRICAN CONSUMER

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ABSTRACT

This paper presents the research findings of a global brand study conducted in South Africa. This empirical research sought to evaluate the relative contribution of the following eight constructs on global brand purchase intent: country of origin, brand familiarity, brand liking, brand trust, ethnocentrism, cosmopolitanism, global-local identify, global consumer culture and exposure to multinational advertising. Step-wise regression models were used for the study's ten brands. The regression models indicated that brand liking and brand trust were the most important predictors of global brand purchase intent in the studied sample of South African consumers.

INTRODUCTION

By all accounts, South Africa is the economic powerhouse of southern Africa. Not only is South Africa the largest economy in Africa, it also accounted for one-third of all African GNP between 2001-2008 on a purchasing power parity basis (Arora & Vamvakidis, 2009). Other indicators of South Africa's economic vitality include: a world class financial system, strong FDI growth, stability of the Rand, a rising middle class, a vibrant tourism sector, and an increasing per capita GDP. In the 2001/2002 *Global Competitiveness Report*, South Africa was ranked 50th about of the 142 countries profiled. The cumulative effect of South Africa's post-Apartheid (post-1994) development has seen a substantial increase in a black middle class. Yet, as the black middle class has grown, so has the disparity between affluent and poor South Africans. In 2010, South Africa had one of the highest Gini coefficients in the world at 0.67 (World Bank, 2011). This has led Joubert, Udjo and van Rensburg (2009) to describe the South African marketing environment as being "two tiered" (p. 40). South Africa thus presents an interesting environment in which to evaluate global brands.

The objective of this empirical study was to evaluate the relative contribution of eight constructs that influence global brand purchase intent. Those eight constructs were: country of origin, brand familiarity, brand linking, brand trust, ethnocentrism, cosmopolitanism, global-local identity, global consumer culture and exposure to multinational advertising. These eight constructs were chosen for various reasons. First, country of origin (COO) is foundational to global marketing. Every global brand has a COO. Second, brand familiarity, brand liking and brand trust influence global brand purchase intent, and purchase intent is an often used predictor in product demand forecasting. Third, ethnocentrism, cosmopolitanism, global-local identity and identification with a global consumer culture are other well-known consumer constructs that explain variations in international consumer behaviors. Finally, exposure to multinational advertising was a new measure developed to assess the degree to which media influence global brand purchase intent.

Country of origin

A special issue of *International Marketing Review* (Vol. 28, No. 5, 2011) highlights the ongoing debate surrounding country of origin (COO) in global marketing. Diamantopoulos, Schlegelmich, Palihawadana's (2011) research with consumers in China and the United States suggests that COO influences brand perceptions and, thus, in turn, influences buying intentions – at least in the refrigerator product category. Samiee (2011), in contrast, concludes that COO is not as relevant in the consumer choice process as most research suggests. Magnusson, Westjohn and Zdravkovic (2011) argue that COO is still relevant to consumers even if consumers make inaccurate COO attributions. These three new articles continue to contribute to the voluminous literature on all aspects of COO (Pharr, 2005).

In addition to issue of the accurate identification of COO, marketing scholars have variously tried to understand how COO affects perceived product value (Cervino, Sanchez & Cubillo, 2005), brand image and brand equity (Lin & Kao, 2004; Pappu, Quester & Cooksey, 2007). Okechuku (1994) used conjoint analysis to study the effect of COO on product choice in consumers living in Holland, Germany, Canada and the United States and found that COO was one of the two most important attributes in purchase evaluation. Okechuku (1994) found that consumers had a distinct preference for domestic products over foreign ones, especially when the COO was from countries with developing or emerging economies. This finding seems consistent across much of the COO literature: That there is a strong domestic preference for many product categories when consumers in developing countries evaluate COO (Watson & Wright, 2000).

H1: The greater the importance of knowing a brand's COO, the greater will be its effect on brand purchase likelihood.

Brand Familiarity

Brand familiarity reflects "the extent of the consumer's direct and indirect experiences with the brand" (Campbell & Keller, 2003) and directly affects consumer knowledge structures. Consumers who are familiar with a brand have more elaborate, sophisticated brand schemas stored in memory than consumers who are unfamiliar with the brand (Kent & Allen, 1994; Low & Lamb, 2000). Research has demonstrated that brand familiarity yields more favorable brand evaluation (Janiszewski, 1993; Holden & Vanhuele, 1999). Increased brand familiarity means that consumers will process advertising messages quicker and with less effort because they already "know things" about the brand (Chattopadhyay, 1998). Ahmed and d'Astous (2008) concluded that for their sample of male consumers living in Canada, Morocco and Taiwan "familiarity has a significant and substantial impact on COO evaluations" (p. 96). Indeed, "familiarity, trust and liking are the three most important drivers of brand loyalty" (Franzen & Moriarty, 2009, pp.310-311).

H2: Greater familiarity with a global brand increases the likelihood of global brand purchase.

Brand Liking

While brand familiarity is predominantly a cognitive process, brand liking invokes an affective response within consumers. de Houwer (2008) stated, "A core assumption in marketing research is that consumers tend to buy brands and products that they like" (p. 151). Anselmsson, Johansson & Persson (2008) defined brand liking as the "evaluative and global measurement capturing how positive and strong the perceived brand assets are from a consumer perspective" (p. 66). Boutie (1994) extended the concept by noting that brand liking "seeks to build consumers' positive attitude toward a brand based on the belief that it cares about them (or addresses them) as individuals" (p. 4). While intuitively attractive, global brand liking is an underdeveloped area of market research. Few studies of both the general the construct of brand trust and/or its relationship to global brands exist. The research reported here contributes to the extant literature on brand liking.

H3: Stronger global brand liking increases the likelihood of global brand purchase intent.

Brand Trust

Delgado-Ballester, Munera-Alemain and Yague-Gullien (2003) defined brand trust as "The confident expectations of the brand's reliability and intentions in situations entailing risk to the consumer" (p. 37). Brand trust has also been defined as "the confidence a consumer develops in the brand's reliability and integrity" (Chatterjee & Chaudhuri, 2005, p.2). Brand trust has been linked with brand loyalty as well as increased market share and advertising efficiency (Chatterjee & Chaudhuri, 2005).

Of recent interest has been the question of whether brands vary in terms of trust. Romaniuk and Bogomolova (2005) studied this question by controlling for brand size effects when they assessed trust scores of 110 local brands in 13 markets in subjects living in the United Kingdom and Australia. They found little variation in brand trust scores when controlling for market share. They concluded that "trust is more like a 'hygiene' factor in that all brands have to have a certain level of trust to be competitive in the market" (Romaniuk & Bogomolova, 2005, p. 371). If brands do not vary greatly in terms of trust, would the same hold true when consumers were asked to evaluate specifically their trust in a global brand?

H4: Global brand trust increases the likelihood to purchase a global brand.

Ethnocentrism

There is an extensive literature on ethnocentrism primarily because it's a pervasive aspect of all global transactions – not just marketing transactions. Ethnocentrism is defined as "the local proclivity of people to view their own group as the center of the universe, to interpret other social units from the perspective of their own group, and to reject persons who are culturally similar while blindly accepting those what are culturally like themselves" (Shimp & Sharma, 1987, p. 280). Shimp and Sharma (1987) developed the CET scale to measure consumer ethnocentrism and described the psychological and sociological roots of the phenomenon in succeeding research (Sharma, Shimp & Shin, 1995).

Empirical research has identified differences in domestic country bias between consumers living in developed versus developing countries (Batra, Ramaswamy, Alden, Steenkamp, & Ramachander, 2000; Upadhyay & Singh, 2006). The former clearly favored domestic over foreign products, while the latter favored the opposite. Research by Bawa (2004) indicated that, contrary to earlier findings, consumers from developing countries were biased toward imported over domestic products: "The label 'made in India' is not a liability. The Indian consumer will not lap up foreign goods merely because of their 'made in' tags" (p.43).

H5: Individuals with strongly held ethnocentric beliefs prefer to buy domestic brands over global brands.

Cosmopolitanism

Cosmopolitanism has its origin in sociology and cultural studies and refers to the fact that some individuals perceive themselves to be more "worldly" and less provincial than others. Skrbis, Kendall and Woodward (2004) suggested that cosmopolitanism is "a conscious openness to the world and to cultural differences" (p. 117). Cleveland and Laroche (2007) included cosmopolitanism as a subscale in their research aimed at developing a composite scale assessing acculturation to global consumer culture. In their six-country study, cosmopolitanism was a positive predictor of owning a personal portable stereo, CD and DVD players, a television set, a digital camera, a computer, a mobile phone, ATM and computer usage, Web surfing and e-mail, and DVD purchasing. Additionally, cosmopolitanism influenced purchase of a washing machine, a hair dryer, a vacuum, a refrigerator, and a microwave oven (Cleveland, Laroche, & Papadopoulos, 2009).

H6: Individuals with strongly held cosmopolitan values prefer to buy global brands over domestic brands.

Global-Local Identity

Global-local identity extends the concepts of consumer self-identity. Zhang & Khare (2009) stated that individuals with local identities "have faith in and respect for local traditions and customs, are interested in local events, and recognize the uniqueness of local communities; broadly, being local means identifying with people in one's local community;" individuals with a global identity, in contrast, "believe in the positive effects of globalization, recognize the commonalities rather than dissimilarities among people around the world, and are interested in global events; broadly, being global means identifying with people around the world" (p. 525). Global-local identities are complex, since individuals can maintain both local and global identities without much cognitive dissonance. In the context of global brands, individuals with local identities would/should prefer local brands; while consumers with global identities would/should prefer global brands.

H7: Individuals with strong local identities prefer to buy local brands over global brands.

Global Consumer Culture

Robertson (1987) defined globalization as "the crystallization of the world as a single space" (p. 38). Robertson's definition fits well within the established conceptualization of globalization as a series of "flows" across transnational boundaries, "of virtually everything that characterizes modern life: flows of capital, commodities, people, knowledge, information, ideas, crime, pollution, diseases, fashions, beliefs, images and so forth" (Tomlinson, 2007, p. 352). These "flows" have enabled brands to travel the world. This tendency to homogenize markets has resulted in a global consumer culture.

A global consumer culture emerges not only because consumers' needs are convergent across national boundaries but also because firms intentionally maintain a consistent global consumer culture positioning strategy in all markets (Alden, Steenkamp, & Batra, 1999). Further, a global consumer culture positioning strategy can have either a local emphasis, defined as "a strategy that associates the brand with local cultural meanings, reflects the local culture's norms and identities, is portrayed as consumed by local people in the national culture," or a foreign emphasis, defined as "a strategy that positions the brand as symbolic of a specific foreign consumer culture; that is, a brand whose personality, use occasion, and/or user group are associated with a foreign culture" (Alden, Steenkamp, & Batra, p.77). These two global consumer culture positioning strategies dovetail with global-local identity discussed above.

H8: Individuals who strongly identify with a global consumer culture will prefer to buy the global brand over the domestic brand.

Exposure to multinational advertising

Closely linked with global consumer culture is exposure to multinational advertising. Consumers must be exposed not only to the global product but also to the global values which the product expresses. Frequently, but not exclusively, this exposure is through advertising (Arnould, 2011). Mertz, He and Alden (2008) note that “advertising cross-culturally creates desires for the advertised products or services – whether affordable or not – and, as such, becomes associated with the inherent symbolism of those offerings” (p. 172) – thereby simultaneously creating and reinforcing a global consumer culture.

H9: Individuals exposed to multinational advertising will be more likely to identify with and buy global brands over domestic brands.

RESEARCH METHODOLOGY

The following ten global brands were chosen for this research: Avon, BMW, Chanel, Colgate, Haier, HSBC, Levi's, Prada, Samsung, and Zara. These global brands were chosen to cover a wide variety of product categories (consumer electronics, fashion, banking, personal care products and automobiles). In addition, the global brands chosen included low involvement (Colgate) and high involvement (BMW, Prada) products. Four brands were specifically chosen for their clear COO associations: BMW (Germany), Chanel (France), Haier (China) and Levi's (United States). Eight of the global brands were available in South Africa when the research was conducted (March-May 2010). Only Haier and Zara were not available.

Five point Likert-scales measured each construct. Importance of knowing a brand's COO ranged from “not at all important” to “very important.” Global brand familiarity ranged from “not at all familiar” to “very familiar” on a 5-point scale. Global brand trust was scaled “no trust at all” to “total trust.” Similarly, liking the brand ranged from “like nothing about the brand” to “like everything about the brand” on a 5-point scale. Finally, likelihood to purchase was a 5-point scale that ranged from “never purchase” to “always purchase.” It should be noted that these questions about the brands were phrased with a caveat, “if you were able” to purchase the brand.

Five attitudinal scales were designed to tap various aspects of consumer decision making: ethnocentrism, cosmopolitanism, global-local identity, global consumer culture and awareness of multinational advertising. All the scales used were subsets of previously published and validated survey instruments. The global-local scale (adapted from Zhang & Khare, 2009) consisted of 3 items ($\alpha = .66$), the cosmopolitanism scale (adapted from Cleveland, Laroche, Papadopolous, 2009) consisted of 3 items ($\alpha = .71$), the ethnocentrism scale (adapted from Cleveland, Laroche, Papadopolous, 2009) consisted of 4 items ($\alpha = .67$), the openness and desire to emulate global consumer culture scale (adapted from Cleveland & Laroche, 2007) consisted of 4 items ($\alpha = .71$), and the exposure to multinational advertising scale (adapted from Cleveland & Laroche, 2007) consisted of 4 items ($\alpha = .70$). A Principle Components Factor Analysis with Varimax Rotation was utilized initially to screen the items in the scales.

Recruitment of Respondents.

Study participants were recruited through a major university in Johannesburg, South Africa. Respondents were invited to participate in the survey by their course professor. Students were told that the survey was completely anonymous, that there was no way to track individual responses and that there would be no impact on any individual's final grade because of nonparticipation. Two weeks after the initial invitation to participate, students were again encouraged to complete the online survey, if they had not already done so. The university from which respondent were drawn has a strong, national reputation and attracts a diverse study body from across the country. The university offers programs at the undergraduate, graduate and doctoral levels.

RESULTS

The majority of respondents were male (68.9%) while most (91.4%) had either a bachelor's or master's degree. Almost 53% were never married while 44.1% were married. Almost 98% of the sample was “fully employed.” (See [Table 1](#)).

Demographic	Percentage (Mean)	Frequency
Gender:		
Male	68.9	122
Female	31.1	55
Education:		
Some college/university work	3.7	6
Bachelor's degree	45.1	74
Some graduate work	4.9	8
Master's degree	46.3	76
Marital status:		
Never married	52.5	94
Married	44.1	79
Divorced	2.8	5
Widow/widower	.6	1
Current Employment Situation:		
Unemployed	1.1	2
Employed part time	1.1	2
Fully employed	97.8	174
Age (mean)	31.3	

Respondents indicated they did feel a part of the global consumer culture with an average of 9.1 out of a possible 15 (See [Table 2](#)). South African respondents definitely felt more cosmopolitan in nature (13) and saw the presence of global / multinational advertising (12.0). In terms of their global-local identities, respondents felt more bound by local traditions and felt the local way of life was harmed by globalization. However, they were more ethnocentric having a mean of 8.0 out of 20. There was a disparity between their cosmopolitan views and their more inward leanings in terms of appreciating the local way of life and their more ethnocentric world view (8.3)

Scale	Means
Global Consumer Culture	9.1
Cosmopolitanism	13.0
Multinational Advertising	12.0
Global-Local	8.0
Ethnocentrism	8.3

Note. For global consumer culture, scores could have ranged from 3 to 15. For cosmopolitanism, scores could have ranged from 3 to 15. For multinational advertising, scores could have ranged from 4 to 20. For global-local, scores could have ranged from 2 to 10. For ethnocentrism, scores could have ranged from 4 to 20.

Means for Familiarity, Trust, Liking, COO, and Purchase Intent

For familiarity, South African respondents indicated the least familiarity with Haier (1.27), Zara (2.13), and Avon (2.85). The greatest level of familiarity was for BMW (4.84), Colgate (4.69), Levi's (4.66), and Samsung (4.57) (See [Table 3](#)). Concerning trust, the least trusted global brands were Haier (2.02) and Avon (2.89). The most trusted global brands were Colgate (4.46), BMW (4.38), Levi's (4.31), and Samsung (4.16). For liking, the least liked global brand was Avon at 2.58. The most liked global brands were BMW (4.09), Colgate (4.08), and Levi's (4.08). For country-of-origin, respondents felt it was most important for the brands BMW (3.32) and Samsung (3.05). The least need-to-know country-of-origin was HSBC 1.99. Finally for purchase intent, the brands most likely to be purchased were Colgate at 4.20 and Levi's at 4.06. The least likely brand to be purchased was Haier (2.13).

Brands	Means				
	Familiarity	Trust	Liking	COO	Purchase Intent
Avon	2.85	2.89	2.58	2.09	2.34
BMW	4.84	4.38	4.09	3.32	3.88
Chanel	3.70	3.94	3.59	2.49	3.50
Colgate	4.69	4.46	4.08	2.63	4.20
Haier	1.27	2.02	2.36	2.37	2.13
HSBC	3.50	3.45	3.20	1.99	3.24
Levi's	4.66	4.31	4.08	2.73	4.06
Prada	3.97	3.93	3.70	2.74	3.61
Samsung	4.57	4.16	3.94	3.05	3.91
Zara	2.13	3.21	3.33	2.25	3.33

Regressions

Separate stepwise multiple regressions were run for the ten brands (See Table 4). The dependent variable was likelihood of purchase of the brand while the independent variables included: familiarity with the brand, degree of trust in the brand, degree of liking the brand, and importance of knowing the county-of-origin of the brand. Most of the models were robust in their predictive ability. The exceptions were HSBC with an adjusted R² of .321 and Zara with an adjusted R² of .368. The most frequently occurring significant predictor across the ten models was global brand liking (8 times). The only brands where brand liking did not occur were Haier, and HSBC. Global brand familiarity was a predictor for Colgate, and Samsung. Trust was a significant predictor 3 times, Colgate, HSBC, and Prada. COO was a significant predictor for Levi's.

Table 4. South African Respondent Regressions (Familiarity, Trust, Liking, Importance of COO, Global Consumer Culture, Cosmopolitanism, Multinational Advertising, Global-Local, Ethnocentrism, Gender, Education, and Martial Status Regressed Against Likelihood to Buy)

Model/Brand	Model Summary				Coefficients (Standardized Betas)			
	F	Significance	R	Adjusted R ²	Variable(s)	t	Significance	Weight
Avon	25.0	.00	.786	.593	Liking GCC	6.5 3.3	.00 .00	.732 .376
BMW	35.7	.00	.746	.541	Liking Ethnocentrism	8.4 2.6	.00 .01	.764 .241
Chanel	36.3	.00	.642	.400	Liking	6.0	.00	.642
Colgate	35.0	.00	.845	.694	Liking Trust Age Familiarity	4.4 2.9 2.6 2.2	.00 .00 .00 .03	.433 .299 .200 .183
Haier	8.9	.00	.801	.569	Male	-2.9	.03	-.801
HSBC	9.9	.00	.597	.321	Trust Cosmo	3.2 2.3	.00 .02	.446 .318
Levi's	12.3	.00	.648	.386	Liking COO Not Married	4.4 2.7 -2.0	.00 .00 .04	.484 .294 -.226
Prada	45.5	.00	.809	.641	Liking Trust	6.3 3.84	.00 .02	.589 .362
Samsung	61.0	.00	.837	.690	Liking Familiarity	8.4 2.5	.00 .01	.716 .218
Zara	9.1	.01	.642	.368	Liking	3.0	.01	.642

For the most part, the attitudinal scales that were used as predictors in the models had limited predictive ability. They appeared in only 3 of the models. Multinational advertising and Global-Local did not appear as a predictor in any of the

models. Cosmopolitanism appeared in one model, HSBC. Global Consumer Culture appeared in the Avon model while Cosmopolitanism appeared in the HSBC model. The only demographics to appear in the models were gender, age and marital status. Females were more likely to purchase Haier products than males while married respondents were likely to purchase Levi's. Older respondents were more likely to purchase Colgate toothpaste.

CONCLUSION

When judged against the "standard" constructs of ethnocentrism, cosmopolitanism, local identities, global consumer culture, and importance of knowing a brand's country of origin, this sample of South African consumers tends to confound. For example, the hypotheses concerning ethnocentric beliefs, cosmopolitan values, local identities, and global consumer culture were not confirmed. These constructs only appeared in one model each and always were the lower significant standardized beta weigh in the model. Similarly, the hypothesis for COO also was not confirmed as it appeared in only one model. Familiarity appeared in two models but had the lowest beta weight in both models and thus was not confirmed. There was some stronger evidence for trust being a positive predictor of purchase intention. Branding liking was the key variable in almost all of the models. Thus this hypothesis is confirmed.

The absence of brand familiarity as an independent predictor was somewhat surprising, since [Table 3](#) suggests a moderately high level of brand familiarity with eight of the ten tested global brands. Mean scores ranged from 4.84 for BMW to 2.85 for Avon. As expected, the two brands not readily available in the South African market at the time of the research, Zara and Haier, had the two lowest brand familiarity scores, 2.13 and 1.27, respectively. Only Samsung and Colgate have brand familiarity in the regression model and in each case, the standardized beta weight indicates a relatively weak contribution. One explanation for the limited influence of global brand familiarity is that brand familiarity operates as a hygiene factor. All global brands must attain a certain level of familiarity for active consideration; otherwise they fall out of consumers' evoked sets (Romaniuk and Bogomolova, 2005). Familiarity may function more simply. Rather than being a truly continuous variable, familiarity may operate dichotomously. Either a consumer is or is not familiar with the global brand.

[Table 4](#) suggests the much stronger influence of global brand liking and global brand trust in purchase decisions. Global brand liking appears in nine of the ten models, while global brand trust appears in three models (Colgate, HSBC, Prada). In this research, "liking" is a surrogate for "attitude." When viewed from this vantage point, the presence of global brand liking for Avon, BMW, Chanel, Colgate, HSBC, Levi's, Prada, Samsung, and Zara suggest strong attitude formation or a strong affective dimension within these South African consumers that influences purchase decisions. Furthermore, products themselves can be classified as to whether they deliver hedonic and/or utilitarian benefits. Hedonic benefits are emotive and cater to consumers' inherent need for sensual pleasure. In contrast, utilitarian benefits stress the functional and utilitarian aspects of products. "The different nature of utilitarian and hedonic products may affect the buying process, in that the buying process of utilitarian products will be driven mainly by rational buying motives. In the buying process of hedonic products, in contrast, emotional motives also play an important role" (Sloot, Verhoef, and Franses, 2005, p.22). All of the products in which global brand liking is the strongest independent predictor are hedonic: Fashion brands (Zara, Prada, Levi), cosmetic brands (Avon, Chanel), consumer electronics (Samsung), automobiles (BMW) and toothpaste (Colgate). Additionally, as the research literature on trust noted above suggests, trust is a cognitive evaluation. Trust therefore can be understood as embodying the cognitive, functional component of brand purchasing. This explains why HSBC, the global bank, is the only global brand in which trust is the sole independent predictor. Consumer purchasing decisions around banking should be highly rational, and this sample of South African consumers seems to confirm that. Lastly, Colgate and Prada have both liking and trust in their model. This, too, makes sense consumers purchase those products for their combined hedonic (look good, feel good, fresh breath) and functional (quality material, prevents cavities) aspects.

In striking contrast to the most recent discussions (Diamantopoulos, Schlegelmich, Palihawadana, 2011; Magnusson, Westjohn and Zdravkovic, 2011), this research found no support for the relevance of COO in consumer decision making – at least in this sample of South African consumers. Country of origin might well have been, at one point in time, an important construct in global branding, but presently, these consumers suggest COO has lost its importance in terms of purchase decision influence.

This study has several limitations. [Table 1](#) suggests that the sample might not be as representative of South Africa consumers as desired. South Africa a very detailed consumer classification system. The Living Standards Measures (LSM) identifies 10 socio-economic groups. LSM 1 identifies the poorest South Africans (regardless of race), while LSM 10 identifies the most affluent South Africans (regardless of race) (Joubert, Udjo and van Rensburg, 2009). [Table 2](#) suggests this sample most likely captures LSM 7, 8 or 9. Further research should be conducted to select a sample more representative of South Africa. This is

especially important since respondents completed the survey online. Access to the Internet is not evenly distributed across the entire population, thus leading to some selection bias. Second, every brand tested in this research serves as both a corporate and a product brand. Follow-up research should be conducted to untangle the halo effect that the corporate brand might have from the specific product brand. Additionally, in an effort to manage the questionnaire length, shortened versions of the ethnocentrism, cosmopolitanism, global-local identify, global consumer culture and multinational advertising were used. Table 1 indicates that while the Cronbach alpha's were relatively strong, full versions of each scale might have produced more robust alphas. In all, this sample of South African consumers presents interesting findings since they seem to "contradict" some of the more common assertions about motivations for global brand purchase intent. Since most of the research hypotheses were not confirmed, more research, including the testing of local brands needs to be done.

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BRINGING THE NATION TO THE NATION BRANDING DEBATE: EVIDENCE FROM UKRAINE

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INTRODUCTION

The emergent stream of research on branding nations, places and destinations has been growing along with a plethora of definitions, terminology and conceptualizations (Gnoth 2002; Papadopoulos 2004; Kavaratzis 2005; Hanna and Rowley 2008; Fan 2009). By place branding we refer to an articulated set of marketing actions that present the following traits: They are i) different in terms of unit of analysis, ranging from the city to a whole country; ii) may involve multiple stakeholders including local and national governments, citizens, companies, and the media; and, iii) cover a large array of objectives, such as enhancing exports, protecting local/national production, attracting tourists and foreign investors, facilitating international relations, and more (Papadopoulos 2004). While established contributions on “country-of-origin” mostly hold companies’ perspective and deploy the place to improve the attractiveness of other products designed, assembled and/or produced in these places, place branding literature fosters the perspective of governments and individuals (both tourists and local dwellers) and considers the place as the main object of market exchange (Anholt 2004, 2011). Therefore, place branding constitutes an excellent theoretical context by which to improve understanding of the arenas in which markets consume others’ identity, here represented by the identity of a place.

In this paper, we discuss the nation branding in emerging markets with a specific focus on Ukraine, a post-communist nation that has been engaged in nation branding efforts since gaining independence from the Soviet Union in 1991. We have undertaken a two-phase project in which the first phase focused on thoroughly collecting, reviewing and analyzing visual data in the form of marketing promotion campaigns pertaining to Ukrainian place branding. We believe that our findings from the first phase have implications to the nation branding literature in that they contribute by i) bringing evidence from the Ukrainian place branding efforts, and ii) raising pertinent questions to further advance the field of study.

BACKGROUND

Nation branding literature has undergone two major transformations. First, it shifted from destination branding, which envisioned initiatives mainly meant to target tourists, toward city and nation branding (Hanna and Rowley 2008). This shift called to action more articulated types of audiences (companies, foreign governments and organizations, the media, etc.). Second, it pushed past the simple idea of place promotion in favor of a more comprehensive idea of incorporating an increasing number of marketing perspectives and tools (Kavaratzis 2005). As a consequence, this stream of research has now opened the way to works addressing the stakeholders so far left untended, the local citizens in particular.

In contrast to prior literature, this work aims at raising new conceptual questions while focusing its attention on a missing category of stakeholders: the citizens of the place engaged in nation branding initiatives. We argue that nation branding leverages upon the history, traditions, culture, productivity, and reception skills of place dwellers who act as citizens, service suppliers, employees, endorsers, and even ‘characters’ in the commercialization and theatrical representation of the place in favor of tourists, foreign investors and organizations, and foreign employers. In a way, the collective identity of these groups is crafted by nation branding actions and later marketed to a varied array of prospect targets with whom these people have to interact, exchange, and negotiate. In detail, we aim at:

- i) Unpacking the processes of construction of nation branding (How and by whom are the constituents of nation branding selected?),
- ii) Interpreting the processes of place consumption by the intended targets (How do tourists or other targets appropriate place elements conveyed to them by place branding actions?),
- iii) Observing the role of and the affect on local citizens of nation branding activities (Which role do they play? How does the selling out of their collective identity to foreigners activate their individual identity?).

The majority of existing place branding research is either managerial or concept-driven. Managerial projects are likely to explore the application of marketing logics to improve the economic development of the place they promote (Anholt 2004; 2011; Aronczyk 2008; Fan 2009, 2006; Giannopoulos et al. 2011; Jaffe and Nebenzahl 2001; Kotler and Gertner 2002). Consequently, these studies primarily deal with governments, companies, and tour operators. Projects that are conceptual in nature explore the connections between place branding, city branding and nation branding (Hanna and Rowley 2008); the boundary between place branding and country-of-origin (Papadopoulos 2004); the separation between nation brand and nation branding (Fan 2006); or the difference between corporate and place branding (Kavaratzis 2005). As such, they mostly benefit scholars and consultants in the field.

RESEARCH CONTEXT AND METHODS

As discussed by Kaneva (2012:5), post-communist countries offer a proper perspective to study “the changes in the structure and relations of power, identification, and mediation that were enabled by the end of the communism”. From an empirical point of view, this paper analyzes an emergent, post-communist economy, that of Ukraine. With a population of around 45 million, Ukraine maintains an increasingly close relationship with the European Union (EEAS 2012).

While consistent with the AMS’ call for papers on the new world economy, Ukraine has been selected for many additional reasons. After achieving independence from the Soviet Union in 1991, it has been transitioning from communism to capitalism and from a central economy to a market economy. Almost seven decades of Soviet hegemony and influence are slowly being replaced in an attempt to construct a Ukrainian national identity (Nordberg and Kuzio 1998). This extended time-horizon allows a longitudinal exploration of Ukrainian nation branding campaigns. These campaigns include multiple stakeholders (some were started by local governments, others originated from the people living in the country) and have various focuses (political, touristic, sports, etc.). Lastly, the upcoming UEFA Euro 2012 European Football Championship will direct attention of numerous and distinct stakeholders to Ukrainian nation branding efforts, thus stimulating stakeholders’ reflexivity on the topic and making our empirical field particularly promising in terms of insights.

The process of data collection for this research includes both secondary and primary data collection techniques. We have analyzed Ukrainian nation branding materials, including short promotional videos from Youtube and Ukraine’s official EURO 2012 site (Ukraine2012.gov.ua), logos, press articles and press releases from the official EURO 2012 web site (uefa.com). We also monitored various European web sites, blogs, forums and fan sites such as poland2012.net, eurocup.org, euro2012.nu, and euro-2012-blog.com. In the second phase of the data collection we plan to supplement our analysis of the mentioned materials by means of semi-structured, in-depth and phenomenological interviews (Thompson et al. 1989) and ethnographic techniques (Kozinets 2010) complemented by relevant field observation where possible. Informants will be selected according to principles of variety and contrast (Miles and Huberman 1984) among Ukrainian citizens and UEFA EURO 2012 visitors. Data analysis will follow established procedures of interpretive research (Spiggle 1994). In particular, secondary data has already been analyzed according to the principles of visual analysis (Schroeder 2002; Scott 1994). This involved starting with a description of the visual elements in terms of subject matter, form and style and interpreting them in relation to our research questions. We specifically focused on the discourses and ideologies portrayed in the promotional materials.

FINDINGS AND DISCUSSION

The main findings from our visual data analysis suggest several key outcomes. First, Ukraine has conveyed to its audiences a plethora of visual information that is rather diverse in nature. Its nation brand appears to be a collection of folkloristic, architectural, natural, economic, urban, and social elements. The promo-videos are focused on the visual appeal of clean cities, happy people, a healthy life style, elegant architectural landmarks, and beautiful nature accompanied by contemporary music themes with themes from Ukrainian folklore. They have created catchy slogans such as “Switch on Ukraine” or “High Time to See Ukraine,” which were created to show the attractiveness of Ukraine, primarily to foreign tourists.

A clinical analysis of Ukrainian overwhelming nation branding strategy shows that it contrasts with established principles of communication and branding. Both branding and communication literatures have long recommended to reduce the number of information conveyed to the target audience(s) in order to increase the returns of the marketing efforts. In branding, clear positioning justifies such an information pruning (Keller 1998), while in communication audience’s limited cognitive capabilities inform the choice of communicating less to communicate better (Aaker et al. 1992). However, Ukrainian decision to include multiple visual and informative stimuli can also be read in light of the experience marketing literature, which would suggest stimulating all the consumer’s senses (Schmitt 1999) and thus multiplying the levels of experience

performance. Moving from this consideration, the question that this preliminary finding brings forth is whether nation branding actions should comply with guidelines applied in communication and branding theories or with those indicated by theories of 'experience marketing'. In different words, our research has led us to ask: Are nation brands closer to corporate brands and persuasive commercials or are they more like consumer experiences? This question should provide the underpinning of the second phase of our research.

The second finding indicates that Ukraine has been building its new identity by stating what it is not - a communist country - instead of conveying a clear, assertive, and distinctive image of what it is. In this regard, we aim to explore how tourists and citizens make sense of an identity that is constructed by means of rejection and which does not impart key, distinctive traits. Looking closely to its nation branding actions, it becomes evident how these campaigns desperately try to reassure both local and international stakeholders. This finding is supported by other recent studies on nation branding in post-communist countries. For example, Kaneva and Popescu (2011) show that nation branding has been used also to attenuate the turmoil in Romania and Bulgaria after the collapse of communism. Kemming and Sandikci (2007) notice that also Turkey has been relentlessly trying to reassure European leaders to facilitate its process of EU application. Ostapenko (2010) states that Russia is using nation branding to re-position the country's negative image globally through the Sochi 2014 Winter Olympic Games. Another former USSR country, Moldova has also directed its nation branding efforts to increase tourism and attract foreign investors (Tonu 2011). Anholt (2007) offers an interesting explanation for post-communist nations' need for distancing themselves from their political past. He argues that communism constituted the end of national identity, since it interrupted the export of these countries' national products while impeding the free circulation of people. However, if these contributions confirm that for post-communist nations reassurance is apparently more relevant than assertiveness and also provide explanations for that, they do not help us understand the implications both for tourists and local citizens of such a distancing approach to nation branding. How do tourists and citizens make sense and emotionally elaborate an identity that is constructed by means of rejections and which does not hold key, distinctive, positive traits?

Finally, Ukraine seems to elaborate part of its nation branding campaign around the foundational notion of 'customer orientation.' A current campaign has the slogan "Ukraine. All about U". This statement could constitute an innocent, welcoming approach to attract tourists. However, if we combine the customer/tourist-centric evidence with our second finding, the implication could be that tourists are given additional power to manipulate Ukrainian identity. How do local citizens interpret the power attributed by incoming visitors in providing meanings to their nation? Can we detect forms of resistance or strategies of negotiation?

This research aims to provide a more specific contribution to the literature on place branding and nation branding than what is available currently. First, by highlighting the role of citizens, it focuses on an element that has almost remained at the margins of the literature. Second, the preliminary findings offer some emergent and unexpected answers to our research objectives while indicating innovative venues for the next steps of data collection and analysis.

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Session 10.4. Service Innovation and Customer Management

Session Chair: Marco Wolf, University of Southern Mississippi, USA

Leveraging Brand Communities for Service Innovation

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Tawfik Jelassi, ENPC School of International Management - Paris, France

Complexity Sciences in Services Research – Challenges and Opportunities

Göran Svensson, Oslo School of Management, Norway

Carmen Padin, Vigo University, Spain

Consumer Adoption of Cloud Computing Service: An Exploratory Study

Bo Dai, University of North Texas, USA

A Conceptual Contribution to Research on Stimulating Service Innovation – The Interrelation of Service Innovation and Customer Complaint Management

Julia Meik, Zeppelin Universität, Germany

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LEVERAGING BRAND COMMUNITIES IN SERVICE INNOVATION

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ABSTRACT

Numerous earlier studies affirm the importance of services for corporations (Moller et al. 2008; Michel et al. 2008). Vargo and Lusch (2004) and Gronross (2007) identify service innovation and improvement as an important means to enhance market orientation and increase firms' success in terms of profitability, competitiveness and customer loyalty. However due to the specific characteristics of services (Djellal and Gallouj 2001; Menor et al. 2002) i.e., their intangibility, co-production with customers, simultaneity, heterogeneity and perishability (Fitzsimmons and Fitzsimmons 2000; Avlonitis et al. 2001) their development process is to a certain degree unique. As services primarily are processes that are simultaneously produced and consumed, these processes vary and so does the resulting output (Alonso-Rasgado et al. 2004). This complex, relatively intangible, constitution of services, together with the large range of service types, makes services difficult to relate to during new service development (Menor et al. 2002; Johnes and Storey 1998). To counter the dynamic nature of services, some earlier studies support the integration of consumers in the service innovation process (Aa and Elfring 2002, Matthing et al. 2004). Matthing et al. (2004) state that 'Altogether, new service development relies on the difficult task of understanding and anticipating changing customer needs, with little help from traditional market research', laying emphasis on novel ways to articulate informal consumer knowledge. In this regard, Goffin and Mitchell (2005) and Juarsin (2010) distinguish between two components of innovation in services: service products (manner in which the services are produced and delivered to customers) and service augmentation (manner to ensure service quality, e.g. customer contact, quality of the contact and the servicescape or ambient conditions). These two components combine to form the augmented service offering, an important aspect of which is to incorporate clients experiences and capabilities, a shift from service provider to service co-creation paradigm, in line with the changing role of customers and the value of understanding their needs and problems stemming from services. As more and more studies realise the potential of user knowledge in service innovation, firms are faced with the dual challenge: (a) to identify relevant sources of user knowledge, i.e. from where to get consumer need information pertaining to service innovation, and (b) how to cater to consumers' expectations in the inhomogeneous and overcrowded market landscape with large array of products, i.e. to gather information efficiently about a large range of products. As consumer conversations shift online, one possible solution may be to listen to consumer discourses in the virtual space through monitoring the Brand Communities, which contain abundant brand related informal knowledge. Muniz and O'Guinn (2001) observe that these communities may be of special interest for firms as they behave as information sharing hubs for admirers of a particular brand or product and hold consumer conversations specific to one brand or product in a condensed and relevant form. Although many online platforms such as discussion boards, consumer forums, virtual communities etc. co exist, brand communities (BC) are likely to be the most relevant platforms to listen and engage consumers towards their service innovation efforts as they are formed and structured around a single brand or product, hence acting as information hubs, focused on a specific brand or product. This study intends to address this theme by exploring the potential of brand communities in the context of service innovation. To this objective, one brand community was identified and a ten-month-long netnographic study was conducted. Netnography as research methodology was adopted as it is especially suited to study digitized consumer communities formed through Computer Mediated Communication (CMC). The study followed the netnographic procedure drawn by Kozinets (2002). At the initial stage the community was observed in a non systematic manner, to become familiar with the particular culture and codes of the group, next the forums of the selected brand community were searched by key words, twenty individual and fifty combinations (e.g. service, store experience, home service, delivery, problem, after sales, experience etc.). In total over 8,000 messages were collected, coded and classified using NVIVO 9. The emerging themes form the basis of our findings, which suggest that monitoring brand communities can provide firms with consumer insights pertaining to (a) "service products", (b) quality of "service augmentation" in the servicescape, (c) efficiency of the customer contact, and (d) overall service experience on three levels: interpersonal service, remote service, and self-service. These insights can provide firms with informal consumer knowledge about their overall service experience, which firms can use to improve existing "service products" and the overall quality of "service augmentation" at all customer contact points in the servicescape.

References Available Upon Request

COMPLEXITY SCIENCES IN SERVICE RESEARCH – CHALLENGES AND OPPORTUNITIES

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ABSTRACT

The objective is to provide illustration of theory from complexity sciences in service research. The performance of service encounters and the outcome of service quality are dependent upon complex and dynamic interactions between service providers and service receivers. Complexity sciences in relation to the interactive nature of the performance of service encounters and the outcome of service quality is likely to trigger and encourage innovative research designs and alternative methodological approaches to new research problems in service research. A suggestion of further research is to address where and how we can learn from other research disciplines that have explored the addressed aspects from complexity sciences in a more advanced way, and how we can transfer and incorporate these aspects and knowledge into services. The inclusion and consideration of complexity sciences in the performance of service encounters and the outcome of service quality generates a series of managerial and research implications regarding the dynamics and complexity of the interactive nature in services.

References available upon request.

CONSUMER ADOPTION OF CLOUD COMPUTING SERVICE: AN EXPLORATORY STUDY

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INTRODUCTION

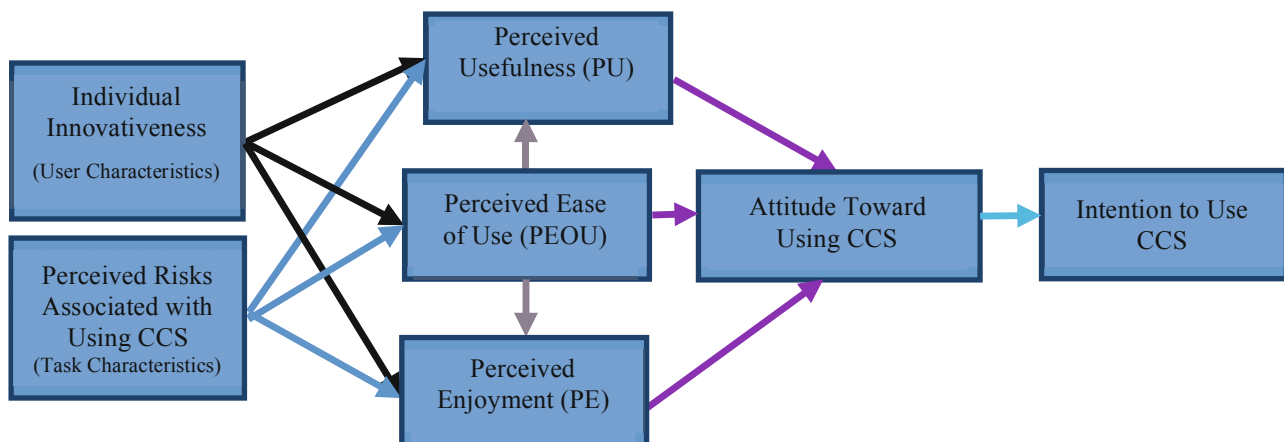
Although software and computing process have long been regarded as products among consumers (Armbrust et al., 2010; Skiba, 2011), the advancement of technologies (e.g., high-speed internet) and infrastructures leads to the notion that software and computing can be delivered as a type of service through an innovative technology called cloud computing. Cloud Computing Service (CCS) delivers applications and processing as services via the Internet, while the software and data are stored on servers at a remote location (Armbrust et al., 2010). In other words, under the context of CCS, software and computing process have become a utility such as electricity and water. Advantages of CCS include reduced investment in hardware and software, immediately elevated performance, etc. CCS is believed to be a billion dollar market and growing (Buyya, Yeo, Venugopal, Broberg, & Brandic, 2009). Nevertheless, CCS will reshape the way in which consumers perceive software and computing process (Armbrust et al., 2010) and make purchase decisions. How the notion of CCS diffuses among individual consumers remains unexplored.

The purpose of this study is to empirically test what factors determine consumers' adoption of CCS, using the Extended Technology Acceptance Model (TAM) (Davis, Bagozzi, & Warshaw, 1992). Specifically, this study examined the impact of two external variables (i.e., individual innovativeness and perceived risk associated with using CCS) on adoption of CCS. This study also aims to provide managerial guidelines for CCS providers and marketers so that they can better facilitate the diffusion process of this new technology by addressing consumers' concerns effectively.

BACKGROUND AND HYPOTHESES

The context relevant to this study is that how consumers take the concept of CCS, evaluate the service and decide whether or not to adopt this new service when CCS is implemented as a platform for delivering computing services to individual consumers. Thus, the success of this market largely depends on consumers' acceptance of the concept and their willingness to adopt this new technology. According to the extended technology acceptance model (TAM), perceived usefulness (PU), perceived ease of use (PEOU), and perceived enjoyment (PE) impact attitude and behavioral intentions within the context of adoption of a new technology (Davis et al., 1992). Moreover, the original TAM model postulates that external factors, such as user and task characteristics, will directly impact PU and PEOU. Therefore, we integrated the influence of domain-specific individual innovativeness (as the user characteristics) and perceived risk associated with using CCS (as the task characteristics) with the extended TAM model to examine consumers' acceptance of and intention to use CCS (see Figure 1).

Figure 1. Conceptual Model for Acceptance of CCS



According to diffusion of innovation theory (Rogers, 2003), innovative technology is often communicated through certain channels, typically starting with the personnel characterized with a higher level of innovativeness in society (Gatignon & Robertson, 1985, 1993). The rationale is that a person with a high level of innovativeness is more likely to accept a noble

concept and technology. For instance, R.E. Goldsmith, Hofacker, Kim, Flynn, and Kim (2005) found that fashion innovativeness strongly predicted consumers' willingness to adopt a new product. Similarly, Pagani, Hofacker, and Goldsmith (2011) found that technology innovativeness is positively related to the use of social networking sites. Moreover, Ronald E. Goldsmith and Hofacker (1991) proposed the concept of domain specific innovativeness (DSI) that reflects the tendency to learn about and adopt innovations within "a specific domain of interest" (Goldsmith and Hofacker 1991, p. 211). This definition is consistent with the argument that innovativeness must be identified and characterized on a product category or domain basis (Gatignon and Robertson 1985). In this study, individual innovativeness is defined and operationalized as individual's tendency to learn about and adopt technology. It is hypothesized that (see [Figure 1](#)):

H1a-c: Individual innovativeness will positively impact PU (a), PEOU (b) and PE (c).

Individual innovativeness alone is not sufficient to predict consumers' adoption of CCS. Consumers tend to be risk averse in their actions (Grahame R. Dowling & Staelin, 1994). Perceived risk explains consumers' specific behavior (Bauer, 1960; Mowen & Minor, 2011). In this study, perceived risk is defined and operationalized as a consumer's perception of the overall negativity of a course of action on an assessment of the possible negative outcomes and of the likelihood that those outcomes will occur (G. R. Dowling, 1986). Featherman and Pavlou (2003) found that technology acceptance is influenced by perceptions of overall risk that negatively impact perceived usefulness. We argue that perceived risk is adversely associated with PU, PEOU, and PE (see [Figure 1](#)):

H2a-b: Perceived risks associated with using CCS will negatively impact PU (a), PEOU (b), and PE (c).

Individual takes the concept of a new technology and evaluates the usefulness, ease of use, and enjoyment associated with the technology, then decides whether to adopt or reject the innovation. Such relationships have been testified by a number of studies (e.g., (Featherman & Pavlou, 2003; Kim & Forsythe, 2008; Lee, Cheung, & Chen, 2005; Shih, 2004; Stoel & Lee, 2003). Thus, it is hypothesized that PU, PEOU, and PE will positively affect attitude toward using CCS. Furthermore, PEOU will positively affect PU and PE, whereas attitude toward using CCS will positively impact the intention to use CCS, and mediate the impact of PU, PEOU, and PE on intention to use (see [Figure 1](#)):

H3a-b: PEOU will positively impact PU (a) and PE (b).

H4a-c: PU (a), PEOU (b), and PE (c) will positively impact attitude toward using CCS.

H5: Attitude toward using CCS will positively impact intention to use CCS

H6: Attitude toward using CCS will mediate the impact of PU, PEOU, and PE on intention to use CCS.

RESEARCH METHODS

A self-administered online survey was conducted, using a convenience sample of 91 college students. All participants were briefed with the concept and application of CCS in a statement placed on the first page of the questionnaire. Participants then responded to questions that measured innovativeness (Goldsmith & Hofacker, 1991), risk perceptions associated with using CCS (Featherman & Pavlou, 2003), PU (Davis, 1989), PEOU (Davis, 1989), PE (Davis, Bagozzi & Warshaw, 1992) attitude toward using CCS (Roehm & Sternthal, 2001) and intention to use CCS. Technology anxiety and web security perceptions were measured as covariates (Meuter, Ostrom, Bitner, & Roundtree, 2003; Salisbury, Pearson, Pearson, & Miller, 2001). Scale items were adopted from the literature and revised for the purpose of the present study. Extra credit or a \$5.00 Starbucks ® gift card was offered to students as an incentive.

An exploratory factor analysis, using principal components analysis with a varimax rotation was conducted to test construct validity of the scale items. All items loading lower than .60 on the corresponding construct were deleted (Marsh & Hau, 1999). Cronbach's alphas for constructs with retained items were higher than .85, indicating a satisfactory level of internal consistency. Items for each construct were averaged to create a composite variable for the respective construct and for the purpose of subsequent regression analyses.

RESULTS AND DISCUSSION

Hypotheses 1a-c and 2a-c predict that individual innovativeness and perceived risk associated with using CCS will positively impact PU, PEOU, and PE of CCS. To test this relationship, a multiple regression was conducted by submitting innovativeness and perceived risk as the independent variables and PU, PEOU, and PE as the dependent variables,

controlling the effect of technology anxiety and web security perceptions. The results indicated that both innovativeness and perceived risk were strong predictors PU (innovativeness: $\beta = .219, p = .018$; perceived risks: $\beta = -.377, p = .002$; $R^2 = .421$), PEOU (innovativeness: $\beta = .231, p = .002$; perceived risks: $\beta = -.331, p = .001$; $R^2 = .475$), and PE (innovativeness: $\beta = .454, p < .001$; perceived risks: $\beta = -.392, p = .001$; $R^2 = .575$) when the effect of technology anxiety and web security perceptions were controlled for. Therefore, both H1a-c and H2a-c were supported.

Hypotheses 3a and 3b predicted that perceived ease of use will positively impact perceived usefulness and perceived enjoyment. To test this relationship, a simple regression was conducted by submitting PEOU as the independent variable and PU and PE as the dependent variable, respectively. The results indicated that PEOU strongly impacted both PU ($\beta = .484, p < .001, R^2 = .234$), and PE ($\beta = .578, p < .001, R^2 = .334$). Thus, both H3a and H3b were supported.

To test H4a-c which predicted that PU, PEOU, and PE will positively impact attitude toward using CCS, a multiple linear regression was conducted by simultaneously submitting PU, PEOU, and PE as the independent variables and attitude toward using CCS as the dependent variable. The results indicated that all three variables (PU: $\beta = .333, p = .001$; PEOU: $\beta = .282, p = .003$; PE: $\beta = .282, p = .007$) were strong predictors for attitude toward using CCS ($R^2 = .569$). Therefore, H4a, H4b, and H4c were supported.

Hypothesis 5 predicted that attitude toward using CCS will positively impact intention to use CCS. To test this relationship, a simple regression was conducted by treating attitude toward using CCS as the independent variable and intention to use CCS as the dependent variable. The results indicated that attitude toward using CCS ($\beta = .659, p < .001$) is a strong predictor for intention to use CCS ($R^2 = .434$). Thus, H5 was supported.

Hypothesis 6 postulated that attitude toward using CCS will mediate the impact of PU, PEOU, and PE on intention to use CCS. The three-regression model approach was used to test the mediating role of attitude toward using CCS. It was found that the mediating effect of attitude toward using was significant only for the relationship between PE and intention to use CCS. Specifically, in the first regression equation, PU ($\beta = .446, p < .001$), PEOU ($\beta = .314, p < .001$), and PE ($\beta = .253, p = .002$) positively influence intention to use CCS. In the second equation, PU ($\beta = .333, p = .001$), PEOU ($\beta = .282, p = .003$), and PE ($\beta = .282, p = .007$) strongly impacted attitude toward using CCS. In the third equation, while PU ($\beta = .269, p < .001$), PEOU ($\beta = .164, p = .005$), and attitude toward using ($\beta = .532, p < .001$) remained as strong predictors of intention to use CCS; the impact of PE on intention to use CCS was attenuated ($\beta = .104, p = .105$). Thus, hypothesis 6 was partially supported. The results indicated that PU, PEOU, and attitude toward using CCS are all viable and independent predictors of attitude toward using CCS, whereas the impact of PE on intention to use CCS was more complicated as this relationship was underlined by the mediating effect of attitude toward using CCS.

This study was conducted to provide a deeper understanding of the influence of individual characteristics (innovativeness) and task characteristics (perceived risk associated with using cloud computing service) on users' acceptance of a new technology, i.e., cloud computing service, using the extended technology acceptance model (TAM) as the theoretical framework. The results showed that both individual innovativeness and perceived risks associated with using CCS are strong predictors of perceived usefulness, perceived ease of use, and perceived enjoyment, which subsequently impact individuals' intention to adopt CCS through the mediation of attitude toward using CCS.

A major contribution of this study is the development of a conceptual model – based on the extended technology acceptance model -- which identifies the impact of external variables (e.g., user and task characteristics) on the formation of belief, attitude, and behavioral intentions. The empirical contribution of this study is the insights gained by examining the impact of domain-specific innovativeness and perceived risks associated with using CCS on individuals' attitude toward using and intention to use CCS, controlling the effect for two covariates: technology anxiety and web security perceptions. Although many have criticized the robustness of TAM (Bagozzi, 2007; Benbasat, 2007) to examine the acceptance of a new technology or information system, the findings presented here testify that the extended TAM remains as a significant theoretical model that depicts users' adoption of a new technology in the context of CCS.

These findings provide managerial guidelines for CCS developers and providers. By understanding the relationships of individual innovativeness, perceived risks associated with using CCS, PU, PEOU, and PE, attitude toward using CCS, and intention to use CCS will assist CCS developer to better address the issues that may hinder users' adoption of CCS. On one hand, perceived risks associated with using CCS negatively impact PU, PEOU, and PE. CCS developers and providers should make efforts to market CCS as a dependable alternative for software as well as reliable computing services for their users. On the other hand, innovativeness is positively associated with PU, PEOU, and PE. Thus, CCS providers should

consider initiating CCS marketing by experimenting this service with users with higher level of innovativeness. By securing a positive service experience among innovators, it is likely the adoption of CCS will eventually trickles down to the general population. Except for PE, PU, PEOU, and attitude toward using CCS are both strong independent predictor of intention to use CCS. As cloud computing is a fairly new technology, not many consumers have experienced CCS as services. Thus, the focus of marketing strategies should be placed on its functional benefits for consumers instead of hedonic values because PE is not a crucial independent factor in explaining consumers' adoption of CCS at its early stage.

References available upon request.

A CONCEPTUAL CONTRIBUTION TO RESEARCH ON STIMULATING SERVICE INNOVATION – THE INTERRELATION OF SERVICE INNOVATION AND CUSTOMER COMPLAINT MANAGEMENT

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ABSTRACT

Services can easily be imitated and depend on continuous innovation (e.g., Sundbo, 1997); hence service innovation is of strategic importance. Accordingly, service innovation has received considerable attention in the marketing literature (e.g., Storey & Kahn, 2010; Ordanini & Parasuraman, 2010; Umashankar, Srinivasan & Hindman, 2011). The role of external knowledge integration to stimulate service innovations has been a topic among this research. Customers have been identified as an important knowledge source for services. Customers directly receive and benefit from service innovations (Hipp & Grupp, 2005); this is why their ideas should be considered to foster innovations and to increase customer satisfaction. Research has so far focused on the direct integration of customers such as customer co-creation and its contributions to services and service innovation (e.g., Hoyer, Chandy, Dorotic, Krafft & Singh, 2010; Melton & Hartline, 2010; Chan, Yim & Lam, 2010; Vargo & Lusch, 2008). However, disadvantages of direct customer integration such as customers' limited mindset advancing only incremental, preventing radical innovations and its lack of formalization potential have come to the fore. Hence, recent research has claimed the importance of further examining customer integration into innovation processes (e.g., Ostrom, Bitner, Brown, Burkhard, Goul, et al. 2010).

Findings on indirect customer integration into service innovation processes demonstrate that especially the integration of customers' ideas in the initial stage of the innovation process provides information on customer needs (e.g., Magnusson, Matthing & Kristensson, 2003). Furthermore, indirect customer integration usually involves a combination of customer and employee knowledge because customer input has to be analyzed and interpreted by internal knowledge sources. Empirical findings show that employee integration into the innovation development process advances innovation performance (e.g., Odininani & Parasuraman, 2010; Melton & Hartline, 2010; Eisengerich, Rubera & Seifert, 2009). Against this background this study focuses on customer complaints as a potential indirect form of customer integration. Customer complaints information analysis potential to stimulate service innovation has not been examined so far. However, recent studies have discussed the relevance of formalization potential in the innovation process (e.g., Etlie & Rosenthal, 2011). Formalization is seen as the beginning of knowledge creation since it leads to codification of knowledge. Customer complaint controlling could offer initial possibilities for formalization, since complaints can be categorized and accounts can be identified. Further but equally relevant, complainers show a high level of affective commitment to the service provider (e.g., Evanschitzky, Brock & Blut, 2011). According to the theory of lead users (e.g., Franke, von Hippel & Schreier, 2006) in manufacturing innovation development, complainers could be particularly qualified for and willing to invest into feedback because they benefit directly from contributing to service innovation processes.

Hence, this conceptual study addresses gaps in current research on other more indirect forms of customer integration. First, while customer complaint handling and stimulation have received considerable attention in the marketing literature, research on customer complaint controlling and complaint information analysis has been largely neglected. In addition, analysis of complaint information to generate ideas for service innovation has not been examined and overlooked to date. Based on this current state of research, we develop a conceptual framework and investigate research questions focusing on the interrelation of two streams of research: service innovation and customer complaint management.

References available upon request.

Session 10.5. Wine Marketing

Session Chair: Adam Mills, Simon Fraser University, Canada

A Tale of Two Tongues: Does Language Moderate Sparkling Wine Preferences in Belgium

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Quentin Heller, Xavier Vins, France

Sean Sands, Monash University, Australia

Colin Campbell, Monash University, Australia

Exploring Cultural Meanings Embedded in Entrepreneurial Marketing Efforts of New Mexico Wineries

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Sarita Ray Chaudhury, Humboldt State University, USA

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A TALE OF TWO TONGUES: DOES LANGUAGE MODERATE SPARKLING WINE PREFERENCES IN BELGIUM

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Quentin Heller, Xavier Vins, France
Sean Sands, Monash University, Australia
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INTRODUCTION

Belgium, a relatively small country, with roughly 10 million people ranks fifth in terms of wine importations with roughly 300 million bottles per year. As a result of a complex history and profound and ongoing political crisis, the country is mainly composed of two communities: the French speaking and the Dutch (Flemish) speaking. Despite the cultural differences in these two Belgian communities and the political difficulties Belgium faces, all Belgians share a common bond, the love for 'bubbles'. The sparkling wine market is particularly important in Belgium and represents 20% of the market in value. The main proposition of this research is that French speaking and Dutch speaking Belgians have different sparkling wine purchasing behaviour. The main intention of this paper is to identify the differences related to the attributes that define sparkling wine. The full length version of this research will explore the impact of culture, demographics, consumption behaviour and how all of this mediates sparkling wine purchase behaviour in the Belgian market.

BACKGROUND

Wine is a "unique" product with a "complex series of attributes", within each of which there is "more variation than in general packaged or FMCGs" (Goodman et al., 2005). Therefore, "consumer choice for wine is more complex than the choice for many other products" and deserves special study (Lockshin and Hall, 2003). Rungie (2005) confirmed that wine was an excellent area for analysis because it has more attributes which are also more "substantive than most product categories". It has been suggested that wine consumers may be loyal, not necessarily to a specific wine brand, but to one or more other attributes (Jarvis et al., 2003). Wine is a product that has a large number of attributes that can only be assessed during consumption (Lockshin et al., 2006). Many wine purchases are made using information from the label as "proxies" for the content of the bottle (Lockshin et al., 2006). Other important influences are consumer characteristics like level of involvement, risk averseness and situation where the consumer intends to drink the wine (Lockshin and Hall, 2003; Lockshin et al., 2006). These external factors give credence to the use of attributes in a functional, informational and reputational manner to aid in decision-making and clearly demonstrate the challenges involved.

Three studies (Keown and Casey, 1995; Molla et al., 1998; Dall'Olmo Riley et al., 1999), demonstrate that the stream of early research on wine attributes started in Western Europe. Adding context to this stream of research, Hall and Lockshin (2000) highlighted the numerous attributes that influence the buying behaviour of wine. They subsequently emphasised the conflicting order of importance of the attributes such as taste, price, origin, variety and brand (Lockshin and Hall 2003) and provided a 'new world' perspective. Goodman et al. (2005) demonstrated that variety, quality and region are almost equally preferred attributes and that all three are preferred more than brand. This further supports the need for wine decision making research to be broader than brand alone. These studies experimentally demonstrated the importance of attributes in wine. Goodman et al. (2005) suggests that the best way to decide which attributes caused consumers to purchase a particular wine was to use choice-based experiments or the analysis of actual consumer purchases. This sets the stage for this research where attributes relevant to the sparkling wine category will be investigated in the Belgian market.

RESEARCH METHODS

There is a stream of literature on wine buying preferences using revealed preference data (Cohen, Lockshin and Sharp, 2012; Cohen, 2011; Cohen and Tataru, 2011; Sharp, Lockshin and Cohen, 2011). The usage extensions of stated preference research applied to wine attributes and wine retail has developed considerably in recent years (Cohen et al., 2006; Goodman, Lockshin and Remaud, 2010; Lockshin, Mueller and Louviere, 2010; Lockshin and Cohen, 2011; Mueller, Lockshin and Louviere, 2010).

Stated preference choice models have been used in areas as diverse as marketing, transportation, environmental economics and health economics (Louviere et al., 2000). Furthermore, these models have been used in decisions as diverse as consumer demand for travel demand (Ben-Akiva and Lerman, 1985) and unique cultural events (Louviere and Hensher, 1983). The

collection of stated preference data and discrete choice models derived from random utility theory have become the standard technique used to model individual choice behaviour (Hensher et al., 2005; Louviere et al., 2000). Hensher et al. (2005) discuss the fact that models of individual choice have their foundations in classic economic consumer theory, which is the source of many of the assumptions within the models. Economic consumer theory states that consumers are rational decision makers that, when faced with a set of possible consumption alternatives, assign preferences to each of the various bundles and then choose the most preferred from the set of affordable alternatives. Individuals are said to select the consumption bundle that maximises their utility, subject to their budget constraint. The most common discrete choice model is the linear in parameters, utility maximising, multinomial logit model (MNL). During the choice process consumers attach a certain structural utility V_i to each alternative i ; this utility is a function of all attributes, and is measured with an error e_i . Each decision maker will derive an amount of utility for each of the alternatives within the universal (but finite) set of alternatives. The MNL model was derived by McFadden (1974).

The decision of the attributes to include was based on the following process outlined in [table 1](#) below.

Table 1: Attribute Selection Process

Stage 1	Retail store observation	In store investigation of sparkling wine labels
Stage 2	Secondary statistics	Analysis of Belgian wine statistics & consumption reports
Stage 3	Literature review	Review of previous wine attribute & discrete choice studies
Stage 4	Qualitative research	In depth interviews with major hypermarket wine buyers
Stage 5	Attribute selection	Selection of 5 attributes (brand, product, price, dosage & classification)

Ngene software (Rose et al., 2008) was used to develop an orthogonal main-effects fractional factorial design and generate an economical number of choice profiles from the full factorial design. Choice sets were accompanied by a scenario description to guide the purchase decision, asking respondents to imagine that they are “in a supermarket and plan to buy a bottle of sparkling wine for a dinner with friends, among the following propositions which of those would you purchase?”!

There were five attributes in total: three six-level and two three-level attributes. These are listed in [table 2](#) below.

Table 2: Attributes and Levels Selected

Attribute	Brand	Product	Price	Dosage	Classification
Levels	Martini	Cremant	3.99 Euro	Very Dry	No mention of Quality
	Jaillance	Prosecco	6.99 Euro	Dry	Quality
	Freixenet	Cava	9.99 Euro	Semi-Sweet	High Quality
	Unknown	Clairrette	12.99 Euro		
	Private Label	Vin Mousseux	15.99 Euro		
	Sieurs d'Arcques	Champagne	18.99 Euro		

The sample for this study comes from an email list from SOPEXA Belgium, a wine communications agency. This sample is comprised of 23,000 thousand email addresses of Belgian residents who regularly purchase wine. The survey was translated by professionals from English to French and Dutch. The survey was administered using Qualtrics. Respondents were prompted to select their preferred language on the opening page of the survey. Due to time constraints the survey link was only open for data collection for 3 days. The survey was roughly 20 minutes in length. Numerous questions related to wine and more specifically sparkling wine buying, consumption behaviour and involvement were collected and analysed. These results are not presented here for brevity.

RESULTS AND DISCUSSION

A total of 291 surveys were collected in September 2011. The sample was skewed (2 to 1) for French speaking Belgians compared to Dutch (Flemish) speaking Belgians. Despite this skew, the samples were very similar from a socio-demographic perspective and ultimately considered reasonably representative when compared to Belgian statistics such as gender, age, family situation, income and profession.

The notable differences between the 2 segmented samples were related to geography. The majority (99%) of Dutch speaking Belgians live in the Flanders region whilst 71% of French speaking Belgians live in Wallonia with 24% living in Brussels.

The relative importance of the attributes investigated is presented in [table 3](#) below.

Table 3: Relative importance of attributes for full sample and linguistic split

Attribute	Belgium (Full Sample)	French Speaking (n=202)	Dutch Speaking (n=89)
Brand	17%	19%	28%
Product	20%	19%	22%
Price	29%	39%	33%
Dosage	29%	20%	9%
Classification	5%	3%	8%

When exploring the full sample (n=291), it is apparent that the most important attributes are price and dosage followed by the product type, brand and lastly classification. Classification clearly has very little impact. When separating the sample into French and Dutch (Flemish) speakers there are interesting results.

For the French speaking community, price accounts for nearly 40% of the choice. Brand, product type and dosage all have equal importance. Classification is of very little importance. Clearly, price is driving the decision making. For the Dutch speaking community, price is still a major component of the decision structure. However, brand is much more important for this community. The product does not differ considerably in importance to the French speaking community. The dosage is markedly less important for the Dutch speaking community suggesting that these buyers are less involved in the category and perhaps lack a clear understanding of how this attribute moderates their experience. On the other hand, classification is of more importance suggesting that perhaps the classification of quality by regional regulators has a greater impact on the Dutch speaking community than that of the French.

The key finding related to the utilities of the attribute levels are presented in [table 4](#) below.

Table 4: Utilities of full sample and linguistic split

Attribute	Level	TOTAL SAMPLE				FR SAMPLE				NL SAMPLE			
		COEFF	SE	B/STD ER	P-VAL	COEFF	SE	B/STD ER	P-VAL	COEFF	SE	B/STD ER	P-VAL
Brand	Martini	0.02	-	-	-	-0.02	-	-	-	0.03	-	-	-
	Jaillance	0.00	0.11	-0.01	0.99	-0.28	0.20	-1.36	0.17	0.12	0.13	0.89	0.37
	Freixenet	0.12	0.09	1.38	0.17	0.26	0.16	1.60	0.11	0.05	0.11	0.51	0.61
	Unknown	0.02	0.08	0.27	0.79	0.15	0.15	0.97	0.33	-0.01	0.10	-0.11	0.91
	Private Label	0.11	0.09	1.28	0.20	-0.12	0.16	-0.73	0.47	0.22	0.11	2.04	0.04
	Sieurs d'Arcques	-0.24	0.05	-4.45	0.00	-0.04	0.10	-0.38	0.71	-0.35	0.07	-5.35	0.00
Product	Cremant	0.04	-	-	-	-0.02	-	-	-	0.07	-	-	-
	Prosecco	0.19	0.08	2.28	0.02	0.39	0.15	2.66	0.01	0.10	0.10	1.03	0.30
	Cava	-0.12	0.09	-1.39	0.16	-0.48	0.16	-2.98	0.00	0.03	0.10	0.32	0.75
	Clairette	0.05	0.09	0.54	0.59	-0.15	0.16	-0.95	0.34	0.15	0.11	1.45	0.15
	Vin Mousseux	-0.24	0.09	-2.57	0.01	-0.13	0.17	-0.78	0.44	-0.30	0.11	-2.73	0.01
	Champagne	0.16	0.07	2.29	0.02	0.35	0.13	2.71	0.01	0.08	0.08	0.95	0.34
Price	3.99 Euro	-0.02	-	-	-	-0.36	-	-	-	0.12	-	-	-
	6.99 Euro	0.11	0.09	1.19	0.23	0.17	0.17	1.00	0.32	0.11	0.11	0.97	0.33
	9.99 Euro	0.36	0.07	5.12	0.00	0.34	0.12	2.71	0.01	0.37	0.09	4.27	0.00
	12.99 Euro	-0.01	0.06	-0.18	0.86	0.12	0.10	1.20	0.23	-0.07	0.07	-1.02	0.31
	15.99 Euro	-0.28	0.06	-4.78	0.00	-0.23	0.11	-2.16	0.03	-0.31	0.07	-4.40	0.00
	18.99 Euro	-0.21	0.09	-2.39	0.02	-0.76	0.17	-4.54	0.00	0.01	0.10	0.12	0.91
Dosage	Very Dry	0.06	-	-	-	-0.02	-	-	-	0.11	-	-	-
	Dry	0.18	0.05	3.35	0.00	0.27	0.10	2.71	0.01	0.15	0.07	2.27	0.02
	Semi-Sweet	-0.12	0.04	-2.69	0.01	-0.29	0.08	-3.56	0.00	-0.04	0.05	-0.81	0.42
Classification	No mention of Quality	0.18	-	-	-	0.05	-	-	-	0.22	-	-	-
	Quality	0.12	0.06	2.12	0.03	-0.01	0.10	-0.10	0.92	0.17	0.07	2.54	0.01
	High Quality	0.06	0.05	1.20	0.23	0.06	0.08	0.74	0.46	0.05	0.06	0.88	0.38

When reviewing the findings of the full sample, brand yields no interesting results. The only significant result is the negative utility for Sieurs d'Arcques, which can be attributed to the fact that this is a brand with a poor image. Product type has a

significant negative utility for vin mousseux. This is consistent with this being a proxy generic name for a style of sparkling wine, but is not bound by a French geographic appellation. There are significantly positive utilities for prosecco and champagne. The result for champagne is as expected. However, the utility value for prosecco is surprising, in the context of Belgium, because the major growth in the sparkling wine market is through cava. Price yields results as expected with a significant negative utility for high priced sparkling wines. There is also a significant positive utility for sparkling wines priced 9.99 Euros. This suggests that this price point is the 'sweet spot' for the category and that perhaps bottles priced below this point are of a lesser quality. Dosage yields a significant positive utility for dry sparkling wines and a significant negative utility for semi-sweet wines, suggesting that increased sugar content has a negative impact on preference for the sparkling wine. The utility for quality is significantly positive. However the no mention of quality classification has the highest utility.

Compared to the total sample, the French speaking respondents had no significant utilities for the brand attribute. However, there is a surprisingly high utility for Freixenet which is a Spanish cava. This does not resonate with apriori expectations that one might have of a community with a French cultural link. For instance, one could theorise that this is related to the preference for low prices sparkling wines and warrants further investigation. Another postulation for further research is that perhaps the French speaking wine buyers recognise Freixenet, as it is a popular brand, but don't actually know what its style (geographic origin) is. Within the French speaking community, we find significant positive utilities for prosecco and champagne, but a strong and significant negative utility for cava. We propose this identifies a level of unconscious dissonance, as these buyers have a strong opposition to cava (style) yet they have a highly positive utility for a well-known cava Freixenet (brand). The French sample displayed similar behaviour to the full sample with significant positive utility for sparkling wines priced at 9.99 Euros, and a significant negative utility for high priced sparkling wines. A notable difference is the extreme negative utility for wines priced at 18.99 Euros. The French speaking community had a similar response to the dosage as the full sample with significant positive utility for dry and significant negative utility for semi-sweet. There are no significant outcomes from the classification attribute for the French speaking sample.

The Dutch (Flemish) speaking sample demonstrated a significant positive utility for private label brands. This suggests that this community is open to buying private label sparkling wines in contrast to the French speaking sample who maintain a negative utility for private label sparkling wines. This sample also has significant negative utility for the brand Sieurs d'Arques. This makes intuitive sense in the context that these Dutch speaking buyers probably have unlikely heard of this French brand (given it is from a southern region of France). The lack of salience compounded by the strong French association perhaps lends to this significant result. The Dutch speaking sample demonstrate different preferences for product than their French speaking counterparts. There is a significant negative utility for the style vin mousseux, which is likely due to the same effect of the 'unknown' French brand. This style of sparkling wine likely lacks traction in the Dutch speaking community. The Dutch Speaking sample demonstrates some similarities to their French speaking counterparts with regard to price. There is a significant positive utility for wines priced 9.99 Euros and a significant negative utility for wines priced 15.99 Euros. The Dutch speaking group appear to deviate from other Belgians in that when the price rises to 18.99 Euros, they become ambivalent. This suggests perhaps that these Dutch speaking people may be more receptive to marketing communications related to high priced sparkling wines. With respect to dosage, the Dutch speaking respondents demonstrated a significant positive utility for dry sparkling wines and a significant positive utility for a quality classification.

Differences between these two groups of Belgians, who differ linguistically and culturally, are apparent in our results. We propose future research should consider the integration of our findings within the context of the recorded wine consumption and buying behaviour data collected in the survey. The socio-demographic data collected, cultural measurements, opinions of the country of origins and experiences with these countries will be applied alongside the consumption and purchase information collected to perform an advanced segmentation to ascertain if significant clusters exist and what of these aforementioned moderating factors mediate the buying preferences of Belgian sparkling wine consumers.

References available upon request.

EXPLORING ENTREPRENEURIAL MARKETING EFFORTS OF NEW MEXICO WINEMAKERS

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ABSTRACT

New Mexico (NM) accounts for just 0.068% of the annual U.S. wine production (ATTTB report, 2011) but the southwestern state's folklore boasts the oldest winemaking history in the country. NM currently grows 127 varieties of grapes, produces over 700, 000 gallons of wine per year, and is home to approximately 42 wineries and tasting rooms (NM Wine Growers Association, 2012). Majority of NM wineries are small scale operations often founded by individual winemakers who face unique challenges. Although there is considerable coverage in the extant wine marketing literature about the wine business per se, there is limited research from the winemakers' perspectives. In particular, scholars have called for further research on smaller wineries to understand the producer's side of the business (Beverland, 2000; Richardson, 2004). Also, given the entrepreneurial nature of winemaking and the extensive marketing efforts undertaken to establish the uniqueness of wineries and wine labels, there is little knowledge about winemakers' entrepreneurial marketing (EM) efforts. The aim of this paper is therefore to explore the EM dimensions of NM winemakers.

We collected data through participant observation at NM wine festivals and in-depth interviews with seven NM winemakers. Interviews were conducted by one of the authors at participating wineries and/or tasting rooms. Each winemaker was interviewed at two separate occasions, with the first interview eliciting narratives about personal experiences related to winemaking and the second interview generating stories of entrepreneurial marketing efforts. Interviews were digitally recorded and immediately transcribed. Data analysis was performed independently by the three authors through iterative analysis and coding of data and revealed four emergent themes.

The 'spirit of the pioneer' theme revealed that for several of the participants, winemaking as a livelihood typically began with the acquisition of land for growing grapes. The desire to be independent, to be the master of one's destiny, was a common element across narratives. This trait aligns with the opportunity driven dimension of EM (where the individual possesses creative insights of identifying or creating previously unexplored opportunities (Morris et al., 2002)). In the second theme, 'survival of the fittest,' proactiveness emerges as a strong driver towards surviving in NM's fragmented wine region to achieve national name recognition. Several informants spoke of learning how to grow specific varieties suitable for the NM terroir through extensive trial and error that require years of hard work often accompanied by failures. Additionally, winemakers learn blending techniques to produce good quality wines, and participate in prominent wine festivals to prove their mettle and validate their winemaking skills are important proactive measures designed to showcase their pioneering efforts. Under the third theme 'customers know best,' we observed tensions as informants experienced conflicts between production constraints, consumer demands and personal philosophies. Some winemakers truly want to produce quality wine and improve their offering to consumers from year to year. They take pride in winning winetasting competitions and displaying their gold medals and awards in their tasting rooms. Others, realizing that many customers are not true wine connoisseurs compromised and produced wines with added sugar, fruit flavoring and other additives. They voiced personal dissatisfaction over these choices but cited marketplace demands and consumer ambivalence as reasons for making such disagreeable decisions. The last theme, 'resource leveraging through networking,' showcase the individual's (or firm's) acumen to make do with less, to seek out collaborative efforts such as borrowing, sharing and other means to work within one's limited means. As winemaking involves several operational levels requiring knowledge across multiple fields, we found that seeking out and utilizing resources within the network of winemakers is a very important EM dimension that yields results in other areas such as innovation, risk management and value creation processes. Passion, zeal and enthusiasm are believed to be at the heart of the EM concept. NM winemakers demonstrated these in every aspect of their everyday lives. Unlike other products and services where there may be an initial start-up period which goes onto steady operational processes with maturity and growth, winemaking is challenged with continuous uncertainties such as availability of steady customer flow, acquiring and managing finances, and maintaining a steady cash-flow. Hence, irrespective of the number of years in business, pursuing opportunities through proactiveness, innovativeness, minimizing risks through resource leveraging, and creating value through customer interaction are often carried out with the basic idea of survival, a concept that has been largely ignored in EM conceptualizations.

References available upon request.

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